COUNTY OF BRUNSWICK
NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008

COUNTY OF BRUNSWICK
NORTH CAROLINA

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2008

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

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STATISTICAL SECTION:

County of Brunswick
Finance Department

Post Office Box 249
Bolivia, North Carolina 28422

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October 20, 2008

Honorable Members of the Brunswick County Board of Commissioners and Citizens of Brunswick County, North Carolina:

State law requires that all local governments publish within four months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Brunswick County for the fiscal year ended June 30, 2008.

This report consists of management's representations concerning the finances of Brunswick County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Brunswick County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Brunswick County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Brunswick County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Martin Starnes & Associates, CPA's, P.A., a firm of licensed certified public accountants, has independently audited Brunswick County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Brunswick County for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Brunswick County's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Brunswick County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Compliance Letters.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Brunswick County's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

Brunswick County, founded in 1764 by the North Carolina General Assembly, is located in the southeastern corner of the State in the coastal plains region. As is typical of coastal plains, the topography is characterized by flatlands with soil composition of sand and sand loam. Forming a natural boundary on the southeast, the Atlantic Ocean gives the County approximately 47 miles of beachfront. It has an estimated population of 104,114, which is an increase of over 40% since 2000. It is the third largest county in the State, having a land area of 896 square miles.

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

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

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

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

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

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

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

The annual budget serves as the foundation for Brunswick County's financial planning and control. Each year all County departments are required to submit requests for appropriation to the County Manager, who then compiles a proposed budget and presents it to the Board of Commissioners for review. The board is required to hold public hearings on the proposed budget and to adopt a final budget by July 1 of the fiscal year, or the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The annual ordinance includes appropriations for the General, the Special Revenue (excluding the grant projects) and the Enterprise funds. Note 1 provides additional information on budgetary data. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 20 as part of the basic financial statements for the governmental funds. For annually budgeted special revenue funds, this comparison is presented in the non-major governmental fund subsection of this report, which starts on page 76. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e., capital project funds).

Factors Affecting Financial Condition

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

Local economy. Brunswick County in recent years has been one of the fastest growing counties in North Carolina and in the United States. The permanent population grew at a rate of approximately 5 percent annually over the last ten years. Over the last twelve to eighteen months, Brunswick County has experienced a decline in building permits, excise taxes and new utility services. Tourism income remained steady, as did most of the County's manufacturing facilities. Since 1990, Brunswick County has had one hundred twenty-three plant announcements, creating 4,875 new jobs and over $426.0 million in new capital investment. Brunswick County has five improved industrial parks with great potential for future development.

Plans have been announced by the NC State Ports Authority to develop most of a 600-acre tract on the west bank of the Cape Fear River near Southport into a port capable of moving 2 million cargo containers a year, at a cost of $1 to $1.5 billion. The port would move more than 10 times the amount of containers currently handled in Wilmington. The Authority is currently under a $6.6 million contract with CH2M to develop plans for the port, including market studies. The authority plans to secure permits and financing by 2012 and begin construction in 2013 with the port to begin operations beginning in 2016.

There are two hospitals located in the County. Brunswick Community Hospital, a 60-bed acute-care facility, is owned by the Brunswick County Hospital Authority, a public body corporate and politic. The hospital opened in November, 1977 and is located in the approximate geographic center of the County. In March 2006, the Authority leased the Brunswick Community Hospital to Novant Health. On April 29, 2007, Brunswick Community Hospital, affiliated with Novant Health received conditional State approval to build a 74 bed replacement hospital with all private rooms. The cost of the replacement hospital is estimated to be more than $100 million with 200,000 square feet. The new hospital facility is current under construction approximately 3 miles from the current facility on Hwy. 17 near Brunswick Community College. Construction on the new facility began in mid 2008 and is anticipated to be complete between 2010 and 2011. The replacement hospital will provide 74 private rooms, 5 operating rooms, 1 GI endoscopy room, pharmacy, lab and emergency room.

The County's diversified economy is based primarily upon tourism, manufacturing and agriculture. Because the County does not rely heavily on textile jobs, tourism has become the fastest growing economic base in the County. Tourism contributions include permanent, as well as secondary housing development, increased retail sales, increased employment opportunities and increased demand for potable water and wastewater collection and treatment services. Agriculture remains an important factor in the County's economy with the principal crops grown being tobacco, corn, soybeans, various grains, sweet potatoes, truck crops and blueberries. The raising of livestock and poultry also contributes significantly to the agricultural economy along with greenhouse and nursery operations. Tourism or service sector jobs account for 82%, with manufacturing accounting for 16%, and finally agriculture/seafood accounting for the remaining 2% of employment in Brunswick County.

The County and State's unemployment rate at August 2008 was 6.9 percent. The County's recent high growth rate was due to many people moving to Brunswick County for its quality of life. As with the nation, the County's high growth rate, in residential and commercial development has recently subsided.

Brunswick County is becoming the golf capital of the State of North Carolina. Thirty-six state of the art golf courses (with new courses under construction and in the planning stages) with most having residential/commercial development associated with them are located in the County.

Long-term financial planning. The County's Capital Improvement Plan through the year 2013 provides a plan, based on need, to fund and acquire various projects.

The County issued $26.5 million of general obligation bonds in August 2007 for construction of facilities at the Brunswick Community College and $3.3 million of two-thirds general obligation bonds for senior center and park capital projects. The bonds are to be serviced by ad Valorem tax collections. The County also incurred $35.5 million of private placement bank debt in March 2008 for construction of the Town Creek Elementary School and the Cedar Grove Middle School. The debt will be serviced by local option sales tax designated by the N.C. legislature for public schools.

Also included in the County Capital Improvement Plan are utility projects that equal approximately $69 million for fiscal year 2009. Water system improvements total over $18.8 million and include waterline extension projects totaling $2.8 million, the Utilities Operations Center and Warehouse at $4.4 million, an automated meter reading system at $6 million, and transmission system improvements at $1.2 million. Wastewater improvements for fiscal year 2009 total $50.2 million and include a $1.05 million in design fees for the expansion to the Northeast Brunswick Regional Water Reclamation Facility, $8 million for the Calabash area wastewater system expansion, $37 million for the construction of the Sunset Beach Wastewater Collection System project, $1 million for regional pump stations, and $1.15 million for the Stanley Road Sewer Transmission Line. The Calabash and Sunset Beach wastewater collection systems will be financed with debt proceeds and serviced by customer assessments. Other general government projects planned for fiscal year 2009 include a Social Services office expansion, Health Department HVAC renovation, and County Cafeteria building expansion for $7.1 million, park facilities in Holden Beach and Ocean Isle/Sunset Beach estimated at $6 million, a Senior Citizen/Community Center for $2.5 million, and land and design fees for the expansion of the C&D Landfill for $8 million. The county projects are planned to be financed mainly by capital reserve funds with the exception of the C&D Landfill expansion which may require the issuance of debt.

The West Brunswick Regional Water Reclamation Facility Phase 1, completed in February of 2006 at a cost of $60.4 million, provides for the effluent to be land-applied, either on tree farms or golf courses. There will not be any discharge of treated effluent to any surface water from the West Brunswick Regional Facility. The project is fully supported by user charges. Along with this effort, the County revised its sewer use ordinance and adopted a county-wide storm water management ordinance and program to enhance the effectiveness of the regional wastewater system concept. The county is currently constructing the West Brunswick Regional Water Reclamation Facility Phase 2 planned to expand the plant capacity from 3 mgd to 6 mgd and provide a transmission line to serve the Town of Oak Island. The County acquired the Town of Shallotte Wastewater treatment plant July 1, 2007 incorporating that plant into the West Brunswick Regional Facility. The County issued revenue bonds in January of 2008 for $52.8 million to fund the expansion of the West Brunswick Regional Water Reclamation Facility and the Southwest Area Pump Station and Force Main project. The West Brunswick Regional Water Reclamation Facility Phases 1 and 2 will serve the Town of Holden Beach, Town of Oak Island, Town of Shallotte, large residential and commercial developments, and retail customers within the county residential service area.

Plans are underway to begin design of an expansion and transmission improvements to the Northwest Water Plant with construction planned in 2 phases with the first phase in 2010 and the second phase in 2012 for an estimated total cost of $60 million.

The County operates the Northeast Brunswick Regional Water Reclamation Facility which serves the Town of Leland, Navassa, City of Northwest and the North Brunswick Sanitary District and is fully supported by user charges. A preliminary engineering report has been issued and plans are underway to expand the Northeast Facility in 2010 to accommodate growth in the northern part of the County. The current 1.65 mgd plant is planned for a 3 mgd expansion for a total capacity of 4.65 mgd at a cost of $31 million with the debt to be serviced by the regional participant contributions and County retail water fees.

Cash management policies and practices. Under the authority of North Carolina General Statute 159-30, the County invests in obligations of the United States Treasury and several of its agencies and instrumentalities. Investment vehicles are chosen with the greatest emphasis placed on credit quality, maturity and yield. The cash and investment portfolio balance for the fiscal year ended June 30, 2008 for all funds except bond proceeds in certain capital project funds is $128.3 million. The average yield on investments was 4.09 percent. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the County intends to hold to maturity.

In addition to its investment portfolio, the County has invested bond and installment purchase proceeds at the North Carolina Capital Management Trust, First Citizens Bank, and RBC Bank. These separate investment accounts are used as a means to maximize investment yield while segregating investment earnings on financing proceeds for federal arbitrage purposes. At June 30, 2008 the County had six accounts totaling $96.1 million in unexpended financing proceeds and accumulated interest earnings.

Risk management. The County is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has secured insurance from various underwriters to cover property, general liability, and worker's compensation issues. Employee health coverage is also provided through a fully insured program administered by Cigna.

Pension and other post employment benefits. Brunswick County provides pension benefits through a statewide plan managed by the State Treasurer. Brunswick County has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment to the retirement system.

Brunswick County administers a single-employer defined benefit pension plan for its qualified sworn law enforcement officers. The County has chosen to fund the pension plan on a pay as you go basis. Pension expenditures are made from the general fund annually, and benefits are recognized when due and payable in accordance with the terms of the plan.

Brunswick County also provides postretirement health and dental care benefits for qualified retirees and their dependents. As of June 30, 2008, there were 144 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP requires governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits in the future. Additional information on Brunswick County's pension arrangements and post employment benefits can be found in Note 9 in the notes to the financial statements.

Awards and Acknowledgements

Awards. The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. This is the seventh year that the County has received the prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. The report also must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,

Ann B. Hardy

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Brunswick North Carolina

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

County of Brunswick, North Carolina
List of Principal Officials
June 30, 2008

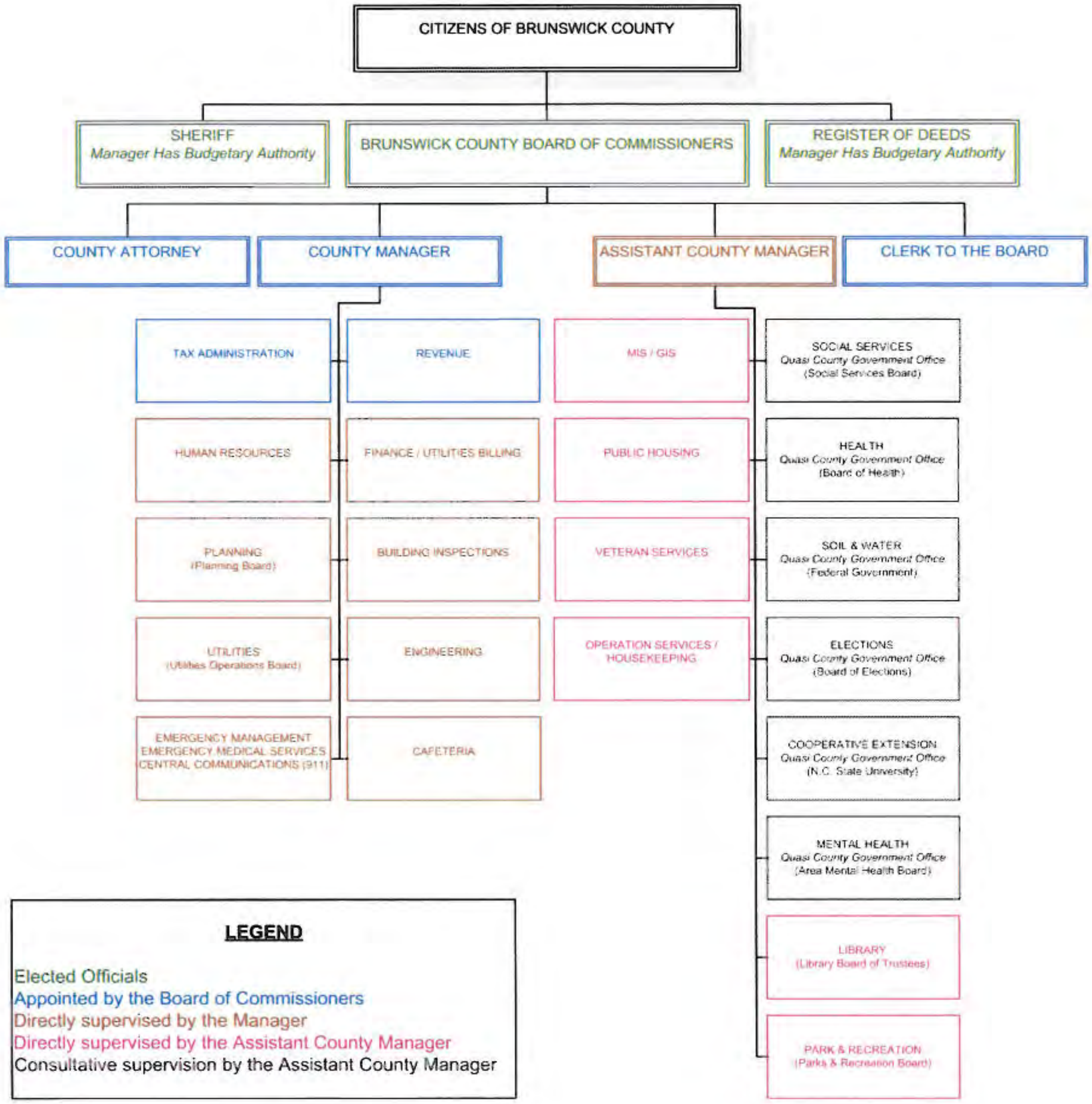
Board of County Commissioners

William M. Sue, Chairman
J. Phillip Norris, Vice-Chairman
May Moore
Tom B. Rabon, Sr.
J. Martin Cooke

County Officials

Marty K. Lawing	County Manager
Steve Stone, MPA	Assistant County Manager
John Ingram	Sheriff
Charles Miller	Chief Deputy
Robert J. Robinson	Register of Deeds
Debby Gore	Clerk to the Board
Huey Marshall, Esq.	County Attorney
Jana Berg, Esq.	Assistant County Attorney
Ann B. Hardy, MPA, CPA	Director of Fiscal Operations
Julie A. Miller, CPA	Deputy Finance Officer
Greg Bellamy	Director of Elections
Al Hight	Cooperative Extension Director
Randal Thompson	Director of Emergency Management & Services
Donald Yousey	Health Director
Leslie Bell	Director of Planning and Community Development
Vacant	Public Housing Director
Tom Bagby	Tax Administrator
Ken Perry	Revenue Collector
Jamie Orrock	Director of Social Services
Jerry Pierce, PE	Public Utilities Director
Anita Hartsell	Veteran Services Officer
Maurice Tate	Library Director
T. James Pryor	Parks & Recreation Director

Brunswick County Organizational Chart



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INDEPENDENT

AUDITOR'S

REPORT

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Martin Starnes & Associates, CPAs, P.A.
A Professional Association of Certified Public Accountants and Management Consultants

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Brunswick County
Bolivia, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Brunswick County, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Brunswick County Board of Alcoholic Control, the Brunswick County Economic Development Commission, the Brunswick County Tourism Development Authority, the Brunswick County Hospital Authority or the Brunswick County Airport Commission which represents 100 percent, of the assets, net assets and revenues of the component unit columns. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion insofar as it relates to the amounts included for the Brunswick County Board of Alcoholic Control, the Brunswick County Economic Development Commission, the Brunswick County Tourism Development Authority, the Brunswick County Hospital Authority and the Brunswick County Airport Commission is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Brunswick County Board of Alcoholic Control, the Brunswick County Economic Development Commission, the Brunswick County Tourism Development Authority, Brunswick County Hospital Authority and the Brunswick County Airport Commission were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

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In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brunswick County as of June 30, 2008, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general fund and the county capital reserve fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued a report dated October 10, 2008 on our consideration of Brunswick County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting an compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress, Schedule of Employer Contributions and related notes and the Other Post Employment Benefits Schedule of Funding Progress, Schedule of Employer Contributions and related notes are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Brunswick County. The combining and individual nonmajor fund statementsand schedules, other supplemental schedules, and the statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes & Associates CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 10, 2008

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, 2008. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

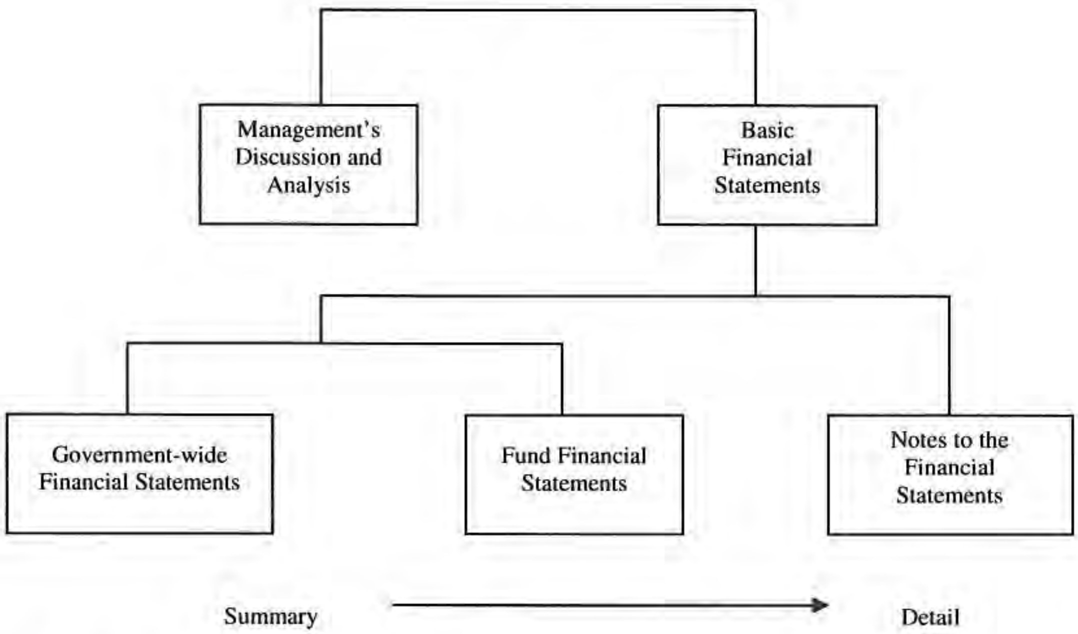
- The assets of Brunswick County's governmental activities exceeded its liabilities at the close of the most recent fiscal year by $68.5 million (*net assets*). The County's net assets is impacted considerably by the general obligation debt the County has issued on the behalf of the school system and community college to fund capital outlay. Under North Carolina law, the County is responsible for providing capital funding for the school system and college. The County has chosen to meet its legal obligation to provide education capital funding by using a mixture of sales taxes and general obligation debt. A portion of the assets funded by the County are owned, utilized, and maintained by the school system and community college. Since the County, as the issuing government, acquires no capital assets, the County incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the education general obligation debt is approximately $97.5 million dollars. Furthermore, the entire amount of education general obligation debt is collateralized by the full faith, credit and taxing power of the County. The County is authorized and required by State law to levy ad Valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due.
- The County's net assets of governmental activities decreased by $11.3 million due to issuance of new general obligation debt for the Brunswick County Community College and the County recording a $3.8 million OPEB liability for the first time.
- As of the close of the 2008 fiscal year, the County's general fund reported an unreserved fund balance of $53.9 million, which decreased $1.4 million from $55.3 million in the prior fiscal year. The FY 2009 original budgeted fund balance appropriation of $11.6 million consisted of $8.5 million for transfers to the County Capital Reserve Fund designated for capital projects and $3.1 million mainly for non-recurring appropriations to balance the budget. An additional $4.4 million of fund balance has been appropriated in FY 2009 for capital outlay, contracts, and grants budgeted but not expended at the end of the prior fiscal year resulting in a total designated fund balance appropriated for subsequent years of $16 million. Approximately $37.9 million is available for spending at the government's discretion *(unreserved and undesignated fund balance.)*
- The County maintained its bond ratings with Fitch of AA- for general obligation issues and A+ for certificates of participation issues. Moody's Investor Services ratings for the County were constant on general obligation bonds at Aa3 and certificates of participation at A1. The County maintained its general obligation bond rating of AA from Standard & Poor's bond rating agency.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Required Components of Annual Financial Report

Figure 1



BASIC FINANCIAL STATEMENTS

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information concerning the County's financial status.

The next statements are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government, providing more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, 3) the proprietary fund statements, and 4) the fiduciary and agency fund statements.

The final section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. Following the notes, **supplemental information** provides details of the County's non-major governmental funds and internal service funds, which are combined in one column on the basic financial statements. Budgetary information required by the North Carolina General Statutes can also be found in this part of the statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of Brunswick County's finances, in a manner similar to a private-sector business.

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage the County's financial condition.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Brunswick County include general government, public safety, public education, economic development, and general administration. The business-type activities of Brunswick County are water and wastewater services offered by the County.

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

The government-wide financial statements can be found on pages 14-16 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of The County can be divided into three categories: governmental funds, proprietary funds, and agency funds.

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

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

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

Agency Funds - Agency funds are used to account for assets the County holds on behalf of others. The County has eight agency funds.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-59 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its public safety employees and other post-employment health benefits to employees. Required supplemental information can be found on pages 60-61 of this report.

Brunswick County's Net Assets
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	$ 155,472,937	$ 107,481,226	$ 82,079,431	$ 39,437,453	$ 237,552,368	$ 146,918,679
Capital assets	91,331,102	88,132,380	222,522,089	183,548,383	313,853,191	271,680,763
Total assets	246,804,039	195,613,606	304,601,520	222,985,836	551,405,559	418,599,442
Long-term liabilities outstanding	158,980,557	100,256,616	118,702,826	69,982,305	277,683,383	170,238,921
Other liabilities	19,333,241	15,568,320	14,949,825	10,603,590	34,283,066	26,171,910
Total liabilities	178,313,798	115,824,936	133,652,651	80,585,895	311,966,449	196,410,831
Net assets:						
Invested in capital assets, net of related debt	37,377,510	67,118,730	104,963,579	114,088,014	142,341,089	181,206,744
Unrestricted	31,112,731	12,669,940	65,985,290	28,311,927	97,098,021	40,981,867
Total net assets	$ 68,490,241	$ 79,788,670	$ 170,948,869	$ 142,399,941	$ 239,439,110	$ 222,188,611

The assets of Brunswick County governmental activities exceeded its liabilities by $68.5 million as of June 30, 2008. Net assets are reported in two categories: invested in capital assets, net of related debt of $37.4 million and unrestricted net assets of $31.1 million.

The invested in capital assets, net of related debt category is defined as the County's investments in County-owned capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets. Brunswick County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay these liabilities.

The final category of net assets is unrestricted net assets. This balance may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2008, the unrestricted net assets were $31.1 million. Even though the debt issued has been issued to finance capital outlay, construction and renovation for the school system and the community college, the Governmental Accounting Standards Board has determined that it is not capital debt for the County since it is not financing assets owned by the County. As a result the education debt is reportable within the unrestricted category of the net assets rather that as part of the category invested in capital asset net of related debt. The breakdown of the unrestricted portion of net equity is defined as follows:

Education Debt	$(97.5) million
All Other	66.4 million
Total unrestricted	$ 31.1 million

The impact of the inclusion of the education debt without the corresponding assets was offset by the following positive operational initiatives and results:

- Revaluation of property tax values every four years versus every eight years as statutorily required by the State of North Carolina.
- Continued low cost of debt due to Brunswick County's excellent bond ratings.

Brunswick County Changes in Net Assets
Figure 3

	Governmental Activities 2008	Governmental Activities 2007	Business-Type Activities 2008	Business-Type Activities 2007	Total 2008	Total 2007
Revenues:						
Program revenues:						
Charges for services	$ 13,530,833	$ 15,490,952	$ 31,663,981	$ 31,273,243	$45,194,814	$ 46,764,195
Operating grants and contributions	18,011,467	17,047,108	-	-	18,011,467	17,047,108
Capital grants and contributions	2,087,370	101,337	19,096,213	11,019,246	21,183,583	11,120,583
General revenues:						
ad Valorem taxes	97,218,426	84,223,342	-	-	97,218,426	84,223,342
Local option taxes	23,061,392	23,256,105	-	-	23,061,392	23,256,105
Other taxes	4,942,000	6,340,890	-	-	4,942,000	6,340,890
Gain on sale of real property	489,997	-	-	-	489,997	-
Investment earnings	5,155,748	5,200,749	2,084,847	1,718,088	7,240,595	6,918,837
Total revenues	164,497,233	151,660,483	52,845,041	44,010,577	217,342,274	195,671,060
Expenses:						
General Government	25,786,285	14,898,739	-	-	25,786,285	14,898,739
Public Safety	28,704,704	23,757,912	-	-	28,704,704	23,757,912
Central Services	12,491,337	11,661,193	-	-	12,491,337	11,661,193
Human Services	30,203,435	26,746,227	-	-	30,203,435	26,746,227
Transportation	2,258,368	1,005,751	-	-	2,258,368	1,005,751
Environmental Protection	12,551,871	11,272,811	-	-	12,551,871	11,272,811
Cultural and Recreation	4,449,488	1,060,589	-	-	4,449,488	1,060,589
Economic and Physical Development	7,213,679	6,879,523	-	-	7,213,679	6,879,523
Education	47,784,629	38,167,647	-	-	47,784,629	38,167,647
Interest on Long Term Debt	4,294,959	4,255,116	-	-	4,294,959	4,255,116
Utilities	-	-	24,353,020	23,039,608	24,353,020	23,039,608
Total Expenses	175,738,755	139,705,508	24,353,020	23,039,608	200,091,775	162,745,116
Increase (Decrease) in net assets before transfers	(11,241,522)	11,954,975	28,492,021	20,970,969	17,250,499	32,925,944
Transfers	(56,907)	451,795	56,907	(451,795)	-	-
Increase (Decrease) in Net Assets	(11,298,429)	12,406,770	28,548,928	20,519,174	17,250,499	32,925,944
Net Assets (restated), July 1	$79,788,670	67,381,900	142,399,941	121,880,767	$222,188,611	189,262,667
Net Assets, June 30	$68,490,241	$ 79,788,670	$170,948,869	$ 142,399,941	$239,439,110	$222,188,611

Governmental activities. Governmental activities accounted for $68.5 million, which is nearly 29 percent of the total net assets. Operating grants funded $18 million of the County's governmental activities.

Business-type activities. Business-type activities increased the County's net assets by $28.5 million. This increase is due primarily to the completion of the water and wastewater facilities.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, Brunswick County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $144.3 million, which is an increase of $47.2 million in comparison with the prior year primarily due to the issuance of education debt. Approximately 73 percent of this total amount, $104.9 million, constitutes unreserved fund balance available for spending at the County's discretion. Of the unreserved fund balance of $104.9 million at June 30, 2008, approximately 58 percent was designated for subsequent year expenditures and capital projects leaving an unreserved and undesignated fund balance of $44.1 million.

The General Fund is the principal operating fund of the County. At the end of the current fiscal year, unreserved fund balance in the general fund was $53.9 million, while total fund balance for the general fund decreased from $64.5 million to $64.1 due to transfers to the County Capital Reserve Fund for pay-as-you-go capital projects. Amounts in the General Fund balance designated for subsequent year's expenditures mostly related to capital projects totaled $16 million. As a measure of the general fund's liquidity, it may be useful to compare unreserved/ undesignated fund balance to total general fund expenditures plus transfers to other funds. Unreserved/undesignated general fund balance represents 24 percent of total general fund expenditures and transfers, while total general fund balance represents 40 percent of that same amount. The County Capital Reserve fund balance increased $0.4 million from monies transferred into the fund for future capital projects. The Education Capital Project and County Capital Project fund balances increased $45.8 million and $1.5 million, respectively, due to the issuance of education debt and transfer of funds for capital projects. The Non Major Governmental Funds balance decreased over $0.2 million primarily from funds transferred to the General Fund from the Emergency Telephone System Fund.

Enterprise Funds. The Water Fund's net assets increased $9.8 million to $110.8 million. The Wastewater Fund's net assets increased $10.8 million to $50.0 million. The net assets of Non Major Enterprise funds increased $7.9 million, from $2.2 million to $10.1 million. The increases in the net assets of the enterprise funds are from completion of capital projects, capital contributions, facility acquisitions, and increased revenues from an expanding customer base.

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 $4.5 million. The majority of the increase was comprised of $4.0 million in increased ad Valorem taxes, $1.2 million in reduced local options sales tax, $1 million reduction in permits and fees, $2.3 million increase in restricted intergovernmental revenues and $0.2 million increase in investment earnings. Total actual revenues exceeded budgeted amounts by $0.8 million. Total actual expenses were nearly $12.5 million less than amended budgeted amounts, with over $10 million of that amount relating to operating costs lower than budgeted in general government, public safety, human services and culture and recreation. Capital outlays were nearly $2.2 million less than budget due to ongoing park improvements not completed at the end of the fiscal year.

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

Unrestricted net assets of Water/Wastewater Funds and Reserve at the end of the year totaled $66 million. The primary factor affecting this amount was an increase in the County's capital assets.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Brunswick County's investment in capital assets for its governmental and business type activities as of June 30, 2008 amounts to $313.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment.

Brunswick County has experienced significant development and population growth over the past ten years. Growth occurred due to tourism and people relocating to the County. The County completed the first of two regional water reclamation facilities on February 12, 2003, located in the northeastern region of the County (referred to as Northeastern Brunswick Regional Water Reclamation Facility). For this regional water reclamation facility, the Board of County Commissioners entered into service agreements with four other jurisdictions including the Town of Leland, Town of Navassa, North Brunswick Sanitary District and the City of Northwest. The County owns and operates the reclamation facility, while the participants are responsible for their respective collection systems. Design is underway to expand the treatment plant from a 1.65 to a 4.65 mgd plant to serve the growing population in the northern region of the county. This joint venture allowed existing, less effective package treatment plants to be taken off line, therefore reducing the number of wastewater discharges into the Cape Fear River. Through an agreement with a local golf course development and industry, much of the treated wastewater may be land applied or reused for industrial purposes further reducing the discharge into the river. The reclamation facility is fully supported by user charges. The County's investment in the capital asset is approximately $12 million as of June 30, 2008.

In addition to the Northeast Brunswick Regional Water Reclamation Facility, the County completed construction in February 2006 of the West Brunswick Regional Water Reclamation Facility. Participants in the system include Brunswick County, the Town of Holden Beach, Town of Oak Island and the Town of Shallotte. Construction is underway to expand the treatment plant from a 3 to 6 mgd plant. Construction of transmission lines to serve the Towns of Oak Island and Shallotte along with the southwest portions of the county is also underway. The treated effluent from the West Brunswick Regional Water Reclamation Facility will be land-applied, either on tree farms or golf courses. There will not be any discharge of treated effluent to any surface water from the West Brunswick Regional facility. The facility is fully supported by user charges. Along with this effort, the County revised its sewer use ordinance and adopted a countywide storm water management ordinance and program to enhance the effectiveness of regional facilities. The County's investment in the capital asset is approximately $59.1 million as of June 30, 2008.

Brunswick County's Capital Assets
Figure 4

	Governmental Activities	Business-type Activities	Total
Land	$ 10,863,120	$ 2,803,909	$ 13,667,029
Operating Plants, Buildings & Improvements	53,281,648	95,885,003	149,166,651
Equipment and vehicles	8,721,934	2,898,968	11,620,902
Distribution and Collection Systems	-	90,878,028	90,878,028
Construction in progress	18,464,400	30,056,181	48,520,581
Total Capital Assets (net of accumulated depreciation)	$ 91,331,102	$ 222,522,089	$ 313,853,191

Additional information on Brunswick County's capital assets can be found in Note 4 on pages 39 and 40 of this report.

Long-term Debt. At the end of the current fiscal year, Brunswick County had total general obligation bonded debt outstanding of $97.8 million, which is backed by the full faith and credit of the County.

General Obligation, Capital Leases and Installment Notes Payable
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	$ 97,465,000	$ 73,080,454	$ 295,000	$ 1,009,546	$ 97,760,000	$ 74,090,000
Certificates of participation	17,625,000	19,755,000	-	-	17,625,000	19,755,000
Installment purchases & SRF	36,053,592	983,650	32,468,604	34,223,831	68,522,196	35,207,481
Revenue Bonds	-	-	89,757,733	38,084,417	89,757,733	38,084,417
Other	17,840,420	13,590,025	817,452	260,968	18,657,872	13,850,993
Total long-term debt	$ 168,984,012	$ 107,409,129	$ 123,338,789	$ 73,578,762	$ 292,322,801	$ 180,987,891

The legal debt limit is $2.5 billion. The legal debt margin on June 30, 2008 was $2.36 billion. This legal debt limit is determined by the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt a County may have outstanding to 8 percent of the appraised value subject to taxation. The ratio of debt service expenditures to total general governmental expenditures is 7.0% and to total general fund expenditures is 9.0%.

The County's governmental general obligation debt per capita is $936 as of June 30, 2008 while the County's governmental activities gross debt per capita (excluding landfill closure/post closure, accrued compensated absences and pension benefit obligations) is $1,452 due to $169 in outstanding Certificates of Participation for other long term financing for construction and renovation of various County and Education Buildings and $346 for equipment installment purchases and construction of new schools.

The County's total debt had a net increase of nearly $107 million, 61.5 percent, during the current fiscal year. The key factor in this increase was issuing new education and enterprise system debt. Additional information on Brunswick County's long-term debt can be found in Note 7 on pages 42-47 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for Brunswick County is currently 6.9 percent and was 6.1% at June 30, 2008, compared to the state's seasonally adjusted unemployment rate of 6.9% currently and 5.9 percent at June 30, 2008.
- Inflationary trends in the region are similar to national indices.
- Population estimation of 104,114 has grown over 40 percent since 2000.

All of these factors were considered in preparing Brunswick County's budget for fiscal year 2008-2009.

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2008-2009

Governmental activities. An 8.2 percent growth in the tax base is anticipated over last year's approved budget, to a total of $32.9 billion in property valuation. This equates to an additional $7.5 million in ad Valorem taxes. The last revaluation was for the 2007 levy. However, Brunswick County has been fortunate to have steady and continuous growth in its property value in recent years.

Budgeted operating expenditures in the General Fund are expected to rise 13.4 percent to $169.3 million. The largest increases were in public safety, debt service requirements and employee benefit adjustments.

Budgeted expenditures for education are expected to increase 14.7 percent or approximately $4.1 million. Education funding includes a current expense appropriation to the Brunswick County School System that represents 36.5 percent of the ad Valorem tax base excluding any amount needed for annual education debt service payments for an approved general obligation school debt of $83.5 million and community college debt issued of $30 million. The School System funds the majority of its local capital outlay needs from sales tax allocations, bond proceeds, and ad valorem taxes. The County also includes an appropriation to the Brunswick Community College in its educational funding for current expense and capital outlay needs.

Business-type activities. The water and wastewater enterprise fund is anticipated to increase 4.4 percent due to normal growth and to cover increased costs associated with personnel, operation, and capital outlay.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Brunswick County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Fiscal Operations, Post Office Box 249, Bolivia, North Carolina 28422.

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BASIC FINANCIAL STATEMENTS TAB

Exhibit A

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF NET ASSETS
June 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Total
Assets:				
Current Assets:				
Cash and cash equivalents/investments	$ 92,017,662	$ 34,274,299	$ 126,291,961	$ 918,399
Restricted cash and investments	52,890,569	43,236,229	96,126,798	-
Taxes receivable, net	1,471,976	-	1,471,976	-
Accrued interest receivable	536,531	179,895	716,426	-
Assessments receivable	-	541,893	541,893	-
Receivables and special assessments, net	1,483,790	3,093,931	4,577,721	5,674
Other governmental agencies	6,025,431	1,465,558	7,490,989	819,453
Internal balances	1,046,978	(1,046,978)	-	-
Inventories	-	334,604	334,604	264,267
Prepaid items	-	-	-	12,201
Total current assets	155,472,937	82,079,431	237,552,368	2,019,994
Capital Assets:				
Non-depreciable capital assets	29,327,520	32,860,090	62,187,610	-
Depreciable capital assets, net	62,003,582	189,661,999	251,665,581	12,984,139
Total capital assets	91,331,102	222,522,089	313,853,191	12,984,139
Total assets	$ 246,804,039	$ 304,601,520	$ 551,405,559	$ 15,004,133
Liabilities and Net Assets:				
Liabilities:				
Current Liabilities:				
Accounts payable and accrued liabilities	$ 9,271,457	$ 6,466,337	$ 15,737,794	$ 295,207
Current maturities of long-term debt	10,003,455	4,635,963	14,639,418	-
Due other governmental agencies	-	-	-	159,147
Deposits	-	1,223,653	1,223,653	-
Unearned revenues	58,329	2,623,872	2,682,201	-
Total current liabilities	19,333,241	14,949,825	34,283,066	454,354
Noncurrent Liabilities:				
Accrued compensated absences	3,162,458	294,864	3,457,322	-
Accrued other post employment benefits	3,845,610	490,588	4,336,198	-
Long-term debt	151,972,489	117,917,374	269,889,863	700,000
Total noncurrent liabilities	158,980,557	118,702,826	277,683,383	700,000
Total liabilities	178,313,798	133,652,651	311,966,449	1,154,354
Net Assets:				
Invested in capital assets, net of related debt	37,377,510	104,963,579	142,341,089	12,281,786
Restricted For:				
Other purposes	-	-	-	244,469
Unrestricted	31,112,731	65,985,290	97,098,021	1,323,524
Total net assets	$ 68,490,241	$ 170,948,869	$ 239,439,110	$ 13,849,779

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

		Program Revenues		
Function/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government:				
Government Activities:				
General government	$ 25,786,285	$ 1,480,767	$ -	$ -
Public safety	28,704,704	5,309,134	710,170	-
Central services	12,491,337	2,163,366	-	-
Human services	30,203,435	1,124,272	17,158,192	-
Transportation	2,258,368	-	-	1,568,395
Environmental protection	12,551,871	1,928,085	-	-
Cultural and recreation	4,449,488	224,367	1,228	(55,153)
Economic and physical development	7,213,679	1,224,383	139,731	-
Education	47,784,629	76,459	2,146	574,128
Interest on long-term debt	4,294,959	-	-	-
Total governmental activities	175,738,755	13,530,833	18,011,467	2,087,370
Business-type Activities:				
Water	16,426,295	19,502,863	-	9,101,531
Wastewater	7,926,725	12,161,118	-	9,994,682
Total business-type activities	24,353,020	31,663,981	-	19,096,213
Total primary government	$ 200,091,775	$ 45,194,814	$ 18,011,467	$ 21,183,583
Discretely presented component units	$ 4,021,858	$ 3,551,067	$ 355,725	$ 1,500,000

General Revenues:

Ad Valorem taxes

Local option taxes

Other taxes

Gain on sale of real property

Investment earnings

Total general revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning of year

Net assets, end of year

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	Total
$ (24,305,518)	$ -	$ (24,305,518)	
(22,685,400)	-	(22,685,400)	
(10,327,971)	-	(10,327,971)	
(11,920,971)	-	(11,920,971)	
(689,973)	-	(689,973)	
(10,623,786)	-	(10,623,786)	
(4,279,046)	-	(4,279,046)	
(5,849,565)	-	(5,849,565)	
(47,131,896)	-	(47,131,896)	
(4,294,959)	-	(4,294,959)	
(142,109,085)	-	(142,109,085)	
-	12,178,099	12,178,099	
-	14,229,075	14,229,075	
-	26,407,174	26,407,174	
(142,109,085)	26,407,174	(115,701,911)	
			$ 1,384,934
97,218,426	-	97,218,426	-
23,061,392	-	23,061,392	-
4,942,000	-	4,942,000	-
489,997	-	489,997	10,246
5,155,748	2,084,847	7,240,595	40,317
130,867,563	2,084,847	132,952,410	50,563
(56,907)	56,907	-	-
130,810,656	2,141,754	132,952,410	50,563
(11,298,429)	28,548,928	17,250,499	1,435,497
79,788,670	142,399,941	222,188,611	12,414,282
$ 68,490,241	$ 170,948,869	$ 239,439,110	$ 13,849,779

COUNTY OF BRUNSWICK, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2008

	Major Funds					
	General	County Capital Reserve	Education Capital Project	County Capital Project	Non Major Governmental Funds	Total Governmental Funds
Assets:						
Cash, cash equivalents and investments	$ 61,301,566	$ 8,257,599	$ 4,516,771	$ 9,956,794	$ 7,984,932	$ 92,017,662
Accrued interest receivable	408,610	76,369			51,552	536,531
Taxes receivable - net	1,471,976	-	-	-	-	1,471,976
Receivables - net	1,254,287	-	-	-	229,503	1,483,790
Due from other funds	1,966,492	-	-	-	727,077	2,693,569
Due from other governmental agencies	5,307,800	-	20,643	696,988	-	6,025,431
Cash, cash equivalents and investments - restricted	-	-	51,053,258	1,832,051	5,260	52,890,569
Total assets	$ 71,710,731	$ 8,333,968	$ 55,590,672	$ 12,485,833	$ 8,998,324	$ 157,119,528
Liabilities, Equity, and Other Credits:						
Liabilities:						
Accounts payable, accrued liabilities	$ 4,959,720	$ -	$ 2,675,993	$ 1,226,135	$ 409,609	$ 9,271,457
Due to other funds	727,077	-	-	147,689	771,825	1,646,591
Deferred revenues	1,874,324	-	-	-	-	1,874,324
Total liabilities	7,561,121	-	2,675,993	1,373,824	1,181,434	12,792,372
Fund Balances:						
Reserved for:						
State statute	8,593,169	-	-	-	1,597,869	10,191,038
Debt service	-	-	-	-	(599)	(599)
Encumbrances	1,662,584	-	26,287,955	1,314,565	-	29,265,104
Unreserved:						
Designated for subsequent year's expenditures	16,031,493	8,333,968	26,626,724	9,797,444		60,789,629
General fund	37,862,364	-	-	-	-	37,862,364
Special revenue funds	-	-	-	-	6,219,620	6,219,620
Total equity and other credits	64,149,610	8,333,968	52,914,679	11,112,009	7,816,890	144,327,156
Total liabilities, equity and other credits	$ 71,710,731	$ 8,333,968	$ 55,590,672	$ 12,485,833	$ 8,998,324	$ 157,119,528

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

Fund balance as reported in the balance sheet - governmental funds	$ 144,327,156
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	91,331,102
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	1,815,995
Long-term liabilities, including other post-employment benefits, interest and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds	(168,984,012)
Net assets reported as governmental activities	$ 68,490,241

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 FISCAL YEAR ENDED JUNE 30, 2008

	Major Funds					
	General	County Capital Reserve	Education Capital Project	County Capital Project	Non Major Governmental Funds	Total Governmental Funds
Revenues:						
Ad valorem taxes	$ 96,940,721	$ -	$ -	$ -	$ -	$ 96,940,721
Local option sales taxes	23,061,392	-	-	-	-	23,061,392
Other taxes and licenses	3,504,504	-	-	-	1,437,496	4,942,000
Unrestricted intergovernmental revenues	701,489	-	-	-	-	701,489
Restricted intergovernmental revenues	17,256,734	-	574,128	1,568,395	512,940	19,912,197
Permits and fees	4,127,984	-	-	-	-	4,127,984
Sales and services	8,379,989	-	-	-	-	8,379,989
Investment earnings	3,119,176	601,712	894,729	128,712	411,419	5,155,748
Other	901,804	-	76,459	(55,153)	1,228	924,338
Total revenues	157,993,793	601,712	1,545,316	1,641,954	2,363,083	164,145,858
Expenditures:						
Current:						
General government	9,713,603	-	-	5,404,828	150,800	15,269,231
Public safety	26,700,482	-	-	1,808,014	874,878	29,383,374
Central services	11,867,248	-	-	-	-	11,867,248
Human services	28,631,664	-	-	339,326	-	28,970,990
Transportation	270,929	-	-	1,987,439	-	2,258,368
Environmental protection	12,522,556	-	-	8,000	-	12,530,556
Culture and recreation	5,556,449	-	-	1,830,501	2,317	7,389,267
Economic and physical development	4,800,054	-	-	-	2,147,561	6,947,615
Education	32,098,564	-	23,676,911	-	-	55,775,475
Debt Service:						
Principal retirement	7,975,512	-	-	-	-	7,975,512
Interest and fiscal charges	4,861,013	-	-	-	-	4,861,013
Total expenditures	144,998,074	-	23,676,911	11,378,108	3,175,556	183,228,649
Revenues over (under) expenditures	12,995,719	601,712	(22,131,595)	(9,736,154)	(812,473)	(19,082,791)
Other Financing Sources (Uses):						
Transfers from other funds	338,351	1,833,637	5,472,674	7,885,956	6,070,239	21,600,857
Transfers to other funds	(14,190,361)	(2,008,615)	-	-	(5,458,788)	(21,657,764)
Sale of real property	489,997	-	-	-	-	489,997
Premiums on bonds issued	-	-	476,476	89,578	-	566,054
Debt financing issued	-	-	62,000,000	3,300,000	-	65,300,000
Total other financing sources (uses)	(13,362,013)	(174,978)	67,949,150	11,275,534	611,451	66,299,144
Net change in fund balances	(366,294)	426,734	45,817,555	1,539,380	(201,022)	47,216,353
Fund balance, beginning of year	64,515,904	7,907,234	7,097,124	9,572,629	8,017,912	97,110,803
Fund balance, end of year	$ 64,149,610	$ 8,333,968	$ 52,914,679	$ 11,112,009	$ 7,816,890	$ 144,327,156

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 FISCAL YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds (Exhibit D)	$ 47,216,353
Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected or is expected to be collected within 60 days of year end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:	
Property taxes	277,705
Public Health revenues	(416,327)
Expenses related to other post-employment benefits, compensated absences and law enforcement officers separation allowance that do not require current financial resources are not reported as expenditures in the governmental fund statement.	(4,250,395)
Capital outlays are reported as expenditures in the governmental fund statement. However, in the statement of activities, capital outlay is not an expense, rather it is an increase in capital assets.	22,710,479
The sale of capital assets is reported as a revenue in the governmental fund statements without subtracting the net book value of the capital assets sold.	(15,339,046)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements.	(4,172,710)
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.	7,975,512
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.	(65,300,000)
Change in net assets of governmental activities per Exhibit B	$ (11,298,429)

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

COUNTY OF BRUNSWICK, NORTH CAROLINA **Exhibit F**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND AND THE COUNTY CAPITAL RESERVE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	General Fund				County Capital Reserve Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:								
Ad valorem taxes	$92,804,038	$96,804,322	$96,940,721	$ 136,399	$ -	$ -	$ -	$ -
Local option sales taxes	24,548,691	23,380,258	23,061,392	(318,866)	-	-	-	-
Other taxes and licenses	3,303,000	3,373,227	3,504,504	131,277	-	-	-	-
Unrestricted intergovernmental revenues	254,000	648,826	701,489	52,663	-	-	-	-
Restricted intergovernmental revenues	14,839,434	17,006,443	17,256,734	250,291	-	-	-	-
Permits and fees	7,656,512	3,988,084	4,127,984	139,900	-	-	-	-
Sales and services	5,698,349	8,332,924	8,379,989	47,065	-	-	-	-
Investment earnings	2,948,000	3,087,088	3,119,176	32,088	-	512,000	601,712	89,712
Other	625,000	541,228	901,804	360,576	-	-	-	-
Total revenues	152,677,024	157,162,400	157,993,793	831,393	-	512,000	601,712	89,712
Expenditures:								
Current:								
General government	11,300,533	11,746,265	9,713,603	2,032,662	-	-	-	-
Public safety	26,884,425	29,688,286	26,700,482	2,987,804	-	-	-	-
Central services	13,193,124	12,491,351	11,867,248	624,103	-	-	-	-
Human services	30,063,486	31,650,325	28,631,664	3,018,661	-	-	-	-
Transportation	233,069	270,929	270,929	-	-	-	-	-
Environmental protection	11,485,055	12,770,925	12,522,556	248,369	-	-	-	-
Culture and recreation	5,209,176	7,916,641	5,556,449	2,360,192	-	-	-	-
Economic and physical development	4,963,881	5,423,519	4,800,054	623,465	-	-	-	-
Education	32,098,564	32,098,564	32,098,564	-	-	-	-	-
Debt Service:								
Principal retirement	8,072,307	8,072,307	7,975,512	96,795	-	-	-	-
Interest and fiscal charges	5,339,762	5,339,762	4,861,013	478,749	-	-	-	-
Total expenditures	148,843,382	157,468,874	144,998,074	12,470,800	-	-	-	-
Revenues over (under) expenditures	3,833,642	(306,474)	12,995,719	13,302,193	-	512,000	601,712	89,712
Other Financing Sources (Uses):								
Long-term debt issued	-	481,150	489,997	8,847	-	-	-	-
Transfers from other funds	1,017,774	338,350	338,351	1	-	1,833,637	1,833,637	-
Transfers to other funds	(6,182,416)	(14,396,542)	(14,190,361)	206,181	-	(10,252,871)	(2,008,615)	8,244,256
Contingency	(500,000)	(230,354)	-	230,354	-	-	-	-
Appropriated fund balance	1,831,000	14,113,870	-	(14,113,870)	-	7,907,234	-	(7,907,234)
Total other financing sources (uses)	(3,833,642)	306,474	(13,362,013)	(13,668,487)	-	(512,000)	(174,978)	337,022
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ -	(366,294)	$ (366,294)	$ -	$ -	426,734	$ 426,734
Fund balance, beginning of year			64,515,904				7,907,234	
Fund balance, end of year			$64,149,610				$ 8,333,968	

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF FUND NET ASSETS- PROPRIETARY FUNDS
June 30, 2008

	Business-type Activities - Enterprise			
	Major Funds		Nonmajor	
	Water	Wastewater	Funds	Total
Assets:				
Current Assets:				
Cash and cash equivalents/investments	$ 21,975,168	$ 2,242,025	$ 10,057,106	$ 34,274,299
Cash and cash equivalents/investments - restricted	-	43,236,229	-	43,236,229
Accrued interest receivable	115,338	11,149	53,408	179,895
Assessments receivable	-	-	541,893	541,893
Receivables, net	2,364,744	729,187	-	3,093,931
Due from other governmental agencies	967,769	497,789	-	1,465,558
Inventories	189,245	145,359	-	334,604
Total current assets	25,612,264	46,861,738	10,652,407	83,126,409
Capital Assets:				
Non-depreciable capital assets	6,066,148	26,793,942	-	32,860,090
Depreciable capital assets, net	85,761,986	103,900,013	-	189,661,999
Total capital assets	91,828,134	130,693,955	-	222,522,089
Total assets	$ 117,440,398	$ 177,555,693	$ 10,652,407	$ 305,648,498
Liabilities and Net Assets:				
Liabilities:				
Current Liabilities:				
Accounts payable and accrued liabilities	$ 1,344,235	$ 5,122,102	$ -	$ 6,466,337
Current portion of long-term debt	388,200	4,247,763	-	4,635,963
Customer deposits	1,223,653	-	-	1,223,653
Due to other funds	1,036,562	10,416	-	1,046,978
Total current liabilities	3,992,650	9,380,281	-	13,372,931
Noncurrent Liabilities:				
Accrued compensated absences	256,324	70,540	-	326,864
Accrued other post-employment benefits	360,925	129,663		490,588
Deferred revenues	-	2,081,979	541,893	2,623,872
Noncurrent portion on long-term debt	2,022,620	115,862,754	-	117,885,374
Total noncurrent liabilities	2,639,869	118,144,936	541,893	121,326,698
Total liabilities	6,632,519	127,525,217	541,893	134,699,629
Net Assets:				
Invested in capital assets, net of related debt	90,061,838	14,901,741	-	104,963,579
Unrestricted	20,746,041	35,128,735	10,110,514	65,985,290
Total net assets	$ 110,807,879	$ 50,030,476	$ 10,110,514	$ 170,948,869

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise			
	Major Funds		Nonmajor	
	Water	Wastewater	Funds	Total
Operating Revenues:				
User charges	$ 18,829,782	$ 11,626,634	$ -	$ 30,456,416
Assessments	-	-	501,789	501,789
Other	503,725	202,051	-	705,776
Total operating revenues	19,333,507	11,828,685	501,789	31,663,981
Operating Expenses:				
Salaries and employee benefits	5,087,039	1,821,587	-	6,908,626
Operating expenses	8,440,019	916,747	-	9,356,766
Depreciation and amortization	2,776,794	2,652,963	-	5,429,757
Total operating expenses	16,303,852	5,391,297	-	21,695,149
Operating income (loss)	3,029,655	6,437,388	501,789	9,968,832
Nonoperating Revenues (Expenses):				
Intergovernmental revenue	310,119	100,000	-	410,119
Investment earnings	867,277	776,321	441,249	2,084,847
Interest expense	(122,443)	(2,535,428)	-	(2,657,871)
Total nonoperating revenues (expenses)	1,054,953	(1,659,107)	441,249	(162,905)
Income before transfers and capital contributions	4,084,608	4,778,281	943,038	9,805,927
Transfers in (out)	(3,074,680)	(3,840,652)	6,972,239	56,907
Income (loss) before capital contributions	1,009,928	937,629	7,915,277	9,862,834
Capital contributions	8,791,412	9,894,682	-	18,686,094
Increase (decrease) in net assets	9,801,340	10,832,311	7,915,277	28,548,928
Net assets, beginning of year	101,006,539	39,198,165	2,195,237	142,399,941
Net assets, end of year	$ 110,807,879	$ 50,030,476	$ 10,110,514	$ 170,948,869

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise			
	Major Funds		Nonmajor	
	Water	Wastewater	Funds	Total
Cash Flows From Operating Activities:				
Receipts from customers	$ 20,830,567	$ 11,698,042	$ 501,789	$ 33,030,398
Payments to suppliers for goods and services	(10,468,176)	2,891,029	-	(7,577,147)
Payments to or on behalf of employees	(4,256,535)	(1,550,692)	-	(5,807,227)
Net cash provided by (used in) operating activities	6,105,856	13,038,379	501,789	19,646,024
Cash Flows From Noncapital Financing Activities:				
Transfers in (out)	(3,074,680)	(3,840,652)	6,972,239	56,907
Advances (repayments) of interfund debt	497,294	6,698	-	503,992
Grants	310,119	100,000	-	410,119
Net cash provided (used) by noncapital financing activities	(2,267,267)	(3,733,954)	6,972,239	971,018
Net Cash From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(3,071,978)	(25,617,313)	-	(28,689,291)
Interest paid	(122,443)	(2,535,428)	-	(2,657,871)
Premium on bonds	-	2,971,922	-	2,971,922
Proceeds from issuance of long-term debt	-	52,800,000	-	52,800,000
Principal payments on long-term debt	(803,551)	(2,792,906)	-	(3,596,457)
Net cash provided (used) in capital and related financing activities	(3,997,972)	24,826,275	-	20,828,303
Cash Flows From Investing Activities:				
Interest on investments	751,939	765,172	441,249	1,958,360
Net increase (decrease) in cash and cash equivalents	592,556	34,895,872	7,915,277	43,403,705
Cash and cash equivalents, beginning of year	21,382,612	10,582,382	2,141,829	34,106,823
Cash and cash equivalents, end of year	$ 21,975,168	$ 45,478,254	$ 10,057,106	$ 77,510,528

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise			
	Major Funds		Nonmajor	
	Water	Wastewater	Funds	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	$ 3,029,655	$ 6,437,388	$ 501,789	$ 9,968,832
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	2,776,794	2,652,963	-	5,429,757
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	1,431,570	(932)	-	1,430,638
(Increase) in sales tax refund receivable	(211,334)	(321,678)	-	(533,012)
(Increase) in assessments receivable	-	-	(541,893)	(541,893)
(Increase) decrease in inventories	37,817	(9,328)	-	28,489
Increase (decrease) in accounts payable and accrued expenses	(1,024,136)	4,409,677	-	3,385,541
Increase (decrease) in deferred revenue	-	(129,711)	541,893	412,182
Increase (decrease) in customer deposits	65,490	-	-	65,490
Net cash provided by (used in) operating activities	$ 6,105,856	$ 13,038,379	$ 501,789	$ 19,646,024
Supplemental Disclosures of Noncash Transactions				
Dedicated service lines	$ 8,791,412	$ 6,922,760	$ -	$ 15,714,172

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
June 30, 2008

Assets:		
Cash, cash equivalents and investments	$	1,969,550
Accrued interest receivable		10,003
Receivable - net		90,194
Total assets	$	2,069,747
Liabilities:		
Due to other governmental agencies	$	1,428,817
Other		640,930
Total liabilities	$	2,069,747

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

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 104,114, operates under a Commissioner-Manager form of government.

The County is responsible for and maintains services inherent to the operation of a county government including general government, public safety, human services, education, environmental protection, cultural and recreational, economic and physical development and debt service. The County also operates a water and wastewater utility system.

B. Component Units

As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. Discretely presented component units are reported in a separate column in the County's government-wide financial statements in order to emphasize that they are legally separate from the County.

Blended Component Unit

Brunswick County Leasing Corporation
The members of the Brunswick County Leasing Corporation's ("Corporation") governing board are appointed by the County and include the finance officer of the County. The Corporation exists to issue and service certificates of participation to finance the acquisition and construction of general government facilities, education facilities, and proprietary fund construction. The certificates of participation are accounted for in the applicable governmental activities, business type activities, or proprietary fund type statement of net assets in the County's financial statements. The activities of the Corporation are accounted for in the financial statements as a special revenue fund. The Corporation does not issue separate financial statements.

Discretely Presented Component Units

Brunswick County Hospital Authority
The Board of Commissioners organized the Brunswick County Hospital Authority and the County appoints and can remove all of the governing Board of the Authority. The County transferred title of its hospital facilities to the Authority. The Authority has leased the facilities to a not-for-profit corporation for a period of 30 years beginning March 1, 2006. The Authority, which has a June 30 year-end, is presented as if it were a governmental fund. The Brunswick County Hospital Authority does not issue separate financial statements.

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

Complete financial statements for the Brunswick County ABC Board may be obtained at their administrative offices at 2567 Holden Beach Road, SW, Supply, North Carolina 28462.

Brunswick County Economic Development Commission
The Brunswick County Economic Development Commission ("EDC") operates within the County's geographical boundaries and exists for the benefit of its residents. All of the members of the EDC governing board are appointed by the County and can be removed without cause. The County funds the annual budget of the Commission and employs the staff. The EDC, which has a June 30 year-end, has two funds - a governmental fund type and a proprietary fund type.

The EDC's financial statements include its blended component unit, the Brunswick County Economic Development Corporation, which is a non-profit organization, established to acquire, improve and convey property. Appropriations to the EDC totaled $384,348 for the fiscal year ended June 30, 2008. Complete financial statements for the Brunswick County Economic Development Commission may be obtained at the Commission's administrative offices at P.O. Box 158, Government Complex, Bolivia, North Carolina 28422.

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

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

Brunswick County Airport Commission
The County participates in the Brunswick County Airport Commission ("Airport") in conjunction with the municipalities adjoining the airport. The County appoints four members of the seven-member board. Appropriations to the Airport totaled $66,000 for the fiscal year ended June 30, 2008. The Airport, which also has a June 30 year-end, is presented as a governmental type fund.

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

Other Component Unit

Brunswick County Industrial Facility and Pollution Control Financing Authority
Brunswick County Industrial Facility and Pollution Control Financing Authority exists to issue revenue bond debt of private businesses for economic development purposes. A seven-member board, all of whom are appointed by the County, governs the Authority. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances and does not issue financial statements; therefore, it is not presented in the government-wide financial statements.

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, 2008, conform to generally accepted accounting principles applicable to governments.

Basis of Presentation – Government-wide and Fund Financial Statements

Government-wide Statements - The statement of net assets and the statement of activities report information on all of the non-fiduciary activities of the County. The effect of interfund activity between the governmental and business-type activities has been removed. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements - The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category - *governmental, proprietary, and fiduciary* – are presented even though the fiduciary funds are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund – This is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad Valorem taxes, sales taxes, and federal and State grants. The primary expenditures are for general government services, public safety, human services, central services, environmental protection and education.

County Capital Reserve Fund – This fund was established in accordance with North Carolina law to account for the accumulation of resources to be used for construction. When construction begins, the fund balance will be transferred to a Capital Project Fund.

Education Capital Project Fund – This fund is used to account for the additions and improvements to Brunswick County Public Schools and Brunswick Community College which are financed by transfers from the general fund, capital reserve funds, bond proceeds, and financing agreements.

County Capital Project Fund – This fund is used to account for the additions and improvements of major county facilities which are financed by transfers from the general fund and capital reserve funds, bond proceeds, and financing agreements.

The County reports the following major enterprise funds:

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

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

Additionally the County reports the following fund types:

Agency Funds - These funds are custodial in nature (assets equal liabilities) and do not involve measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others.

The County maintains eight Agency Funds: the Social Services Fund which accounts for monies deposited with the Social Services Department for the benefit of certain individuals; the Smithville Township Fund which accounts for the Township hospital district ad Valorem taxes collected, payment of bond debt service and payments to Dosher Hospital; the Intergovernmental Collections Fund which accounts for the proceeds of the motor vehicle and other ad Valorem taxes that are collected by the County on behalf of the municipalities within the County and fines and forfeitures collected and remitted to Brunswick County Schools; the Sheriff Department Trust Fund which accounts for the proceeds of court ordered property sales necessary to satisfy a debt; the Brunswick County Hospital Authority which accounts for monies held by Brunswick County on behalf of the Brunswick County Hospital Authority; the Family Self-Sufficiency Trust which accounts for credits earned by HUD-Public Housing participants; the Inmate Trust Fund which accounts for personal funds of the inmates in the detention center; and the 3% Interest Payable to the State Fund which accounts for motor vehicle tax interest fees collected by the County that are assessed by and remitted to the State.

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus, and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Property tax revenue is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, donations and similar items is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. As permitted by generally accepted accounting principles, the County has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are generally recorded when the related fund liability is incurred, except for principal and interest on general long-term debt; accrued compensated absences; pension benefit obligations; and accrued landfill closures and post closure costs which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County recognizes assets of nonexchange transactions in the period when the underlying transactions occur, when enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized on the modified accrual basis of accounting when they are measurable and available. Nonexchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. State shared revenues, sales tax, property taxes, federal grants funding federal mandates, and most donations are examples of nonexchange transactions.

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad Valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered vehicles in North Carolina. Effective with this change, Brunswick County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered in Brunswick County from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes which were billed during this period are shown as receivables on these financial statements.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Budgetary Data

The County's budgets are adopted as required by North Carolina General Statutes. An annual budget is adopted for the General, the Special Revenue (excluding the grant projects and SAD revolving) and the Enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for all capital project funds. All budgets are prepared using the modified accrual basis of accounting which is consistent with the accounting system used to record transactions.

Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the departmental level for the Special Revenue, Enterprise Funds, and Capital Projects Funds. The balances in the Capital Reserve Funds are appropriated when transferred to their respective Capital Project Funds in accordance with the project ordinance adopted for the reserve fund. The County budget officer is authorized by the budget ordinance to transfer appropriations between functional areas within a fund up to $5,000; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than $5,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary. As a result, appropriated fund balance increased in the General Fund by $11,945,975.

A budget calendar is included in the North Carolina General Statutes which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

April 30	Each department head will transmit to the budget officer the budget requests and revenue estimates for their department for the budget year.
June 1	The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.
July 1	The budget ordinance shall be adopted by the governing board.

As required by State law [G.S. 159-26(d)], the County maintains encumbrance accounts, which are considered to be budgetary accounts. Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities.

Deposits and Investments

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

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

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

Cash and Cash Equivalents

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

Restricted Assets

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

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad Valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1; however, penalties and interest do not accrue until the following January 6. The taxes are based on the assessed values as of January 1 (lien date).

Allowances for Doubtful Accounts

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

Due To/From Other Funds and Internal Balances

Amounts, reported at June 30, 2008 as due to/from other funds, generally represent short- term advances between funds. Such amounts reported at year-end are not available for appropriation and are not an expendable available financial resource

Inventory

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

Capital Assets

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

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

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

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

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

Operating Plants and improvements	20-40 years
Enterprise Distribution and Collection Systems	40-60 years
Equipment and vehicles	5-15 years

Long-Term Debt

For governmental fund types, bond issuance costs, bond premiums and discounts, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Material bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable discounts.

The County's long-term debt for water and wastewater purposes is carried in the Water and Wastewater Funds. The debt service requirements for the water and wastewater debt are being met by water and wastewater revenues. However, the taxing power is pledged to make general obligation payments in the water fund if water revenues should ever be insufficient.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

Fund Equity

Net assets in government-wide and proprietary fund financial statements are classified as (a) invested in capital assets, net of related debt; (b) restricted; and (c) unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

In the fund financial statements, the County's governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance or fund equity to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as these amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved:

Reserved by State statute is that portion of fund balance which is not available for appropriation under State law [G.S. 159-8 (a)]. This amount is usually comprised of accounts receivable and interfund receivables which are not offset by deferred revenues.

Reserved for prepaids is that portion of fund balance which is not available for appropriations because it represents payments made to vendors that reflect costs applicable to future accounting periods.

Reserved for debt service is that portion of fund balance available for appropriation which has been reserved to make debt service payments on general obligation bonds.

Reserved for encumbrances is that portion of fund balance available to pay for any commitments related to purchase orders and contracts that remain unperformed at year end.

Unreserved Fund Balance:

Designations of fund balance represent tentative management plans that are subject to change. The County's Unreserved Fund Balances was subject to the following designations at year end:

Designations	General Fund	County Capital Reserve Fund	Education Capital Project Fund	County Capital Project Fund
Designated for subsequent year's expenditures	$ 16,031,493	$ 8,333,968	$ 26,626,724	$ 9,797,444

Interfund Transfers

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

Other Resources

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

Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. In the event of termination, an employee is reimbursed for accumulated vacation days up to a maximum of thirty days. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements.

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

Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the County's financial position and operations. Comparative totals have not been included on the statements where their inclusion would not provide enhanced understanding of the County's financial position and operations or would cause the statements to be unduly complex or difficult to understand.

Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

2. Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments of the County as of June 30, 2008 include the following:

	Reported At Fair Value
Cash on hand	$ 6,600
Deposits - NOW, SuperNOW, MMDA and certificates of deposit	172,920,714
Investments:	
North Carolina Capital Management Trust	26,448,310
First Citizens Bank (Custodial Account)	25,012,685
Total	$ 224,388,309

A. Deposits

All of the deposits of the County are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the depositor in the depositor's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer.

Since the State Treasurer is acting in a fiduciary capacity for the depositor, these deposits are considered to be held by their agents in each of the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County and its component units or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County and its component units under the Pooling Method, the potential exists for undercollateralization 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, 2008, the deposits of the County had a reported value of $172,916,680 and bank balances of $175,277,547. Of the bank balances $4,672,829 was covered by federal depository insurance and $170,604,718 was covered by collateral held under the Pooling Method.

B. Investments

As of June 30, 2008, the County had the following investments and maturities:

Investment Type	Fair Value	Less Than 6 Months	6 - 12 Months	1 - 3 Years
Commercial Paper	$ -	$ -	$ -	$ -
US Government Agencies	25,012,685	-	-	25,012,685
North Carolina Capital Management Trust:				
Cash Portfolio	23,238,738	N/A	N/A	N/A
Term Portfolio*	3,209,572	N/A	3,209,572	N/A
Total	$ 51,460,995	$ -	$ 3,209,572	$ 25,012,685

*Because the NC Capital Management Trust Term Portfolio had duration of 0.80 years, it was presented as an investment with a maturity of 6-12 months.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least 75% of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2008, the County had no investments in commercial paper. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2008. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in US Agencies (Federal Farm Credit Bank, Freddie Mac, and FNMA) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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. County policy limits the initial investment in the NCCMT Term Portfolio to $3 million.

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

3. Accounts Receivable

Disaggregate Information

	Amount (Net of Allowance)		
Type of Receivable	Governmental Activities	Business-Type Activities	Total
Customer Billings	$ 733,677	$ 3,093,876	$ 3,827,553
Miscellaneous	750,113	55	750,168
	$ 1,483,790	$ 3,093,931	$ 4,577,721

The County's accounts receivable as of June 30, 2008 are presented net of allowance for doubtful accounts as follows:

	General Fund	Water Fund	Wastewater Fund
Taxes Receivable	$ 3,450,690	$ -	$ -
EMS Fees	486,350	-	-
Health Fees	523,000		
User Charges	-	420,000	50,000
	$ 4,460,040	$ 420,000	$ 50,000

4. Capital Assets

Governmental capital assets at June 30, 2008 are summarized as follows:

	June 30, 2007	Increases	Decreases	June 30, 2008
Non-Depreciable Assets:				
Land	$ 6,744,142	$ 4,132,978	$ 14,000	$ 10,863,120
Construction in Progress	16,620,630	16,684,021	14,840,251	18,464,400
Total non-depreciable assets	23,364,772	20,816,999	14,854,251	29,327,520
Depreciable Assets				
Buildings and improvements	76,372,173	14,124,295	19,435,060	71,061,408
Equipment and vehicles	22,871,369	2,609,436	545,885	24,934,920
Total depreciable assets	99,243,542	16,733,731	19,980,945	95,996,328
Less accumulated depreciation:				
Buildings and improvements	20,120,318	1,789,392	4,129,950	17,779,760
Equipment and vehicles	14,355,617	2,383,318	525,949	16,212,986
Total accumulated depreciation	34,475,935	4,172,710	4,655,899	33,992,746
Total depreciable assets, net	64,767,607			62,003,582
Total capital assets	$ 88,132,379			$ 91,331,102

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

Function	Depreciation Expense
General government	$ 394,316
Public safety	2,258,530
Central services	505,353
Human services	273,437
Environmental protection	126,669
Economic and physical development	123,985
Cultural and recreation	490,420
Total	$ 4,172,710

Enterprise fund capital assets at June 30, 2008 are summarized as follows:

Water Fund	June 30, 2007	Increases	Decreases	June 30, 2008
Non-Depreciable Assets:				
Land	$ 760,138	$ -	$ -	$ 760,138
Construction in Progress	5,427,530	3,499,056	3,620,576	5,306,010
Total non-depreciable assets	6,187,668	3,499,056	3,620,576	6,066,148
Depreciable Assets				
Operating plants, buildings and improvements	29,182,788	2,004,505	-	31,187,293
Distribution System	77,198,551	8,839,449	-	86,038,000
Equipment and vehicles	3,601,854	1,140,955	21,977	4,720,832
Total depreciable assets	109,983,193	11,984,909	21,977	121,946,125
Less accumulated depreciation:				
Operating plants, buildings and improvements	12,084,930	713,851	-	12,798,781
Distribution System	18,907,793	1,635,764	-	20,543,557
Equipment and vehicles	2,436,590	427,189	21,977	2,841,802
Accumulated depreciation	33,429,313	2,776,804	21,977	36,184,140
Total depreciable assets, net	76,553,880			85,761,986
Total capital assets, net	$ 82,741,548			$ 91,828,134

Wastewater Fund	June 30, 2007	Increases	Decreases	June 30, 2008
Non-Depreciable Assets:				
Land	$ 425,000	$ 1,618,771	$ -	$ 2,043,771
Construction in Progress	2,407,819	23,064,688	722,335	24,750,171
Total non-depreciable assets	2,832,819	24,683,459	722,335	26,793,942
Depreciable Assets				
Operating plants, buildings and improvements	83,281,173	202,003	1,618,771	81,864,405
Collection system	16,594,005	9,653,460	-	26,247,465
Equipment and vehicles	1,088,909	342,259	-	1,431,168
Total depreciable assets	100,964,087	10,197,722	1,618,771	109,543,038
Less accumulated depreciation:				
Operating plants, buildings and improvements	2,291,762	2,076,151	-	4,367,914
Collection System	440,640	423,241	-	863,881
Equipment and vehicles	257,659	153,571	-	411,230
Accumulated depreciation	2,990,062	2,652,963	-	5,643,025
Total depreciable assets, net	97,974,025			103,900,013
Total capital assets, net	$ 100,806,845			$ 130,693,955
Total enterprise fund assets, net	$ 183,548,393			$ 222,522,089

5. Accounts Payable and Interfund Balances

Accounts Payable Disaggregate Information

Type of Payable	Governmental Activities	Business-Type Activities	Total
Trade Payables	$ 2,807,340	$ 794,500	$ 3,601,840
Construction Costs Payable	3,902,128	5,421,402	9,323,530
Accrued Salaries and Fringes	1,815,670	250,435	2,066,105
Other deposits held by County	746,319	-	746,319
Total	$ 9,271,457	$ 6,466,337	$ 15,737,794

Interfund Receivables / Payables

Interfund Balances as of June 30, 2008 are as follows:

	Payable Fund				
Receivable Fund	General	Non-Major Governmental	County Capital Project	Enterprise	Total
General	$ -	$ 771,825	$ 147,689	$ 1,046,978	$ 1,966,492
Non Major Governmental	727,077	-	-	-	727,077
Total	$ 727,077	$ 771,825	$ 147,689	$ 1,046,978	$ 2,693,569

	Receivable Fund				
Payable Fund	General	Non-Major Governmental	County Capital Project	Enterprise	Total
General	$ (1,966,492)	$ -	$ -	$ -	$ (1,966,492)
Non Major Governmental	-	(727,077)	-	-	(727,077)
Total	$ (1,966,492)	$ (727,077)	$ -	$ -	$ (2,693,569)
Net Total	$ (1,239,415)	$ 44,748	$ 147,689	$ 1,046,978	$ -

$1,966,492 represents amounts due to the General Fund from the Water Capital Project Fund in the amount of $1,036,562, the Wastewater Capital Project Fund in the amount of $10,416, the County Capital Project Fund in the amount of $147,689, COPs Debt Service Fund in the amount of $1,825 and Grant Project Special Revenue Fund in the amount of $770,000 for advances of funds for construction. $771,825 represents the amount due from the Grant Project Fund of $770,000 and Brunswick County Leasing Corporation Fund of $1,825 to the General Fund for project and professional service fee advances.

Interfund Transfers

To:	General Fund	County Capital Reserve Fund	Education Capital Project Fund	County Capital Project Fund	Non Major Governmental Fund	Total Governmental Funds	Enterprise Funds	Total
From:								
General Fund	$ -	$ 1,833,637	$ 372,871	$ 5,908,928	$ 6,070,239	$ 14,185,675	$ -	$ 14,185,675
County Capital Reserve Fund	40,000	-	-	1,977,028	-	2,017,028	-	2,017,028
Non Major Governmental Fund	298,351	-	5,099,803	-	-	5,398,154	56,907	5,455,061
Totals	$ 338,351	$ 1,833,637	$ 5,472,674	$ 7,885,956	$ 6,070,239	$ 21,600,857	$ 56,907	$ 21,657,764

To: / From:	General Fund	County Capital Reserve Fund	Education Capital Project Fund	County Capital Project Fund	Non Major Governmental Fund	Total Governmental Funds	Enterprise Funds	Total
General Fund	$ -	$ 40,000	$ -	$ -	$ 302,078	$ 342,078	$ -	$ 342,078
County Capital Reserve Fund	1,833,637	-	-	-	-	1,833,637	-	1,833,637
Education Captial Project Fund	372,871	-	-	-	5,099,803	5,472,674	-	5,472,674
County Capital Project Fund	5,917,341	1,968,615	-	-	-	7,885,956	-	7,885,956
Non Major Governmental Fund	6,066,512				-	6,066,512	-	6,066,512
Enterprise Fund	-	-	-	-	-	-	56,907	56,907
Totals	$ 14,190,361	$ 2,008,615	$ -	$ -	$ 5,401,881	$ 21,600,857	$ 56,907	$ 21,657,764
Net Totals	$ 13,852,010	$ 174,978	$ (5,472,674)	$ (7,885,956)	$ (668,358)	$ -	$ -	$ -

The County's General Fund transferred funds during fiscal year 2008 to fund capital improvements, and to establish reserves for future county and education capital projects. The County Capital Reserve fund transferred funds during the year for capital projects and received reimbursements from funds in projects that were completed under budget to be re-designated for future capital projects. The Non Major Governmental SAD Special Revenue Fund was closed with funds transferred to the Enterprise Reserve Fund.

6. Deferred/Unearned Revenues

The balance in deferred/unearned revenues at June 30, 2008 is composed of the following elements:

	General Fund			Non-Major Governmental		
	Deferred Revenue	Unearned Revenue	Total	Deferred Revenue	Unearned Revenue	Total
Prepaid Taxes, not yet earned	$ -	$ 55,117	$ 55,117	$ -	$ -	$ -
Taxes Receivable	1,471,976	-	1,471,976	-	-	-
EMS Receivable	96,693	-	96,693	-	-	-
Health Department Receivable	247,326	-	247,326	-	-	-
Other	-	3,212	3,212	-	-	-
	$1,815,995	$ 58,329	$1,874,324	$ -	$ -	$ -

7. Long-Term Obligations

A. General Obligation Bonds

General obligation bonds issued to finance the construction of facilities utilized in the operations of the water system are reported as long-term debt in the Water Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Revenue bonds are collateralized by the rate setting authority of the Wastewater Fund. Principal and interest requirements are appropriated when due.

The County's General Obligation Bonds consisted of the following at June 30, 2008:

Original Issue		Payment Information		Outstanding Balance	
Date	Rate	Period	Amount	Governmental Activities	Business-Type Activities
2000	5.25% - 5.75%	Annual	$200,000 - $800,000	$ 1,600,000	$ -
2001	4.25% - 5.00%	Annual	$800,000 - $2,800,000	30,700,000	-
(partially refunded in 2006)					
2003	2.50% - 4.50%	Annual	$750,000 - $1,000,000	13,820,000	-
2004	3.00% - 5.00%	Annual	$600,000 - $2,080,000	11,480,000	-
2005	3.00% - 4.00%	Annual	$95,000 - $1,040,000	8,150,000	295,000
2005	3.75% - 4.50%	Annual	$125,000 - $400,000	3,125,000	-
2007	4.00% - 5.00%	Annual	$100,000 - $280,000	3,200,000	-
2007	4.00% - 5.00%	Annual	$1,110,000 - $2,260,000	25,390,000	-
		Total General Obligation Bonds		$ 97,465,000	$ 295,000
Revenue Bonds					
2004	3.00% - 5.375%	Annual	$805,000 - $2,235,000	-	29,905,000
2004	4.25%	Monthly	$19,188 - $50,143	-	7,052,733
2008	3.50% - 5.00%	Monthly	$1,395,000 - $3,630,000	-	52,800,000
		Total Revenue Bonds		-	89,757,733
				$ 97,465,000	$ 90,052,733

The County has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay $39.7 million in water and wastewater system revenue bonds issued in 2004 and $52.8 million in water and wastewater system revenue bonds issued in 2008. Proceeds from the bonds provided financing for the West Brunswick Regional Water Reclamation Plant Phases 1 and 2 and associated transmission lines and the Sea Trail Wastewater Treatment Plant. Annual principal and interest payments on the bonds are expected to require less than 10 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $143,431,855. Principal and interest paid for the current year and total net revenues were $2,950,524 and $31,663,981, respectively.

The County issued combined system enterprise revenue bonds for water and wastewater system improvements pursuant to a General Trust Indenture dated as of May 1, 2004 and a series indenture, Number 3, dated as of January 1, 2008 between the County and First-Citizens Bank & Trust Company, as trustee. The indentures authorize and secure all outstanding revenue bonds of the County's water and wastewater system and contain several financial and operating covenants governing such matters as rates, additional bonds, reserve funds, annual budgets, maintenance of the system and insurance. The County was in compliance with all such covenants during the fiscal year ended June 30, 2008.

The County has covenanted that it will maintain various debt service coverage ratios. The calculation for the various debt service coverage ratios for the year ended June 30, 2008 is as follows:

Operating Revenues and Investment Earnings	$33,748,828
Operating Expense Net of Depreciation	16,265,392
Net Revenue available for debt service	17,483,436
Add: 20% Surplus Account (expendable net assets)	6,834,562
Net Revenues plus 20% of Surplus Account per rate covenant	$24,317,998
Senior debt service	$ 2,950,524
Subordinate debt service	3,261,228
Total debt service	$ 6,211,752
Add: 20% Senior debt service	590,105
Total adjusted debt service	$ 6,801,857
Coverage Test 1	
Adjusted net revenues/ adjusted debt service	3.58
Coverage Test 2	
Net revenues/total debt service	2.81

B. Certificates of Participation

The County participates in various lease purchase agreements through the Brunswick County Leasing Corporation to finance certain public improvements. Certificates of Participation are issued in connection with these agreements. Since the corporation is considered a blended component unit of the County, the lease obligations are classified as certificates of participation in the County's long-term debt. The County's Certificates of Participation consisted of the following at June 30, 2008:

	Payment Information			Balance Governmental	
Issued	Period	Amount	Rate	Activities	Purpose and Collateral
2000	Annual	$400,000 - $800,000	5.00% - 5.75%	$ 1,600,000	County Courthouse
2004	Annual	$390,000 - $1,250,000	2.00% - 5.00%	6,240,000	Construct law enforcement center and schools
2006	Annual	$75,000 - $1,005,000	3.00% - 4.25%	9,785,000	Refund portion of 2000 COPS; County Courthouse
				$ 17,625,000	

C. Installment Purchases and SRF Loans

The County's Installment Purchase notes payable consisted of the following at June 30, 2008:

Payment Information			Outstanding Balance		
Period	Amount	Rate	Governmental Activities	Business-Type Activities	Collateral
Annual	$40,761	4.45%	$ -	$ 44,471	Vacuum Truck
Monthly	$11,883	4.66%	104,899	-	Compactor
Annual	$138,093	4.00%	370,969	-	Park Field Lighting
Monthly	$8,404	0.00%	33,616	-	Time-keeping System
Monthly	$7,396	4.81%	44,108	-	Telephone System
Annual	$1,602,000-$1,790,000	4.15%	35,500,000	-	
			$ 36,053,592	$ 44,471	

The County's SRF Loans payable consisted of the following at June 30, 2008:

Payment Information			Outstanding Balance		
Period	Amount	Rate	Governmental Activities	Business-Type Activities	Collateral
Annual	$375,000	2.55%	-	4,105,539	Wastewater System
Annual	$511,525 - $790,275	2.21%	-	9,000,000	Wastewater System
Annual	$806,645 - $1,220,552	2.21%	-	18,369,288	Wastewater System
Annual	$75,160	3.04%	-	751,600	Wastewater System
Annual	$39,541	2.95%	-	197,706	Wastewater System
			$ -	$ 32,424,133	
	Total Installment Purchase & SRF Loans		$ 36,053,591	$ 32,468,604	

D. Changes in Long-Term Debt

The following is a summary of changes in governmental long-term debt for the year ended June 30, 2008 for the County:

Governmental Activities	June 30, 2007	Additions	Retirements	June 30, 2008	Current Maturities
General obligation bonds	$ 73,080,454	$ 29,800,000	$ 5,415,454	$ 97,465,000	$ 6,445,000
Certificates of participation	19,755,000	-	2,130,000	17,625,000	1,270,000
Installment purchases	983,650	35,500,000	430,058	36,053,592	1,901,455
Accrued compensated absences	2,522,372	1,182,707	846,439	2,858,640	275,000
Pension benefit obligation	510,301	68,517	-	578,818	-
Other Post-Employment Benefits	-	3,845,610	-	3,845,610	-
Accrued landfill closure & post-closure	10,557,352	-	-	10,557,352	112,000
Total	$107,409,128	$ 65,704,785	$ 7,975,512	$ 168,984,012	$ 10,003,455

Note: The general fund is typically used to liquidate the compensated absences and pension liabilities.

The following is a summary of changes in business-type long-term debt for the year ended June 30, 2008 for the County:

Business-Type Activities	June 30, 2007	Additions	Retirements	June 30, 2008	Current Maturities
Revenue bonds	$ 38,084,416	$ 52,800,000	$ 1,126,683	$ 89,757,733	$ 2,565,666
General obligation bonds	1,009,546	-	714,546	295,000	295,000
Installment purchases	87,047	-	42,576	44,471	44,471
SRF Loans	34,136,783	-	1,712,650	32,424,133	1,730,826
Accrued compensated absences	260,970	122,365	56,471	326,864	-
Other Post-Employment Benefits	-	490,588	-	490,588	-
Total	$ 73,578,762	$ 53,356,482	$ 3,596,455	$ 123,338,789	$ 4,635,963

E. Maturities of Long-Term Debt

The annual requirements to retire all debt outstanding, other than compensated absences, pension benefit obligation, and accrued landfill closure costs, at June 30, 2008, including interest, are as follows:

Governmental	General Obligation Bonds		Certificates of Participation		Installment Purchases		Total	
Activities	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	$6,445,000	$4,179,472	$1,270,000	$723,549	$1,901,455	$1,521,743	$9,616,455	$6,424,764
2010	6,650,000	3,916,361	1,275,000	666,174	1,816,528	1,421,332	9,741,528	6,003,867
2011	6,650,000	3,640,698	1,395,000	613,937	1,894,608	1,343,993	9,939,608	5,598,628
2012	6,635,000	3,373,798	1,390,000	563,207	1,791,000	1,263,301	9,816,000	5,200,306
2013	6,625,000	3,100,384	1,380,000	511,994	1,791,000	1,188,975	9,796,000	4,801,353
2014-2018	37,090,000	10,991,039	6,745,000	1,744,929	8,955,000	4,829,978	52,790,000	17,565,946
2019-2023	26,970,000	2,810,676	3,780,000	440,463	8,954,000	2,971,815	39,704,000	6,222,954
2024-2028	400,000	18,000	390,000	16,087	8,950,000	1,114,275	9,740,000	1,148,362
Total	$97,465,000	$32,030,428	$17,625,000	$5,280,340	$36,053,591	$15,655,412	$151,143,591	$52,966,180

Business-Type	General Obligation Bonds		Revenue Bonds		Installment & SRF Debt		Total	
Activities	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	$295,000	$8,850	$2,565,666	$1,782,885	$1,775,297	$738,806	$4,635,963	$2,530,541
2010	-	-	2,668,571	3,306,116	1,749,402	696,800	4,417,973	4,002,916
2011	-	-	2,767,594	3,990,811	1,768,387	656,363	4,535,981	4,647,174
2012	-	-	2,881,761	3,877,120	1,787,790	615,508	4,669,551	4,492,628
2013	-	-	2,992,919	3,763,450	1,807,622	574,425	4,800,541	4,337,875
2014-2018	-	-	17,055,555	16,737,618	9,153,517	2,247,886	26,209,072	18,985,504
2019-2023	-	-	21,494,556	12,300,245	9,343,358	1,197,917	30,837,914	13,498,162
2024-2028	-	-	24,716,113	6,765,406	5,083,231	225,319	29,799,344	6,990,725
2029-2033	-	-	12,615,000	1,150,469	-	-	12,615,000	1,150,469
Total	$295,000	$8,850	$89,757,735	$53,674,120	$32,468,604	$6,953,024	$122,521,339	$60,635,994

F. Other Debt Disclosures

At June 30, 2008, the County had a legal debt margin of $2,362,000,000 and the County had no authorized and unissued debt.

At June 30, 2008 the County had $7,600,000 and $9,200,000 with escrow agents for School Series 2000 G.O. Bonds and Courthouse COPs Series 2000, respectively, and as a result the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets.

8. Conduit Debt Obligations

Brunswick County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2008, there are no industrial revenue bonds outstanding.

9. Pension Plan Obligations

A. Local Governmental Employees' Retirement System

Plan Description

The County contributes to the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report for the State of North Carolina. The State's Comprehensive Annual Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute an actuarially determined rate. For the County the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.89% and 4.86%, respectively, of annual covered payroll. The County's contributions to LGERS for the years ended June 30, 2008, 2007 and 2006 were $1,868,816, $1,610,544, and $1,448,853 respectively. The contributions made by the County equaled the required contributions for each year.

B. Law Enforcement Officers' Special Separation Allowance

Plan Description

The County administers a public employee retirement system (the "Separation Allowance"), a single-employer, defined benefit pension plan that provides retirement benefits to the County's sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the covered employee for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The plan does not issue separate financial statements.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2006, the Separation Allowance's membership consisted of:

Retirees receiving benefits terminated plan members entitled to but not yet receiving benefits	4
Active plan members	112
Total	116

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.

Method Used to Value Investments
No funds are set aside to pay future benefits and administration costs. These expenditures are paid as they come due.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases.

The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 2007 was 23 years.

Annual Pension Costs and Net Pension Obligation

The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	$	100,185
Interest on net pension obligation		36,997
Adjustment to annual required contribution		(31,357)
Annual pension cost	$	105,825
Contributions made		37,308
Increase in net pension, obligation	$	68,517
Net pension obligation, beginning of year		510,301
Net pension obligation, end of year	$	578,818

Funded Status and Funding Progress

Three Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contribution	Net Pension Obligation
June 30, 2006	$ 106,394	24.63%	$ 435,512
June 30, 2007	105,461	29.08%	510,301
June 30, 2008	105,825	35.25%	578,818

As of December 31, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was $961,761. The covered payroll (annual payroll of active employees covered by the plan) was $5,030,787, and the ratio of the UAAL to the covered payroll was 19.1%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

The County contributes to the Supplemental Retirement Income Plan ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2008 were $379,733 which consisted of $267,021 from the County and $112,712 from the law enforcement officers.

D. Deferred Compensation Plans

The County also offers, to employees not engaged in law enforcement, a deferred compensation plan created in accordance with Internal Revenue Code Section 401(k). Employee participation is discretionary and is limited to the amount allowable under the Internal Revenue Code. For each qualified employee, the County contributes 5% of the employee's pretax annual compensation to the plan. Contributions for the year ended June 30, 2008 were $2,410,213 which consisted of $1,640,674 from the County and $769,539 from the employees.

E. Registers of Deeds' Supplemental Pension Fund

Plan Description

The County also contributes to the Registers of Deeds' Supplemental Pension Fund ("Fund"), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds 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. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2008, the County's required and actual contributions were $18,163.

F. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months 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 payroll, 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, 2008, the County's contributions to the State for death benefits was $40,376. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .10% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

G. Other Post-Employment Benefits – Health Care Benefits

Plan Description

In addition to providing pension benefits, the County has elected to provide health care benefits to retirees of the County who have at least thirty years service with the North Carolina Local Governmental Employees' Retirement System (System) or the North Carolina Law Enforcement Officers' Local Governmental Employees' Retirement System (LE System); and/or employees who are credited with at least twenty years of service with the System or the LE System and have reached their sixtieth birthday in service and have their last five years of continuous service with the County, at the time of retirement. Retired employees meeting the criteria discussed herein will be provided hospitalization in the same manner as the active County employees. Once a retiree reaches their sixty-fifth birthday, the retiree will be provided coverage in the form of a Medicare supplement policy purchased by the County. The County pays the full cost of coverage for these benefits. Retirees can purchase coverage for their dependents at the County's group rates until the retiree reaches age sixty-five. Currently, 144 retirees are eligible for post-retirement health benefits.

Membership of the plan consisted of the following at December 31, 2006, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	144	N/A
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	531	93
Total	675	93

Funding Policy

The County pays the full cost of coverage for the health care benefits paid for qualified retirees. The County's members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage. The County has chosen to fund the health care benefits on a pay-as-you-go basis.

The current ARC rate is 21.37% of annual covered payroll. For the current year, the County contributed $814,736 or 2.13% of annual covered payroll. The County is fully insured for health care coverage through a private insurer. There were no contributions made by employees, except for dependent coverage in the amount of $51,777. The County's obligation to contribute to the Plan is established and may be amended by the County Board.

Summary of Significant Accounting Policies

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

Annual OPEB Cost and Net Obligation

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

Annual required contribution	$ 5,150,934
Interest on net OPEB obligation	-
Adjustments to annual required contribution	-
Annual OPEB cost (expense)	5,150,934
Contributions made	(814,736)
Increase (decrease) in net OPEB obligation	4,336,198
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	$ 4,336,198

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

Year Ended June 30	Annual OBEP Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	$ 5,150,934	15.8%	$ 4,336,198

Fund Status and Funding Progress

As of December 31, 2006, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was $49,458,857. The covered payroll (annual payroll of active employees covered by the plan) was $24,093,567, and the ratio of the UAAL to the covered payroll was 205.3 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and health care trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents, presents multi-year trend information about whether the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the December 31, 2006 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 12.00 to 5.00 percent annually. Both rates included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2006, was 30 years.

10. Landfill Closure and Postclosure Costs

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

Municipal Solid Waste Landfill

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

Construction and Demolition Debris Landfill

The County operates a multi-phase construction and demolition debris landfill. The North Carolina Department of Environment and Natural Resources ("NCDENR") has issued permits for 6 separate phases with a permit that extended to July, 1 2008. The County has submitted a permit extension request to operate the landfill for five (5) more years. The total permitted capacity of the 6 phases represent 1,146,000 cubic yards (cy). As of June 30, 2008, the volume utilized has not exceeded the permitted capacity.

Phase 5 was permitted for 147,000 cy in December 2004 and the permit was extended to January 1, 2007. Phases 6A, 6B, and 6C were permitted for 588,000 cy and the permit was extended to July 1, 2008. The County's engineering consultants estimated that approximately 100% of Phase 5 has been used and approximately 65% of Phase 6 has been used.

The County received a report from an engineering firm of comprehensive planning, management, and design services for its C&D debris services. The County is evaluating the alternative of developing a new landfill and has included $8,000,000 in FY 2008-09 and $9,000,000 each in the Capital Improvement Plan for fiscal years 2009-10 and 2012-13 as the estimated cost of a new C&D landfill.

In addition, on July 16, 2007 the County entered into an agreement for temporary hauling and disposal of C&D debris outside the County and began a sorting and recycling program as means to extend the life of the existing landfill.

Closure and Postclosure Care Cost

The closure and postclosure care liability is computed based on the cumulative, estimated capacity of the landfill utilized as of June 30, 2008 which is 65%. It is estimated that closure of the C&D debris landfill will not occur until sometime after 2008. The MSW landfill was closed in 1997. At June 30, 2008, the postclosure care cost for the MSW landfill is expected to be approximately $112,000 annually. The postclosure care cost for the C&D debris landfill is expected to be approximately $125,000 annually after closure. At June 30, 2008, the combined closure and postclosure care costs for both landfills are expected to total $10,557,352 based on an escalation factor of 4%. Of that amount, $10,557,352 has been accrued at June 30, 2008 and is included in the Long-Term Debt reported on the statement of net assets.

Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has elected to establish a reserve fund to accumulate resources for the payment of closure and postclosure care costs. A reserve for landfill closure and postclosure care costs is included in the County Capital Reserve Fund in the amount of $3,707,671. The County expects to budget annual transfers from the General Fund to the County Capital Reserve Fund based on the projected cost of closure and postclosure care costs. Future inflation costs are expected to be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate, additional costs may be covered by future user charges or tax revenues. For the year ended June 30, 2008, the County transferred $750,000 from the General Fund to the County Capital Reserve Fund for the landfill closure reserve. Additionally, the County incurred $8,000 of costs related to its landfill expansion during 2008.

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 three self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of $150 million for any one occurrence, general, auto, professional, and employment practices liability coverage of $2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of $250,000 per occurrence, workers' compensation coverage up to the statutory limits, and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive. The Pool's retentions are: $500,000 each occurrence for general liability, automobile liability, law enforcement liability and public officials liability; $250,000 for each property, automobile physical damage and inland marine occurrence, subject to a 2% wind deductible and $750,000 for each workers' compensation claim. For health and dental insurance, the County is reinsured through the Pool for individual losses in excess of $50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through a commercial carrier for individual losses in excess of $200,000

The County does not carry flood insurance through the National Flood Insurance Plan (NFIP). Because the County owns property in areas of the State that have been mapped and designated as

"AE" (high risk non-coastal) and "VE" (coastal high risk), the County is eligible to purchase coverage of $500,000 per structure through the NFIP. The County has chosen not to purchase flood insurance based on a determination that the assets located in flood prone areas consist mainly of underground utility piping and pump stations designed for the environment.

The Director of Finance, Revenue Collector and Register of Deeds are each individually bonded for $250,000, $500,000, and $10,000 respectively. In accordance with G.S. 159-29, the County's adopted a system of $250,000 blanket faithful performance bonding as an alternative to individual bonds for all other employees that have access to funds.

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, 2008, the amount of general obligation bonds issued for this purpose that was still outstanding was $28,515,000. The County made total debt service payments related to the bonds of $2,170,917 during the fiscal year. Of that total, $1,235,000 was for principal and $935,917 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 $2,895,763 to the Community College for operating purposes during the fiscal year ended June 30, 2008.

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, 2008. Complete financial statements for the Brunswick County Community College may be obtained from the Community College's administrative offices at U.S. Hwy. 17 N., Supply, North Carolina.

Southeastern Mental Health Center

The County participates with Pender County and New Hanover County in a joint venture to operate the Southeastern Mental Health Center ("Center"), which is located in New Hanover County. The

Center's Board consists of fifteen directors. Each participating county appoints one County Commissioner as a member of the Board. Acting in concert, the County Commissioners so appointed shall appoint, reappoint, and terminate the other members of the Board. Subsequently, the Board of Commissioners of the county of residence of the appointee must confirm those appointed. Brunswick County has 5 members on the Board of Directors. The Southeastern Mental Health, Mental Retardation, and Substance Abuse Board is a county political subdivision of the State of North Carolina. Brunswick County contributed $700,606 for operating purposes during the year ended June 30, 2008. In addition, the County makes available to the Center operating facilities for which no rent is charged. The participating counties do not have any equity interest in the joint venture. Complete financial statements for Southeastern Mental Health Center may be obtained from the Center's administrative offices at Wilmington, North Carolina.

14. Jointly Governed Organizations

Cape Fear Council of Governments

The County, in conjunction with three other counties and forty-one municipalities, established the Cape Fear Council of Governments ("Council"). The participating governments established the Council to coordinate certain funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of $24,237 to the Council during the fiscal year ended June 30, 2008.

Lower Cape Fear Water and Sewer Authority

The County, in conjunction with four other counties and one municipality, established the Lower Cape Fear Water and Sewer Authority ("Authority"). The Authority operates a 45 mgd raw water system, consisting of a raw water intake located above Lock & Dam #1, Cape Fear River, a 45 mgd pump station and 13 miles of operating raw water main. The County appoints 4 members of the Authority's 13 member Board. The Authority supplies raw water under contracts at a rate that is periodically reset to reflect the Authority's cost of production. The Authority also receives an availability charge from a municipality until the municipality needs the raw water supply. The cost of the raw water acquired by Brunswick County from the Authority for the year ended June 30, 2008 was $900,542.

In addition, the Authority made payments to the County during the fiscal year totaling $336,059 pursuant to a maintenance contract.

Northeast Brunswick Water Reclamation Facility

The Facility is owned, operated and maintained by the County. The Town of Leland, Town of Navassa, North Brunswick Sanitary District, City of Northwest, and the County have entered into wastewater service agreements for a portion of the treatment capacity in the plant. The County is planning an expansion of the plant from 1.65 mgd to 4.65 mgd due to increased capacity needs of the participants and included $30 million as an estimated capital cost in the Capital Improvement Plan budget for fiscal year 2009-10. The planed sources of funding are revenue bonds, other debt proceeds that may be available to the County and grants. The debt is planned to be serviced by participant fees. The agreement and policies and regulations provide for an oversight committee to make budget and operating recommendations to the County Commissioners.

West Brunswick Regional Water Reclamation Facility

The Facility, which began operations in March of 2006 is owned, operated and maintained by the County. The county is currently constructing the West Brunswick Regional Water Reclamation Facility Phase 2 planned to expand the plant capacity from 3 mgd to 6 mgd and provide a transmission line to serve the Town of Oak Island. The budgeted cost of the facilities is $55.9 million. The sources of funding are revenue bonds, construction grants and loans funds, and grants. The debt will be serviced by participant fees. The Town of Holden Beach, Town of Oak Island, Town of Shallotte and the County have entered into a wastewater service agreement for a portion of the treatment capacity in the plant. The County is constructing force mains to serve the southwest portion of the County at a cost of $18.6 million. The Southwest Force Mains were funded by revenue bonds. The revenue bonds will be serviced by County retail wastewater revenues. The wastewater service agreement and policies and regulations provide for an oversight committee to make budget and operating recommendations to the County Commissioners.

15. Benefit Payments issued by the State

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

	Federal	State
Temporary Assistance for Needy Families	$ 871,698	$ -
Refugee Assistance	181	
Low-Income Home Energy Assistance	117,737	
Medicaid	55,690,164	28,696,534
Housing Assistance Payment Program	2,477,068	-
Food Stamp Program	9,072,632	-
Special Supplemental Food Program for Women, Infants and Children	1,876,324	-
State/County Special Assistance for Adults	-	477,378
State Foster Care and Adoption Programs	648,173	472,648

16. Commitments and Contingencies

Unemployment Benefits

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

Construction Commitments

The County had commitments, as shown below, for construction contracts outstanding at June 30, 2008. 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
Waterline Expansion Project	$ 186,860
Waccamaw Waterline	1,064,100
Phase 1 SW Force Main & Pump Station	624,529
Phase 2 SW Force Main & Pump Station	444,838
West Brunswick Water Reclamation Facility	33,898,297
Cedar Grove Middle School	13,695,439
Town Creek Elementary School	10,943,783
Belville School	847,671
David R. Sandifer County Administration Building	362,472
	$ 62,067,989

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, 2008, the County believes that any required refunds would be immaterial and therefore no provision has been made in the accompanying financial statements for the refund of grant money received.

17. Stewardship, Compliance and Accountability

A. Deficit Fund Balance of Net Assets of Individual Funds

The following individual funds had deficit fund balances as of June 30, 2008:

Special Revenue:	
Brunswick County Leasing Corporation	$ 599
Grant Project Fund	$ 870,292

The County plans to properly capitalize these funds with grant receipts or local transfers.

B. Excess of Expenditures over Appropriations

The following departments had excess expenditures over appropriations as of June 30, 2008:

Department	Final Budget	Final Amount	Variance
Operation Services	$ 5,341,387	$ 5,362,337	$ 20,950
Storm water Ordinance Enforcement	82,777	86,439	3,662

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to the Required Schedules for the Law Enforcement Officer's Special Separation Allowance
- Schedule of Funding Progress for the Other Post Employment Benefits
- Schedule of Employer Contributions for the Other Post Employment Benefits
- Notes to the Required Schedules for the Other Post Employment Benefits

COUNTY OF BRUNSWICK, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) /C
12/31/2007	$ -	$ 961,761	$ 961,761	0.00%	$ 5,030,787	19.12%
12/31/2006	-	706,154	706,154	0.00%	4,126,694	17.11%
12/31/2005	-	686,980	686,980	0.00%	4,201,836	16.35%
12/31/2004	-	700,612	700,612	0.00%	3,554,883	19.71%
12/31/2003	-	611,561	611,561	0.00%	3,100,151	19.73%
12/31/2002	-	514,216	514,216	0.00%	2,970,724	17.31%
12/31/2001	-	445,483	445,483	0.00%	2,533,125	17.59%
12/31/2000	-	405,564	405,564	0.00%	2,283,364	17.76%
12/31/1999	-	229,060	229,060	0.00%	2,309,143	9.92%
12/31/1998	-	202,811	202,811	0.00%	2,058,411	9.85%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2008	$ 100,185	$ 37,308	37.24%
2007	99,949	30,673	30.69%
2006	101,041	26,210	25.94%
2005	86,211	12,977	15.05%
2004	76,871	13,335	17.35%
2003	65,290	23,080	35.35%
2002	58,387	23,968	41.05%
2001	41,638	29,184	70.09%
2000	36,279	16,587	45.72%
1999	31,961	11,301	35.36%

Notes to the Required Schedules:
The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest valuation follows:

Valuation date	12/31/2007	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay closed	
Remaining amortization period	23 years	
Asset valuation method	Market value	
Actuarial Assumptions:		
Investment rate of return *	7.25%	* Includes inflation at 3.75%
Projected salary increases *	4.5 - 12.3%	
Cost of living adjustments	N/A	

COUNTY OF BRUNSWICK, NORTH CAROLINA

OTHER POST EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) /C
12/31/2006	-	$ 49,458,857	$ 49,458,857	0.00%	$ 24,093,567	205.3%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2008	$ 5,150,934	$ 814,736	15.8%

Notes to the Required Schedules:
The information presented above was determined as part of the actuarial valuation at the dates indicated.
Additional information as of the latest valuation follows:

Valuation date	12/31/2006
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	4.00%
Medical cost trend rate	5%-12%
Year of ultimate trend rate	2014

*Includes inflation at 3.75%

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SUPPLEMENTARY

INFORMATION

TAB

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND - This fund is the principal fund of the County and is used to account for the receipt and expenditure of resources that are traditionally associated with local government and that are not required to be accounted for in other funds.

COUNTY CAPITAL RESERVE FUND - This fund was established in accordance with North Carolina law to account for the accumulation of resources to be used for construction. When construction begins, the fund balance will be transferred to a Capital Projects Fund.

EDUCATION CAPITAL PROJECTS FUND - This fund is used to account for the additions and improvements to Brunswick County Public Schools and Brunswick Community College which are financed by transfers from the general fund and capital reserve funds, bond proceeds, and financing agreements.

COUNTY CAPITAL PROJECTS FUND - This fund is used to account for additions and improvements of major county facilities which are financed by transfers from the general fund and capital reserve funds, bond proceeds, and financing agreements.

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
Ad Valorem Taxes:				
Current year taxes	94,079,322	94,116,181	36,859	81,597,743
Prior years taxes	2,125,000	2,138,140	13,140	2,167,553
Collection of previously written off taxes	-	7,818	7,818	12,034
Penalties and interest	600,000	678,582	78,582	644,992
	96,804,322	96,940,721	136,399	84,422,322
Local Option Sales Taxes:				
Article 39 (1%)	9,273,937	9,233,434	(40,503)	9,641,180
Article 40 (1/2%)	4,931,452	4,823,347	(108,105)	4,690,731
Article 42 (1/2%)	4,878,235	4,771,639	(106,596)	4,637,534
Article 44 (1/2%)	4,296,634	4,232,972	(63,662)	4,286,660
	23,380,258	23,061,392	(318,866)	23,256,105
Other Taxes and Licenses:				
Deed stamp excise tax	3,200,000	3,330,285	130,285	4,372,835
White goods disposal tax	36,000	36,991	991	36,143
Scrap tire disposal fee	137,227	137,228	1	107,131
	3,373,227	3,504,504	131,277	4,516,109
Unrestricted Intergovernmental:				
Beer and wine tax	230,000	240,565	10,565	241,782
Court facility fees	150,000	187,017	37,017	177,205
Jail fees	268,826	273,907	5,081	250,839
	648,826	701,489	52,663	669,826
Restricted Intergovernmental:				
State and federal grant	16,987,043	17,154,919	167,876	17,008,793
Payments in lieu of taxes	-	2,146	2,146	2,173
ABC education requirement	-	3,273	3,273	-
ABC law enforcement services	1,400	4,124	2,724	1,060
State drug tax	18,000	92,272	74,272	21,813
	17,006,443	17,256,734	250,291	17,033,839
Permits and Fees:				
Building permits	1,400,000	1,455,140	55,140	1,342,027
Register of Deeds	1,215,456	1,211,439	(4,017)	1,460,783
Inspection fees	200,000	205,768	5,768	205,803
Concealed handgun permit	32,190	40,915	8,725	33,140
Other permit and fees	1,140,438	1,214,722	74,284	1,174,455
	3,988,084	4,127,984	139,900	4,216,208

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Sales and Services:				
Solid waste fees	1,734,250	1,724,255	(9,995)	2,631,302
School resource officer reimbursement	798,074	637,391	(160,683)	567,080
Rents	5,334	5,334	-	5,334
EMS Charges	2,252,264	2,206,666	(45,598)	1,416,019
Food Services	1,382,630	1,385,911	3,281	1,320,217
Public health user fees	1,080,615	1,069,809	(10,806)	1,164,950
Social services fees	40,900	54,463	13,563	50,707
Public housing fees	2,724	9,661	6,937	8,397
Tax collection fees	81,125	80,847	(278)	48,213
Fuel reimbursement	500,000	777,455	277,455	613,780
Recreation services	242,467	224,367	(18,100)	207,643
Other sales and services	212,541	203,830	(8,711)	141,499
	8,332,924	8,379,989	47,065	8,175,141
Investment earnings	3,087,088	3,119,176	32,088	3,530,353
Other:				
Tax refunds - sales and gas tax	500	1,156	656	1,064
ABC bottles taxes	42,000	47,334	5,334	49,974
County Board of Alcohol Control	24,000	24,000	-	24,000
Contributions	2,800	4,399	1,599	1,337
Other revenues	471,928	824,915	352,987	741,479
	541,228	901,804	360,576	817,854
Total revenues	157,162,400	157,993,793	831,393	146,637,757
Expenditures:				
General Government:				
Governing Body:				
Salaries	156,618	156,618	-	147,829
Fringe benefits	56,852	55,328	1,524	53,647
Operating costs	170,000	137,455	32,545	154,552
Capital outlay	-	-	-	-
	383,470	349,401	34,069	356,028
County Administration:				
Salaries	616,601	590,319	26,282	542,756
Fringe benefits	183,360	160,245	23,115	154,191
Operating costs	148,500	99,259	49,241	104,822
Capital outlay	-	-	-	-
	948,461	849,823	98,638	801,769

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Finance:				
Salaries	659,277	656,409	2,868	602,521
Fringe benefits	214,941	214,500	441	198,510
Operating costs	613,617	273,273	340,344	440,553
Reimbursement of indirect costs	(19,688)	(20,950)	1,262	-
Capital outlay	13,878	13,000	878	175,770
	1,482,025	1,136,232	345,793	1,417,354
Tax Administration:				
Salaries	1,360,032	1,336,092	23,940	1,214,263
Fringe benefits	494,385	478,852	15,533	410,149
Operating costs	610,968	364,127	246,841	478,834
Capital outlay	320,764	37,364	283,400	272,705
	2,786,149	2,216,435	569,714	2,375,951
Revenue Collector:				
Salaries	433,109	430,914	2,195	363,971
Fringe benefits	164,974	158,399	6,575	127,178
Operating costs	120,150	90,639	29,511	76,764
Capital outlay	-	-	-	-
	718,233	679,952	38,281	567,913
Geographic Information:				
Salaries	366,890	364,799	2,091	336,827
Fringe benefits	126,585	126,295	290	118,597
Operating costs	248,415	121,349	127,066	91,865
Capital outlay	-	-	-	21,345
	741,890	612,443	129,447	568,634
County Attorney:				
Salaries	266,595	235,152	31,443	220,324
Fringe benefits	80,413	64,857	15,556	62,060
Operating costs	87,350	48,091	39,259	51,447
	434,358	348,100	86,258	333,831
Court Facilities:				
Salaries	48,618	44,771	3,847	43,033
Fringe benefits	16,332	15,667	665	15,078
Operating costs	153,786	124,266	29,520	148,547
Capital outlay	5,000	-	5,000	-
	223,736	184,704	39,032	206,658
Board of Elections:				
Salaries	203,220	203,220	-	169,069
Fringe benefits	73,729	73,718	11	63,772
Operating costs	280,899	184,663	96,236	704,289
	557,848	461,601	96,247	937,130

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Register of Deeds:				
Salaries	793,451	698,657	94,794	666,750
Fringe benefits	374,466	301,193	73,273	321,267
Operating costs	2,291,196	1,875,062	416,134	2,467,020
Capital outlay	10,982	-	10,982	19,157
	3,470,095	2,874,912	595,183	3,474,194
Total general government	11,746,265	9,713,603	2,032,662	11,039,462
Central Services:				
Management Information Systems:				
Salaries	510,281	475,596	34,685	432,628
Fringe benefits	177,762	154,369	23,393	145,856
Operating costs	362,996	322,708	40,288	404,603
Capital outlay	33,004	30,935	2,069	26,194
	1,084,043	983,608	100,435	1,009,281
Service Center:				
Salaries	544,907	544,905	2	473,790
Fringe benefits	194,927	194,997	(70)	171,907
Operating costs	1,180,169	1,182,431	(2,262)	1,032,481
Capital outlay	21,879	13,892	7,987	62,378
	1,941,882	1,936,225	5,657	1,740,556
Engineering:				
Salaries	249,420	243,809	5,611	195,448
Fringe benefits	84,961	80,717	4,244	65,273
Operating costs	117,035	99,108	17,927	70,897
Capital outlay	-	-	-	3,000
	451,416	423,634	27,782	334,618
Operation Services:				
Salaries	1,978,167	1,978,166	1	1,834,887
Fringe benefits	770,918	771,208	(290)	699,063
Operating costs	2,328,287	2,376,985	(48,698)	2,109,693
Capital outlay	264,015	235,978	28,037	225,306
	5,341,387	5,362,337	(20,950)	4,868,949
Non-departmental:				
Salaries	12,500	-	12,500	-
Fringe benefits	1,625,721	1,573,432	52,289	1,445,804
Operating costs	1,325,713	987,988	337,725	1,066,135
Reimbursement of indirect costs	(998,086)	(998,086)	-	-
Capital outlay	51,500	49,316	2,184	-
	2,017,348	1,612,650	404,698	2,511,939

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Food Services:				
Salaries	293,833	293,893	(60)	250,005
Fringe benefits	132,882	132,234	648	103,806
Operating costs	1,228,560	1,122,667	105,893	936,119
Capital outlay	-	-	-	11,873
	1,655,275	1,548,794	106,481	1,301,803
Total central services	12,491,351	11,867,248	624,103	11,767,146
Public Safety:				
District Attorney:				
Salaries	64,246	33,326	30,920	67,602
Fringe benefits	4,915	2,685	2,230	5,626
Operating costs	70,033	58,705	11,328	68,011
Capital outlay	-	-	-	-
	139,194	94,716	44,478	141,239
Sheriff:				
Salaries	5,148,027	5,031,452	116,575	4,181,495
Fringe benefits	1,771,662	1,685,534	86,128	1,377,865
Operating costs	1,478,039	1,523,650	(45,611)	1,312,536
Capital outlay	1,134,762	943,047	191,715	721,071
	9,532,490	9,183,683	348,807	7,592,967
Criminal Justice Partnership:				
Salaries	82,617	82,616	1	74,803
Fringe benefits	30,725	30,677	48	28,608
Operating costs	128,760	128,759	1	124,756
Capital outlay	15,497	15,497	-	11,698
	257,599	257,549	50	239,865
Detention Center:				
Salaries	2,791,469	2,554,770	236,699	1,749,896
Fringe benefits	1,155,802	933,420	222,382	629,640
Operating costs	1,488,897	1,406,819	82,078	1,265,254
Capital outlay	81,191	67,757	13,434	22,180
	5,517,359	4,962,766	554,593	3,666,970
Emergency Medical:				
Salaries	3,689,380	3,500,552	188,828	3,205,286
Fringe benefits	1,207,913	1,077,739	130,174	1,012,020
Operating costs	992,048	1,007,359	(15,311)	733,151
Capital outlay	1,575,381	1,273,049	302,332	470,525
	7,464,722	6,858,699	606,023	5,420,982
Emergency Management:				
Salaries	365,464	357,409	8,055	294,769
Fringe benefits	111,783	110,570	1,213	90,845
Operating costs	510,977	241,166	269,811	279,562
Capital outlay	178,599	156,280	22,319	95,257
	1,166,823	865,425	301,398	760,433

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Other Agencies:				
Fire districts	365,570	365,570	-	365,250
Rescue Squads	467,077	249,433	217,644	319,303
	832,647	615,003	217,644	684,553
Public Inspections:				
Salaries	555,546	545,548	9,998	497,689
Fringe benefits	203,615	198,988	4,627	180,687
Operating costs	98,670	85,032	13,638	105,152
Capital outlay	38,000	31,668	6,332	32,816
	895,831	861,236	34,595	816,344
Coroner:				
Operating costs	70,000	68,618	1,382	74,169
Central Communications:				
Salaries	1,369,640	1,126,251	243,389	875,602
Fringe benefits	519,842	385,688	134,154	312,984
Operating costs	660,534	445,690	214,844	367,018
Capital outlay	438,582	183,881	254,701	538,957
	2,988,598	2,141,510	847,088	2,094,561
Animal Control:				
Salaries	425,991	406,451	19,540	330,071
Fringe benefits	172,607	159,608	12,999	134,539
Operating costs	170,345	172,380	(2,035)	135,071
Capital outlay	54,080	52,838	1,242	53,394
	823,023	791,277	31,746	653,075
Total public safety	29,688,286	26,700,482	2,987,804	22,145,158
Transportation:				
Brunswick County Airport	66,000	66,000	-	66,000
Odell Williamson Municipal Airport	27,500	27,500	-	27,500
Brunswick Interconnector Service	7,103	7,103	-	-
Brunswick Transit System	170,326	170,326	-	213,371
Total transportation	270,929	270,929	-	306,871
Environmental Protection:				
Solid Waste:				
Salaries	408,054	404,731	3,323	352,659
Fringe benefits	153,948	151,345	2,603	129,080
Operating costs	11,573,469	11,436,156	137,313	10,012,710
Capital outlay	214,521	139,173	75,348	29,329
	12,349,992	12,131,405	218,587	10,523,778

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Storm water Ordinance Enforcement:				
Salaries	61,829	62,789	(960)	39,981
Fringe benefits	19,148	19,243	(95)	11,460
Operating costs	1,800	4,407	(2,607)	4,271
Capital outlay	-	-	-	15,932
	82,777	86,439	(3,662)	71,644
Other:				
Forestry services	229,080	197,671	31,409	176,218
Artificial Reef Program	11,000	11,000	-	11,000
Brunswick County Beach Consortium	30,000	30,000	-	30,000
Coastal Watershed Management	59,076	57,041	2,035	52,390
Shallow Inlet Dredging	-	-	-	147,500
Cape Fear RC&D	9,000	9,000	-	3,000
	338,156	304,712	33,444	420,108
Total environmental protection	12,770,925	12,522,556	248,369	11,015,530
Economic Development:				
Code Enforcement:				
Salaries	156,087	149,522	6,565	127,341
Fringe benefits	60,138	56,102	4,036	41,181
Operating costs	52,001	26,932	25,069	25,131
Capital outlay	-	-	-	47,596
	268,226	232,556	35,670	241,249
Planning:				
Salaries	666,029	595,840	70,189	488,688
Fringe benefits	281,950	212,567	69,383	176,473
Operating costs	215,795	192,342	23,453	172,078
Capital outlay	19,360	18,682	678	-
	1,183,134	1,019,431	163,703	837,239
Cooperative Extension:				
Salaries	353,777	321,023	32,754	333,428
Fringe benefits	90,704	70,985	19,719	76,898
Operating costs	140,832	106,315	34,517	103,926
Capital outlay	-	-	-	18,682
	585,313	498,323	86,990	532,934
Soil and Water Conservation:				
Salaries	116,051	115,366	685	105,742
Fringe benefits	44,644	44,390	254	41,483
Operating costs	15,498	14,607	891	19,568
Capital outlay	-	-	-	-
	176,193	174,363	1,830	166,793

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Public Housing Section 8:				
Salaries	246,432	212,838	33,594	229,645
Fringe benefits	84,404	72,849	11,555	79,566
Operating costs	2,266,245	2,131,202	135,043	2,097,258
	2,597,081	2,416,889	180,192	2,406,469
Community Development:				
Operating costs	229,224	74,144	155,080	809,563
	229,224	74,144	155,080	809,563
Economic Development:				
Salaries	81,492	86,302	(4,810)	-
Fringe benefits	25,593	25,302	291	-
Operating costs	277,263	272,744	4,519	300,000
	384,348	384,348	-	300,000
Other Economic Development:				
DAK Americas	-	-	-	135,000
	-	-	-	135,000
Total economic development	5,423,519	4,800,054	623,465	5,429,247
Human Services:				
Health:				
Administration:				
Salaries	2,112,253	2,085,521	26,732	1,918,132
Fringe benefits	881,063	757,423	123,640	698,881
Operating costs	139,062	93,280	45,782	71,975
Capital outlay	418,235	31,124	387,111	38,026
	3,550,613	2,967,348	583,265	2,727,014
Communicable Diseases:				
Operating costs	219,884	172,057	47,827	137,794
Capital outlay	6,750	6,306	444	-
	226,634	178,363	48,271	137,794
Adult Health Maintenance:				
Salaries	30,166	30,165	1	-
Fringe benefits	9,370	8,169	1,201	-
Operating costs	82,875	71,521	11,354	48,050
Capital outlay	-	-	-	-
	122,411	109,855	12,556	48,050

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Senior Health:				
Salaries	207,705	162,855	44,850	167,286
Fringe Benefits	76,883	47,470	29,413	53,002
Operating costs	192,856	192,922	(66)	170,350
	477,444	403,247	74,197	390,638
Maternal and Child Health:				
Salaries	361,310	353,755	7,555	320,101
Fringe benefits	157,635	152,822	4,813	133,390
Operating costs	864,038	793,818	70,220	584,202
Capital outlay	640	-	640	10,200
	1,383,623	1,300,395	83,228	1,047,893
Environmental Health:				
Salaries	1,390,860	1,116,453	274,407	1,128,642
Fringe benefits	418,617	379,779	38,838	386,026
Operating costs	243,220	179,430	63,790	150,583
Capital outlay	20,438	15,562	4,876	16,396
	2,073,135	1,691,224	381,911	1,681,647
Total health	7,833,860	6,650,432	1,183,428	6,033,036
Veterans' Services:				
Salaries	81,013	81,012	1	71,231
Fringe benefits	29,916	29,896	20	26,096
Operating costs	17,781	14,878	2,903	13,771
Total veterans' services	128,710	125,786	2,924	111,098
Social Services:				
Administration:				
Salaries	5,249,661	4,716,369	533,292	4,010,478
Fringe benefits	1,963,070	1,685,429	277,641	1,442,821
Operating costs	1,069,806	939,481	130,325	732,890
Capital outlay	101,100	100,719	381	121,761
	8,383,637	7,441,998	941,639	6,307,950
Community Alternative Program:				
Salaries	336,486	329,644	6,842	265,653
Fringe benefits	205,550	177,988	27,562	155,058
Operating costs	69,500	71,125	(1,625)	58,828
	611,536	578,757	32,779	479,539
Title III-In Home Care:				
Salaries	236,748	196,879	39,869	205,174
Fringe benefits	176,230	118,616	57,614	102,658
Operating costs	14,150	12,981	1,169	8,689
	427,128	328,476	98,652	316,521

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Other Operating Costs:				
State foster home	128,112	118,801	9,311	70,605
Foster care	326,000	284,555	41,445	331,903
Aid to the blind	9,290	4,605	4,685	4,031
Aid to aging - rest home	535,916	495,405	40,511	504,717
Day care	5,946,696	5,884,517	62,179	5,059,387
Medical assistance	4,167,285	3,742,758	424,527	4,462,812
Special assistance	6,500	3,161	3,339	1,704
Adoption assistance	300,000	234,774	65,226	276,728
Special Child Adoption Assistance	58,485	13,462	45,023	29,895
	11,478,284	10,782,038	696,246	10,741,782
Total social services	20,900,585	19,131,269	1,769,316	17,845,792
Other Human Services:				
Southeastern Mental Health Center	701,000	700,606	394	695,314
Other	2,086,170	2,023,571	62,599	1,781,511
	2,787,170	2,724,177	62,993	2,476,825
Total human services	31,650,325	28,631,664	3,018,661	26,466,751
Education:				
Public schools	29,202,801	29,202,801	-	25,462,211
Community college	2,895,763	2,895,763	-	2,524,861
Total education	32,098,564	32,098,564	-	27,987,072
Culture and Recreation:				
Parks and Recreation:				
Salaries	1,112,745	1,067,895	44,850	953,257
Fringe benefits	395,274	367,226	28,048	316,335
Operating costs	961,026	914,644	46,382	869,711
Capital outlay	3,943,265	1,785,376	2,157,889	812,361
	6,412,310	4,135,141	2,277,169	2,951,664
Brunswick County Library:				
Salaries	778,616	757,249	21,367	730,784
Fringe benefits	304,652	294,477	10,175	280,441
Operating costs	351,520	323,782	27,738	330,211
	1,434,788	1,375,508	59,280	1,341,436
Other Culture and Recreation:				
Contributions	69,543	45,800	23,743	69,847

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Total culture and recreation	7,916,641	5,556,449	2,360,192	4,362,947
Debt Service:				
Principal retirement	8,072,307	7,975,512	96,795	6,697,377
Interest and fees	5,339,762	4,861,013	478,749	4,255,117
Total debt service	13,412,069	12,836,525	575,544	10,952,494
Total expenditures	157,468,874	144,998,074	12,470,800	131,472,678
Revenues over (under) expenditures	(306,474)	12,995,719	13,302,193	15,165,079
Other Financing Sources (Uses):				
Issuance of long-term debt	-	-	-	175,770
Gain on sale of real property	481,150	489,997	8,847	-
	481,150	489,997	8,847	175,770
Transfers From Other Funds:				
Special Revenue Funds	338,350	338,351	1	618,351
Enterprise Funds	-	-	-	649,705
	338,350	338,351	1	1,268,056
Transfers To Other Funds:				
Special Revenue Funds	(8,106,330)	(7,900,149)	206,181	(14,190,924)
Capital Projects Funds	(6,290,212)	(6,290,212)	-	-
Enterprise Funds	-	-	-	451,240
	(14,396,542)	(14,190,361)	206,181	(13,739,684)
Budgetary Financing Sources (Uses):				
Contingency	(230,354)	-	230,354	-
Appropriated fund balance	14,113,870	-	(14,113,870)	-
	13,883,516	-	(13,883,516)	-
Total other financing sources (uses)	306,474	(13,362,013)	(13,668,487)	(12,295,858)
Revenues and other financing sources over expenditures and other financing uses	$ -	(366,294)	$ (366,294)	2,869,221
Fund balance, beginning of year		64,515,904		61,646,683
Fund balance, end of year		$ 64,149,610		$ 64,515,904

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - COUNTY CAPITAL RESERVE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
Investment earnings	$ 512,000	$ 601,712	$ 89,712	$ 716,304
Other Financing Sources (Uses):				
Transfers In (Out):				
General Fund	1,833,637	1,833,637	-	7,989,806
Capital Projects	(10,252,871)	(2,008,615)	8,244,256	(6,598,010)
Enterprise Funds	-	-	-	556
Appropriated fund balance	7,907,234	-	(7,907,234)	-
Total other financing sources (uses)	(512,000)	(174,978)	337,022	1,392,352
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ 426,734	$ 426,734	$ 2,108,656
Fund balance, beginning of year		7,907,234		5,798,578
Fund balance, end of year		$ 8,333,968		$ 7,907,234

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - EDUCATION CAPITAL PROJECTS FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Project Budget	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues:				
Restricted intergovernmental revenues	$ 1,404,560	$ 694,204	$ 574,128	$ 1,268,332
Investment earnings	3,600,349	3,679,313	894,729	4,574,042
Other	1,092,623	1,093,070	76,459	1,169,529
Total revenues	6,097,532	5,466,587	1,545,316	7,011,903
Expenditures:				
Brunswick County Schools capital projects	13,188,643	6,323,953	4,053,434	10,377,387
Jessie Mae Monroe Elementary School	10,296,200	10,295,493	707	10,296,200
North Brunswick High School addition/renovation	11,496,186	11,491,846	4,340	11,496,186
South Brunswick High School addition/renovation	14,868,731	14,868,704	27	14,868,731
West Brunswick High School addition/renovation	16,725,480	16,713,599	11,881	16,725,480
Lincoln Elementary School addition/renovation	5,640,327	5,410,125	230,201	5,640,326
Southport Elementary School addition/renovation	4,216,563	4,152,831	63,732	4,216,563
Waccamaw Elementary School addition/renovation	4,385,845	4,194,208	190,637	4,384,845
Leland Middle School addition/renovation	1,776,546	1,773,143	3,403	1,776,546
Union Elementary School addition/renovation	4,310,641	4,310,304	337	4,310,641
Bolivia Elementary School addition/renovation	1,781,193	1,781,194	-	1,781,194
Shallotte Middle School addition/renovation	2,533,794	2,533,793	-	2,533,793
South Brunswick Middle School addition/renovation	2,106,203	2,106,203	-	2,106,203
Brunswick County Academy	11,432,685	11,040,746	391,940	11,432,686
Virginia Williamson Elementary School addition	1,428,925	1,421,761	7,164	1,428,925
Supply Elementary School addition	1,969,811	1,692,622	277,189	1,969,811
Cedar Grove Middle School	20,414,303	140,847	2,315,124	2,455,971
Town Creek Elementary School	15,936,900	107,064	4,730,319	4,837,383
Belville Classroom addition	2,500,000	-	1,222,383	1,222,383
Brunswick Community College Capital Improvements	30,715,755	1,612,171	10,174,093	11,786,264
Total expenditures	177,724,731	101,970,607	23,676,911	125,647,518
Revenues over (under) expenditures	(171,627,199)	(96,504,020)	(22,131,595)	(118,635,615)
Other Financing Sources (Uses):				
Transfers in (out)	22,073,818	16,601,144	5,472,674	22,073,818
Premium on bonds issued	476,476	-	476,476	476,476
Debt financing issued	149,076,905	87,000,000	62,000,000	149,000,000
Total other financing sources (uses)	171,627,199	103,601,144	67,949,150	171,550,294
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ 7,097,124	45,817,555	$ 52,914,679
Fund balance, beginning of year			7,097,124	
Fund balance, end of year			$ 52,914,679	

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - COUNTY CAPITAL PROJECTS FUND FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		Actual		
	Project Budget	Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental	$ 11,313,779	$ 7,537,820	$ 1,568,395	$ 9,106,215
Investment earnings	374,585	343,730	128,712	472,442
Other	347,578	347,578	(55,153)	292,425
Total revenues	12,035,942	8,229,128	1,641,954	9,871,082
Expenditures:				
Capital Improvements:				
General government:				
Complex Maintenance and Service Road	500,504	38,023	54,961	92,984
David R. Sandifer County Administration Building	7,287,567	1,084,116	5,150,107	6,234,223
Complex Drainage and Retention	199,760	-	199,760	199,760
	7,987,831	1,122,139	5,404,828	6,526,967
Public safety:				
Detention Center Phase 2	10,605,909	8,645,840	1,808,014	10,453,854
Human Services:				
DSS/Café Addition	5,905,600	-	315,908	315,908
Southport Senior/Community Center	1,797,476	-	23,418	23,418
	7,703,076	-	339,326	339,326
Transportation:				
Airport Improvements	12,654,467	8,201,007	1,987,439	10,188,446
Environmental protection:				
Landfill Closure	1,949,649	1,704,228	-	1,704,228
C&D Landfill Expansion	42,300	-	8,000	8,000
	1,991,949	1,704,228	8,000	1,712,228
Culture and recreation:				
Highway 211 Land Purchase	3,463,902	3,452,002	11,900	3,463,902
Rourk Library	722,735	59,610	663,125	722,735
Ocean Isle Beach Park	150,850	1,420	66,381	67,801
Park near Holden Beach	4,195,894	1,635,390	1,089,095	2,724,485
	8,533,381	5,148,422	1,830,501	6,978,923
Total expenditures	49,476,613	24,821,636	11,378,108	36,199,744
Revenues over (under) expenditures	(37,440,671)	(16,592,508)	(9,736,154)	(26,328,662)
Other Financing Sources (Uses):				
Transfers in (out)	31,766,095	23,880,139	7,885,956	31,766,095
Premium on bonds issued	89,578	-	89,578	89,578
Debt financing issued	5,584,998	2,284,998	3,300,000	5,584,998
Total other financing sources (uses)	37,440,671	26,165,137	11,275,534	37,440,671
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ 9,572,629	1,539,380	$ 11,112,009
Fund balance, beginning of year			9,572,629	
Fund balance, end of year			$ 11,112,009	

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NON MAJOR GOVERNMENTAL FUNDS

OCCUPANCY TAX FUND - This fund is used to account for the proceeds of the room occupancy tax levied pursuant to Session Law 1997-364. The proceeds are transferred to the Brunswick County Tourism Development Authority, which is a discretely presented component unit of the County.

BRUNSWICK COUNTY LEASING CORPORATION FUND - This fund is the general fund of the blended component unit of the County. This fund accounts for Trustee held funds under Certificate of Participation Agreements, which were used to finance general government facilities and school renovations.

EMERGENCY TELEPHONE SYSTEM FUND - This fund was established in accordance with North Carolina law to account for the accumulation of telephone surcharges to be used for emergency telephone systems.

GRANT PROJECT FUND - This fund accounts for Grant funds received for certain economic development projects.

SAD REVOLVING FUND - This fund accounts for collections of assessments from Special Assessment Districts for water line construction. Collections are designated for future capital outlays in Special Assessment Districts.

SPECIAL SCHOOL CAPITAL RESERVE (AD VALOREM) FUND - This fund was established in accordance with North Carolina law to account for the accumulation of ad Valorem tax revenues for the construction of school facilities. When construction begins, the fund balance will be transferred to a Capital Projects Fund.

SCHOOL CAPITAL RESERVE (SALES TAX) FUND - This fund was established in accordance with North Carolina law to account for the accumulation of supplemental and additional supplemental sales taxes for public school capital outlays or retirement of public school indebtedness.

REGISTER OF DEEDS TECHNOLOGY ENHANCEMENT FUND - This fund accounts for the fees collected by the Register of Deeds that North Carolina law requires be set aside and placed in a non-reverting automation enhancement and preservation fund.

COASTAL EVENTS CENTER FUND - This fund was established for the accumulation of resources to be used for the development of a Coastal Events Center on land owned by the county.

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
June 30, 2008

	Special Revenue Funds			
	Occupancy Tax Fund	Brunswick County Leasing Corporation Fund	Emergency Telephone System Fund	Grant Project Fund
Assets:				
Cash, cash equivalents and investments	$ 52,957	$ -	$ 393,462	$ -
Restricted cash	-	1,226	-	-
Accrued interest receivable	-	-	3,695	-
Other receivables	229,003	-	-	500
Due from other funds	-	-	-	-
Total assets	$ 281,960	$ 1,226	$ 397,157	$ 500
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable and accrued liabilities	$ 281,960	$ -	$ 16,982	$ 100,792
Due to other funds	-	1,825	-	770,000
Total liabilities	281,960	1,825	16,982	870,792
Fund Balance:				
Reserved by State statute	-	-	-	870,792
Reserved for debt service	-	(599)	-	-
Unreserved	-	-	380,175	(1,741,084)
Total fund balance (deficit)	-	(599)	380,175	(870,292)
Total liabilities and fund balance (deficit)	$ 281,960	$ 1,226	$ 397,157	$ 500

SAD Revolving Fund	Special School Capital Reserve (Ad Valorem) Fund	School Capital Reserve (Sales Tax) Fund	ROD-Technology Enhancement Fund	Coastal Events Center Fund	Total
$ -	$ 5,789,643	$ 1,096,026	$ 646,010	$ 6,834	$ 7,984,932
-	-	-	3,989	45	5,260
-	26,640	21,217	-	-	51,552
-		-		-	229,503
-	-	727,077	-	-	727,077
$ -	$ 5,816,283	$ 1,844,320	$ 649,999	$ 6,879	$ 8,998,324
$ -	$ -	$ -	$ 9,875	$ -	$ 409,609
-	-	-	-	-	771,825
-	-	-	9,875	-	1,181,434
-	-	727,077	-	-	1,597,869
-	-	-	-	-	(599)
-	5,816,283	1,117,243	640,124	6,879	6,219,620
-	5,816,283	1,844,320	640,124	6,879	7,816,890
$ -	$ 5,816,283	$ 1,844,320	$ 649,999	$ 6,879	$ 8,998,324

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Special Revenue Funds			
	Occupancy Tax Fund	Brunswick County Leasing Corporation Fund	Emergency Telephone System Fund	Grant Project Fund
Revenues:				
Other taxes and licenses	$ 1,090,000	$ -	347,496	$ -
Restricted intergovernmental	-	-	373,209	139,731
Other	-	-	-	-
Investment earnings	-	2,384	27,513	-
Total revenues	1,090,000	2,384	748,218	139,731
Expenditures:				
General government	-	-	-	-
Public safety	-	1,825	873,053	-
Economic and physical development	1,090,000	-	-	1,057,561
Culture and recreation	-	-	-	-
Total expenditures	1,090,000	1,825	873,053	1,057,561
Revenues over (under) expenditures	-	559	(124,835)	(917,830)
Other Financing Sources (Uses):				
Transfers In (Out):				
Transfers from General Fund	-	-	-	50,000
Transfers to General Fund	-	(3,728)	(298,350)	-
Transfers to Capital Project Funds	-	-	-	-
Total other financing sources (uses)	-	(3,728)	(298,350)	50,000
Revenues and other financing sources over (under) expenditures and other financing uses	-	(3,169)	(423,185)	(867,830)
Fund balance, beginning of year	-	2,570	803,360	(2,462)
Fund balance (deficit), end of year	$ -	$ (599)	$ 380,175	$ (870,292)

SAD Revolving Fund	Special School Capital Reserve (Ad Valorem) Fund	School Capital Reserve (Sales Tax) Fund	ROD-Technology Enhancement Fund	Coastal Events Center Fund	Total
$ -	$ -	$ -	$ -	$ -	1,437,496
-	-	-	-	-	512,940
-	-	-	-	1,228	1,228
-	133,806	218,130	29,271	315	411,419
-	133,806	218,130	29,271	1,543	2,363,083
-	-	-	150,800	-	150,800
-	-	-	-	-	874,878
-	-	-	-	-	2,147,561
-	-	-	-	2,317	2,317
-	-	-	150,800	2,317	3,175,556
-	133,806	218,130	(121,529)	(774)	(812,473)
-	2,466,364	3,432,787	121,088	-	6,070,239
-	-	-	-	-	(302,078)
(56,907)	(1,796,203)	(3,303,600)	-	-	(5,156,710)
(56,907)	670,161	129,187	121,088	-	611,451
(56,907)	803,967	347,317	(441)	(774)	(201,022)
56,907	5,012,316	1,497,003	640,565	7,653	8,017,912
$ -	$ 5,816,283	$ 1,844,320	$ 640,124	$ 6,879	$ 7,816,890

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - OCCUPANCY TAX FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
Other taxes and licenses	$ 1,050,000	$ 1,090,000	$ 40,000	$ 1,112,778
Expenditures:				
Economic and physical development	1,050,000	1,090,000	(40,000)	1,112,778
Revenues over (under) expenditures	$ -	-	$ -	-
Fund balance, beginning of year		-		-
Fund balance, end of year		$ -		$ -

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - BRUNSWICK COUNTY LEASING CORPORATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
Investment earnings	$ -	$ 2,384	$ 2,384	$ 3,299
Expenditures:				
Public safety	-	1,825	(1,825)	-
Revenues over (under) expenditures	-	559	559	3,299
Other Financing Sources (Uses):				
Transfers In (Out):				
General Fund	-	(3,728)	(3,728)	(6,458)
Total other financing sources (uses)	-	(3,728)	(3,728)	(6,458)
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	(3,169)	$ (3,169)	(3,159)
Fund balance, beginning of year		2,570		5,729
Fund balance (deficit), end of year		$ (599)		$ 2,570

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - EMERGENCY TELEPHONE SYSTEM FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
Other taxes and licenses	$ 347,496	$ 347,496	$ -	$ 726,333
Restricted intergovernmental	539,504	373,209	(166,295)	201,967
Investment earnings	-	27,513	27,513	40,986
Total revenues	887,000	748,218	(138,782)	969,286
Expenditures:				
Public safety	1,202,541	873,053	329,488	925,399
Revenues over (under) expenditures	(315,541)	(124,835)	190,706	43,887
Other Financing Sources (Uses):				
General Fund	(298,350)	(298,350)	-	-
Appropriated fund balance	613,891	-	(613,891)	-
Total other financing sources (uses)	315,541	(298,350)	(613,891)	-
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	(423,185)	$ (423,185)	43,887
Fund balance, beginning of year		803,360		759,473
Fund balance, end of year		$ 380,175		$ 803,360

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - GRANT PROJECT FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental-CDBG-Scat Site 2007	$ 400,000	$ 661	$ (661)	$ -
Restricted intergovernmental-CHAF	1,950,352	150,996	140,392	291,388
Restricted intergovernmental-CDBG Water Connect	75,000	-	-	-
Restricted intergovernmental-Single Family 2008	400,000	-	-	-
Total revenues	2,825,352	151,657	139,731	291,388
Expenditures:				
CDBG-2007 Scattered Site Grant	450,000	661	448,153	448,814
CHAF Grant	1,950,352	153,458	577,244	730,702
CDBG-Water Connection Program	75,000	-	23,738	23,738
Single Family Rehabilitation-2008	400,000	-	8,426	8,426
Total expenditures	2,875,352	154,119	1,057,561	1,211,680
Revenues over (under) expenditures	(50,000)	(2,462)	(917,830)	(920,292)
Other Financing Sources (Uses):				
Transfers In (Out):				
General Fund	50,000	-	50,000	50,000
Total other financing sources (uses)	50,000	-	50,000	50,000
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ (2,462)	(867,830)	$ (870,292)
Fund balance, beginning of year			(2,462)	
Fund balance (deficit), end of year			$ (870,292)	

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - SAD REVOLVING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues	-	-	-	-
Expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers to water capital reserve	(56,907)	(56,907)	-	-
Appropriated fund balance	56,907	-	(56,907)	-
Total other financing sources (uses)	-	(56,907)	(56,907)	-
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	(56,907)	$ (56,907)	-
Fund balance, beginning of year		56,907		56,907
Fund balance, end of year		$ -		$ 56,907

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - SPECIAL SCHOOL CAPITAL RESERVE (AD VALOREM) FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
Investment earnings	$ -	$ 133,806	$ 133,806	$ 176,751
Other Financing Sources (Uses):				
Transfers In (Out):				
General Fund	2,500,000	2,466,364	(33,636)	2,148,271
Capital Project Funds	(5,826,870)	(1,796,203)	4,030,667	(564,999)
Appropriated fund balance	3,326,870	-	(3,326,870)	-
Total other financing sources (uses)	-	670,161	670,161	1,583,272
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	803,967	$ 803,967	1,760,023
Fund balance, beginning of year		5,012,316		3,252,293
Fund balance, end of year		$ 5,816,283		$ 5,012,316

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - SCHOOL CAPITAL RESERVE (SALES TAX) FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
Investment earnings	$ 4,649	$ 218,130	$ 213,481	$ 214,823
Other Financing Sources (Uses):				
Transfers In (Out):				
General Fund	3,598,951	3,432,787	(166,164)	3,310,640
Capital Project Funds	(3,603,600)	(3,303,600)	300,000	(3,588,002)
Total other financing sources (uses)	(4,649)	129,187	133,836	(277,362)
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	347,317	$ 347,317	(62,539)
Fund balance, beginning of year		1,497,003		1,559,542
Fund balance, end of year		$ 1,844,320		$ 1,497,003

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 FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
Investment earnings	$ 25,000	$ 29,271	$ 4,271	$ 34,614
Expenditures:				
General government	171,022	150,800	20,222	129,514
Revenues over (under) expenditures	(146,022)	(121,529)	24,493	(94,900)
Other Financing Sources (Uses):				
Transfers In (Out):				
General Fund	123,742	121,088	(2,654)	146,334
Appropriated Fund Balance	22,280	-	(22,280)	-
Total other financing sources (uses)	146,022	121,088	(24,934)	146,334
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	(441)	$ (441)	51,434
Fund balance, beginning of year		640,565		589,131
Fund balance, end of year		$ 640,124		$ 640,565

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE - COASTAL EVENTS CENTER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
Investment earnings	$ -	$ 315	$ 315	$ 232
Restricted intergovernmental	-	-	-	2,500
Contributions	-	1,228	1,228	-
Total revenues	-	1,543	1,543	2,732
Expenditures:				
Culture and recreation	-	2,317	(2,317)	79
Revenues over (under) expenditures	-	(774)	(774)	2,653
Other Financing Sources (Uses):				
Transfers In (Out):				
General Fund	-	-	-	5,000
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	(774)	$ (774)	7,653
Fund balance, beginning of year		7,653		-
Fund balance, end of year		$ 6,879		$ 7,653

ENTERPRISE FUNDS

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

MAJOR ENTERPRISE FUNDS:

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

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

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

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

NON MAJOR ENTERPRISE FUNDS:

WATER CAPITAL RESERVE FUND - This fund was established in accordance with North Carolina law to account for the accumulation of resources to be used for water enterprise capital projects. When construction begins, the fund balance will be transferred to a Water Capital Project.

WASTEWATER CAPITAL RESERVE FUND - This fund was established in accordance with North Carolina law to account for the accumulation of resources to be used for wastewater enterprise capital projects. When construction begins, the fund balance will be transferred to a Wastewater Capital Project.

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WATER FUND (NON-GAAP)
June 30, 2008

	Water	Utility Board Projects	Cedar Hill Road Waterline	Waterline Extensions Nags, Cana,	Utility Operations Center	Supply Water and Sewer Extension	Carolina Shores Interconnect
Current Assets:							
Cash and cash equivalents/investments	$ 20,084,722	$ 87,050	$ -	$ -	$ 185,891	$ -	$ -
Accrued interest receivable	115,338	-	-	-	-	-	-
Receivables, net	2,364,744	-	-	-	-	-	-
Due from other governmental agencies	283,028	-	-	-	-	2,977	-
Inventories	189,245	-	-	-	-	-	-
Total current assets	23,037,077	87,050	-	-	185,891	2,977	-
Current Liabilities:							
Accounts payable and accrued liabilities	754,118	-	-	-	-	-	-
Customer deposits	1,223,653	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	402,977	-
Total liabilities	1,977,771	-	-	-	-	402,977	-
Expendable net assets	**21,059,306**	**87,050**	**-**	**-**	**185,891**	**(400,000)**	**-**
Noncurrent Items:							
Capital assets	91,828,134	-	-	-	-	-	-
Accrued compensated absences	(256,324)	-	-	-	-	-	-
Accrued other post-employment benefits	(360,925)	-	-	-	-	-	-
Long-term debt	(2,410,820)	-	-	-	-	-	-
Total net assets	$ 109,859,371	$ 87,050	$ -	$ -	$ 185,891	$ (400,000)	$ -

	Southport Elevated Tank	Highway 211 Water Plant Rehabilitation	Waccamaw Water tank and Waterline	2006 Subdivision Petition Waterline	Varnamtown Waterline	Cedar Grove Empire Road Waterline	2007 Subdivision Petition Waterline	Transmission System Improvements	Northwest Water Plant Expansion	Total
	$ -	$ -	$ 604,272	$ 734,404	$ -	$ -	$ 89,702	$ 48,312	$ 140,815	$ 21,975,168
		-	-	-	-	-	-	-	-	115,338
	-	-	-	-	-	-	-	-	-	2,364,744
	377,465	-	123	48,056	17,120	239,000	-	-	-	967,769
	-	-	-	-	-	-	-	-	-	189,245
	377,465	-	604,395	782,460	17,120	239,000	89,702	48,312	140,815	25,612,264
	-	-	-	514,589	-	-	5,798	-	69,730	1,344,235
	-	-	-	-	-	-	-	-	-	1,223,653
	377,465	-	-	-	17,120	239,000	-	-	-	1,036,562
	377,465	-	-	514,589	17,120	239,000	5,798	-	69,730	3,604,450
	-	**-**	**604,395**	**267,871**	**-**	**-**	**83,904**	**48,312**	**71,085**	**22,007,814**
	-	-	-	-	-	-	-	-	-	91,828,134
	-	-	-	-	-	-	-	-	-	(256,324)
	-	-	-	-	-	-	-	-	-	(360,925)
	-	-	-	-	-	-	-	-	-	(2,410,820)
	$ -	$ -	$ 604,395	$ 267,871	$ -	$ -	$ 83,904	$ 48,312	$ 71,085	$ 110,807,879

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - WATER SYSTEM OPERATING FUND (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
User charges	$ 16,623,217	$ 18,829,782	$ 2,206,565	$ 16,987,232
Restricted intergovernmental revenue	64,006	64,006	-	-
Investment earnings	703,416	867,277	163,861	958,082
Other	524,770	558,985	34,215	392,790
Total revenues	17,915,409	20,320,050	2,404,641	18,338,104
Expenditures:				
Salaries	3,500,709	3,384,070	116,639	2,893,822
Fringe benefits	1,359,196	1,287,717	71,479	1,128,080
Operating expenditures	7,601,782	6,858,117	743,665	6,166,388
Capital outlay	1,209,936	1,044,635	165,301	989,956
Debt Service:				
Principal	803,551	803,551	-	830,573
Interest	122,443	122,443	-	148,330
Total expenditures	14,597,617	13,500,533	1,097,084	12,157,149
Revenues over (under) expenditures	3,317,792	6,819,517	3,501,725	6,180,955
Other Financing Sources (Uses):				
Transfers in (out)	(4,367,986)	(4,367,986)	-	(3,886,000)
Intrafund transfers	33,817	33,817	-	1,003
Appropriated fund balance	1,016,377	-	(1,016,377)	-
Total other financing sources (uses)	(3,317,792)	(4,334,169)	(1,016,377)	(3,884,997)
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	2,485,348	$ 2,485,348	$ 2,295,958
Reconciliation From Budgetary Basis To Full Accrual Basis:				
Capital Project Related Items:				
Revenues from water capital projects		190,853		
Intrafund transfers		(33,817)		
Other transfers		1,293,306		
Capital project expenditures		(3,499,056)		
CIP additions from capital projects		3,499,056		
Other Reconciling Items:				
Capitalized capital outlay and CIP adjustment		(499,450)		
Change in vacation accrual		(54,327)		
Change in other post-employment benefits		(360,925)		
Change in inventory		(37,817)		
Retirement of long-term debt		803,551		
Contributed capital assets		8,791,412		
Depreciation		(2,776,794)		
Change in net assets - GAAP basis		$ 9,801,340		

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, 2008

	Project Budget	Actual Prior Year	Actual Current Year	Actual Total to Date
Revenues:				
Restricted intergovernmental revenue	$ 2,844,000	$ 1,697,886	$ 246,113	$ 1,943,999
Other	392,120	447,380	(55,260)	392,120
Total revenues	3,236,120	2,145,266	190,853	2,336,119
Expenditures:				
Utility Board Projects	100,000	4,314	8,637	12,951
Cedar Hill Road Waterline Extension	1,350,833	1,350,833	-	1,350,833
Waterline Extensions (Nags, Cana)	931,322	869,281	62,041	931,322
Utility Operations Center	425,405	63,339	176,175	239,514
Supply Water and Sewer Extensions	1,559,682	998,013	561,669	1,559,682
Carolina Shores Interconnect	940,044	939,044	1,000	940,044
Southport Elevated Tank Project	1,983,915	1,882,191	101,724	1,983,915
Highway 211 Water Plant Improvements	155,413	150,111	5,301	155,412
Waccamaw Water Line Project	3,722,290	2,441,784	176,111	2,617,895
2006 Subdivision Petition Water Lines	2,229,770	42,200	1,919,697	1,961,897
Varnamtown Waterline	665,380	665,380	-	665,380
Cedar Grove and Empire Road Water Lines	810,437	810,437	-	810,437
2007 Subdivision Petition Water Lines	200,000	-	116,096	116,096
Transmission System Improvements	240,000	-	191,688	191,688
Northwest Water Plant Expansion	250,000	-	178,916	178,916
Total expenditures	15,564,491	10,216,927	3,499,055	13,715,982
Revenues over (under) expenditures	(12,328,371)	(8,071,661)	(3,308,202)	(11,379,863)
Other Financing Sources (Uses):				
Transfers in	1,378,410	1,378,410	1,293,306	2,671,716
Intrafund transfers from water fund	10,949,961	9,690,472	(33,817)	9,656,655
Total other financing sources (uses)	12,328,371	11,068,882	1,259,489	12,328,371
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ 2,997,221	$ (2,048,713)	$ 948,508

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WASTEWATER FUND (NON-GAAP)
June 30, 2008

Current Assets:	Wastewater	West Brunswick Regional Water Reclamation Phase 1	West Brunswick Regional Water Reclamation Phase 2	Phase 1 SW FM PS Shallotte	Phase 2 SW FM PS Sea Trail	Sunset Beach Collection System
Cash and cash equivalents/investments	$ 1,313,146	$ 8,000	$ -	$ -	$ -	$ 319,441
Restricted cash	451,296	399,140	37,112,866	1,513,870	3,759,057	-
Accrued interest receivable	11,149	-	-	-	-	-
Receivables, net	729,187	-	-	-	-	-
Due from other governmental agencies	101,779	-	83,101	82,470	224,882	-
Inventories	145,359	-	-	-	-	-
Total current assets	2,751,916	407,140	37,195,967	1,596,340	3,983,939	319,441
Current Liabilities:						
Accounts payable and accrued liabilities	290,817	750	2,037,211	274,277	2,293,450	160,289
Due to other funds	-	-	1,366	1,682	1,811	-
Total liabilities	290,817	750	2,038,577	275,959	2,295,261	160,289
Expendable net assets	**2,461,099**	**406,390**	**35,157,390**	**1,320,381**	**1,688,678**	**159,152**
Noncurrent Items:						
Capital assets	130,693,955	-	-	-	-	-
Accrued compensated absences	(70,540)	-	-	-	-	-
Accrued other post-employment benefits	(129,663)	-	-	-	-	-
Deferred revenues	(2,081,979)	-	-	-	-	-
Long-term debt	(120,110,517)	-	-	-	-	-
Total net assets	$ 10,762,355	$ 406,390	$ 35,157,390	$1,320,381	$ 1,688,678	$ 159,152

Schedule D-1

Calabash Collection System	Carolina Shores Pump Station	Regional Pump Station	Carolina Shores & Sea Trail Wastewater Project	Sea Trail Pump Station Upgrade	Silverleaf St. James Pump Station	Piney Grove Line Extension	Total
$ 519,910	$ -	$ 81,528	$ -	$ -	$ -	$ -	$ 2,242,025
-	-	-	-	-	-	-	43,236,229
-	-	-	-	-	-	-	11,149
-	-	-	-	-	-	-	729,187
-	5,557	-	-	-	-	-	497,789
-	-	-	-	-	-	-	145,359
519,910	5,557	81,528	-	-	-	-	46,861,738
53,360	-	11,948	-	-	-	-	5,122,102
-	5,557	-	-	-	-	-	10,416
53,360	5,557	11,948	-	-	-	-	5,132,518
466,550	**-**	**69,580**	**-**	**-**	**-**	**-**	**41,729,220**
-	-	-	-	-	-	-	130,693,955
-	-	-	-	-	-	-	(70,540)
-	-	-	-	-	-	-	(129,663)
-	-	-	-	-	-	-	(2,081,979)
-	-	-	-	-	-	-	(120,110,517)
$ 466,550	$ -	$ 69,580	$ -	$ -	$ -	$ -	$ 50,030,476

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - WASTEWATER FUND (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
User charges	$ 11,752,582	$ 11,626,634	$ (125,948)	$ 13,026,508
Investment earnings	114,032	117,529	3,497	184,025
Other	70,446	70,451	5	160,891
Total revenues	11,937,060	11,814,614	(122,446)	13,371,424
Expenditures:				
Salaries	1,305,669	1,221,344	84,325	982,812
Fringe benefits	511,922	459,012	52,910	374,042
Operating expenditures	2,597,839	2,528,334	69,505	2,122,971
Capital outlay	1,312,834	992,945	319,889	2,421,890
Debt Service:				
Principal	2,750,330	2,750,330	-	2,740,063
Interest	2,535,100	2,535,428	(328)	2,676,459
Total expenditures	11,013,694	10,487,393	526,301	11,318,237
Revenues over (under) expenditures	923,366	1,327,221	403,855	2,053,187
Other Financing Sources (Uses):				
Issuance of long-term debt	-	-	-	1,256,834
Transfers in (out)	(4,009,390)	(3,972,655)	36,735	(2,714,267)
Intrafund transfers	2,174,945	2,174,945	-	(1,749,893)
Appropriated Retained Earnings	911,079	-	(911,079)	-
Total other financing sources (uses)	(923,366)	(1,797,710)	(874,344)	(3,207,326)
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	(470,489)	$ (470,489)	$ (1,154,139)
Reconciliation From Budgetary Basis To Full Accrual Basis:				
Revenues and Transfers - Sewer Capital Projects:				
Revenues from wastewater capital projects		131,600		
Investment earnings		658,792		
Capital project expenditures		(23,064,688)		
Proceeds from issuance of long-term debt		52,800,000		
Bond premium		2,971,922		
Grant subsidy		100,000		
CIP additions from capital projects		23,064,688		
Transfers in (out)		132,003		
Intrafund transfers		(2,174,945)		
Other Reconciling Items:				
Change in vacation accrual		(11,568)		
Change in other post-employment benefits		(129,663)		
Capitalized expenditures		2,552,627		
Contributed assets		6,922,760		
Change in inventory		9,329		
Retirement of long-term debt		2,792,906		
Principal increase to long term debt		(52,800,000)		
Depreciation		(2,652,963)		
Change in net assets - GAAP basis		$ 10,832,311		

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, 2008

		Actual		
	Project Budget	Prior Year	Current Year	Total to Date
Revenues:				
Restricted intergovernmental revenue	$ 40,000	$ 40,000	$ -	$ 40,000
Other	11,966,539	42,939	131,600	174,539
Grant subsidy	2,344,500	1,257,000	100,000	1,357,000
Investment earnings	2,013,981	971,320	658,792	1,630,112
Total revenues	16,365,020	2,311,259	890,392	3,201,651
Expenditures:				
West Brunswick Regional Water Reclamation Ph 1	59,464,466	58,927,732	140,949	59,068,681
West Brunswick Regional Water Reclamation Ph 2	55,886,906	1,313,308	6,781,794	8,095,102
Southwest Main & Pump Station (Shallotte)	6,429,256	336,572	4,836,634	5,173,206
Southwest Main & Pump Station (Sea Trail)	12,249,712	556,443	9,400,703	9,957,146
Sunset Beach Wastewater Collection System	1,400,000	56,578	1,184,270	1,240,848
Calabash Collection System	700,000	-	233,450	233,450
Carolina Shores Pump Station	498,054	103,664	394,390	498,054
Regional Pump Station	120,000	-	50,420	50,420
Carolina Shores / Sea Trail WWTP	1,324,801	1,324,801	-	1,324,801
Sea Trail Pump Station Upgrade	807,386	807,385	-	807,385
Silverleaf Pump Station (St. James)	83,333	41,254	42,078	83,332
Piney Grove Line Extension	3,455	3,455	-	3,455
Total expenditures	138,967,369	63,471,192	23,064,688	86,535,880
Revenues over (under) expenditures	(122,602,349)	(61,159,933)	(22,174,296)	(83,334,229)
Other Financing Sources (Uses):				
Long term debt issued	56,546,047	61,540,000	52,800,000	114,340,000
Bond premium (discount)	61,119,273	353,398	2,971,922	3,325,320
Transfers in (out)	764,600	1,116,601	132,003	1,248,604
Intrafund transfer from (to) wastewater fund	4,172,429	5,863,371	(2,174,945)	3,688,426
Total other financing sources (uses)	122,602,349	68,873,370	53,728,980	122,602,350
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ 7,713,437	$ 31,554,684	$ 39,268,121

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - WATER CAPITAL RESERVE (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
Investment earnings	$ 200,000	$ 286,306	$ 86,306	$ 326,556
Assessments	-	169,356	169,356	-
Total revenues	200,000	455,662	255,662	326,556
Other Financing Sources (Uses):				
Transfer from SAD Fund	56,907	56,907	-	3,918,416
Transfer from Water Fund	4,719,986	4,719,986	-	-
Water Capital Project Funds	(6,488,955)	(1,293,306)	5,195,649	(3,140,515)
Transfer to Wastewater Capital Reserve Fund	(46,569)	(46,569)	-	-
Appropriated fund balance	1,558,631	-	(1,558,631)	-
Total other financing sources (uses)	(200,000)	3,437,018	3,637,018	777,901
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	3,892,680	$ 3,892,680	$ 1,104,457
Net Assets:				
Beginning of year, July 1		1,558,631		
End of year, June 30		$ 5,451,311		

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - WASTEWATER CAPITAL RESERVE (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)	2007
Revenues:				
Investment earnings	$ 50,000	$ 154,943	$ 104,943	$ 74,193
Assessments	-	332,433	332,433	-
Total revenues	50,000	487,376	437,376	74,193
Other Financing Sources (Uses):				
Transfer from Wastewater Fund	4,009,390	3,972,655	(36,735)	1,749,893
Transfer from Water Reserve Fund	46,569	46,569	-	-
Wastewater Capital Project Funds	(4,680,570)	(484,003)	4,196,567	(1,643,662)
Appropriated fund balance	574,611	-	(574,611)	-
Total other financing sources (uses)	(50,000)	3,535,221	3,585,221	106,231
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	4,022,597	$ 4,022,597	$ 180,424
Net Assets:				
Beginning of year, July 1		636,606		
End of year, June 30		$ 4,659,203		

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF FUND NET ASSETS- NONMAJOR ENTERPRISE FUNDS
June 30, 2008

	Water Capital Reserve	Wastewater Capital Reserve	Total
Assets:			
Current Assets:			
Cash and cash equivalents/investments	$ 5,417,811	$ 4,639,295	$ 10,057,106
Accrued interest receivable	33,500	19,908	53,408
Assessments receivable	122,542	419,351	541,893
Total current assets	$ 5,573,853	$ 5,078,554	$ 10,652,407
Expendable net assets:	**5,573,853**	**5,078,554**	**10,652,407**
Noncurrent Items:			
Deferred revenue	(122,542)	(419,351)	(541,893)
Total net assets	$ 5,451,311	$ 4,659,203	$ 10,110,514

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Water Capital Reserve	Wastewater Capital Reserve	Total
Operating Revenues (Expenses):			
Assessments	$ 169,356	$ 332,433	$ 501,789
Nonoperating Revenues (Expenses):			
Investment earnings	286,306	154,943	441,249
Total revenues	455,662	487,376	943,038
Transfers in	4,776,893	4,019,224	8,796,117
Transfers out	(1,339,875)	(484,003)	(1,823,878)
Increase (decrease) in net assets	3,892,680	4,022,597	7,915,277
Net assets, beginning of year	1,558,631	636,606	2,195,237
Net assets, end of year	$ 5,451,311	$ 4,659,203	$ 10,110,514

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Water Capital Reserve	Wastewater Capital Reserve	Total
Cash Flows From Operating Activities:			
Assessments	$ 169,356	$ 332,433	$ 501,789
Cash Flows From Noncapital Financing Activities:			
Transfers in (out)	3,437,018	3,535,221	6,972,239
Cash Flows From Investing Activities:			
Interest on investments	286,306	154,943	441,249
Net increase (decrease) in cash and cash equivalents	3,892,680	4,022,597	7,915,277
Cash and cash equivalents, beginning of year	1,525,131	616,698	2,141,829
Cash and cash equivalents, end of year	$ 5,417,811	$ 4,639,295	$ 10,057,106

AGENCY FUNDS

Social Services Fund - This fund accounts for monies held by the Social Services Department for the benefit of certain individuals in the County.

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

Intergovernmental Collections Fund - This fund accounts for the proceeds of the motor vehicle taxes and other ad Valorem taxes that are collected by the County on behalf of the municipalities within the County and for fines and forfeitures collected by the Clerk of Court which are remitted to the Brunswick County Schools.

Sheriff Department Trust Fund - This fund accounts for the proceeds of court ordered property sales necessary to satisfy a debt.

Brunswick County Hospital Authority - This fund accounts for monies held by Brunswick County for the Brunswick County Hospital Authority.

Family Self-Sufficiency Trust - This fund accounts for credits earned by HUD-Public Housing participants.

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

3% Interest Payable to State Fund – This fund accounts for monies due to the State of North Carolina collected as a late payment penalty on delinquent motor vehicle taxes.

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Balance 2007	Additions	Deductions	Balance 2008
SOCIAL SERVICES FUND				
Assets:				
Cash, cash equivalents and investments	$ 70,922	$ 208,801	$ (227,555)	$ 52,168
Accrued interest receivable	268	390	(268)	390
Receivables - net	7,150	7,910	(7,150)	7,910
Total assets	$ 78,340	$ 217,101	$ (234,973)	$ 60,468
Liabilities:				
Other	$ 78,340	$ 217,101	$ (234,973)	$ 60,468
SMITHVILLE TOWNSHIP FUND				
Assets:				
Cash, cash equivalents and investments	$ 1,043,806	$ 3,805,466	$ (3,692,187)	$ 1,157,085
Accrued interest receivable	3,945	6,646	(3,945)	6,646
Taxes receivable - net	2,087	3,777,523	(3,745,555)	34,055
Total assets	$ 1,049,838	$ 7,589,635	$ (7,441,687)	$ 1,197,786
Other				
Other	$ 2,087	$ 3,777,523	$ (3,745,555)	$ 34,055
Due to other governmental agencies	1,047,751	3,812,112	(3,696,132)	1,163,731
Total liabilities	$ 1,049,838	$ 7,589,635	$ (7,441,687)	$ 1,197,786
INTERGOVERNMENTAL COLLECTIONS FUND				
Assets:				
Cash, cash equivalents and investments	$ 327,675	$ 8,328,255	$ (8,439,073)	$ 216,857
Taxes receivable - net	55,306	48,229	(55,306)	48,229
Total assets	$ 382,981	$ 8,376,484	$ (8,494,379)	$ 265,086
Liabilities:				
Due to other governmental agencies	$ 382,981	$ 8,376,484	$ (8,494,379)	$ 265,086
SHERIFF DEPARTMENT TRUST FUND				
Assets:				
Cash, cash equivalents and investments	$ 17,588	$ 523,083	$ (539,093)	$ 1,578
Liabilities:				
Other	$ 17,588	$ 523,083	$ (539,093)	$ 1,578
BRUNSWICK HOSPITAL AUTHORITY				
Assets:				
Cash, cash equivalents and investments	$ 458,504	$ 74,848	$ (5,036)	$ 528,316
Accrued interest receivable	1,734	2,967	(1,734)	2,967
Total assets	$ 460,238	$ 77,815	$ (6,770)	$ 531,283
Liabilities:				
Other	$ 460,238	$ 77,815	$ (6,770)	$ 531,283
FAMILY SELF-SUFFICIENCY TRUST				
Assets:				
Cash, cash equivalents and investments	$ 74,146	$ 79,127	$ (153,273)	$ -
Accrued interest receivable	280	280	(560)	-
Total assets	$ 74,426	$ 79,407	$ (153,833)	$ -
Liabilities:				
Other	$ 74,426	$ 79,407	$ (153,833)	$ -
INMATE TRUST FUND				
Assets:				
Cash, cash equivalents and investments	$ 16,896	$ 186,004	$ (189,494)	$ 13,406
Liabilities:				
Other	$ 16,896	$ 186,004	$ (189,494)	$ 13,406
3% INTEREST PAYABLE TO STATE FUND				
Assets:				
Cash, cash equivalents and investments	$ 3,136	$ 36,276	$ (39,272)	$ 140
Liabilities:				
Other	$ 3,136	$ 36,276	$ (39,272)	$ 140
COMBINING TOTALS				
Assets:				
Cash, cash equivalents and investments	$ 2,012,673	$ 13,241,860	$ (13,284,983)	$ 1,969,550
Accrued interest receivable	5,947	10,003	(5,947)	10,003
Receivables, net	64,543	3,833,662	(3,808,011)	90,194
Total assets	$ 2,083,163	$ 17,085,525	$ (17,098,941)	$ 2,069,747
Liabilities:				
Due to other governmental agencies	$ 1,430,732	$ 12,188,596	$ (12,190,511)	$ 1,428,817
Other	652,711	4,897,209	(4,908,990)	640,930
Total liabilities	$ 2,083,443	$ 17,085,805	$ (17,099,501)	$ 2,069,747

SUPPLEMENTAL FINANCIAL DATA

This section includes additional information on property taxes.

Schedule of Ad Valorem Taxes Receivable - General Fund

Analysis of Current Tax Levy - County-Wide Levy

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Fiscal Year	Uncollected Balance June 30, 2007	Additions	Collections and Credits	Uncollected Balance June 30, 2008
2007-08	$ -	$ 96,591,590	$ 94,153,697	$ 2,437,893
2006-07	2,056,037	-	1,433,043	622,994
2005-06	752,672	-	375,203	377,469
2004-05	431,535	-	159,478	272,057
2003-04	311,036	-	95,612	215,424
2002-03	316,765	-	79,830	236,935
2001-02	296,793	-	58,302	238,491
2000-01	226,400	-	39,118	187,282
1999-00	195,610	-	24,525	171,085
1998-99	179,216	-	16,180	163,036
1997-98	164,368	-	164,368	-
	$ 4,930,432	$ 96,591,590	$ 96,599,356	4,922,666

Less: Allowance for uncollected taxes receivable General Fund	3,450,690
Ad Valorem taxes receivable (net)	$ 1,471,976
Reconciliation with Revenues:	
Ad Valorem taxes - General Fund	$ 96,940,721
Reconciling Items:	
Interest collected and penalties, net of interest on refunds of appeals	(678,582)
Releases on prior year tax	257,076
Prior Year Motor Vehicle amounts less than billing minimum	50,443
Current Year Motor Vehicle amounts less than billing minimum	37,516
Collection of taxes previously written off	(7,818)
Total collections and credits	$ 96,599,356

COUNTY OF BRUNSWICK, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	County-Wide			Property Excluding Registered Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Amount of Levy		
Original levy excluding motor vehicles	$ 30,469,855,205	$ 0.00305	$ 93,063,630	$ 93,063,630	$ -
Registered motor vehicles	954,681,408		3,695,133	-	3,695,133
Penalties	-		25,806	25,806	-
Total	31,424,536,613		96,784,569	93,089,436	3,695,133
Abatements	(74,216,800)		(192,979)	(160,437)	(32,542)
Total valuation	$ 31,350,319,813				
Net levy			96,591,590	92,928,999	3,662,591
Less uncollected taxes at June 30,			2,437,893	2,013,218	424,675
Current year's taxes collected			$ 94,153,697	$ 90,915,781	$ 3,237,916
Current levy collection percentage			97.48%	97.83%	88.41%
Prior year levy collection percentage			97.57%	98.28%	86.09%

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NON-MAJOR COMPONENT UNIT FINANCIAL DATA

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

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

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

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

Brunswick County Hospital Authority (the "Authority"), a component unit of Brunswick County, is a legally separate entity for which the County is financially accountable. The Authority does not issue separate financial statements.

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON-MAJOR COMPONENT UNITS
June 30, 2008

	Brunswick County Board of Alcoholic Control	Brunswick County Airport Commission	Brunswick County Tourism Development Authority	Brunswick County Economic Development Commission	Brunswick County Hospital Authority	Totals
Assets:						
Current Assets:						
Cash, cash equivalents and investments	$ 330,216	$ 185,330	$ 217,418	$ 185,435	$ -	$ 918,399
Receivables, net	252	5,422	-	-	-	5,674
Due from other governments	-	11,636	276,534	-	531,283	819,453
Inventory	190,518	73,749	-	-	-	264,267
Other assets	10,208	-	1,993	-	-	12,201
Total current assets	531,194	276,137	495,945	185,435	531,283	2,019,994
Capital assets, net	1,227,637	11,754,148	2,353	1	-	12,984,139
Total assets	$ 1,758,831	$ 12,030,285	$ 498,298	$ 185,436	$ 531,283	$ 15,004,133
Liabilities and Net Assets:						
Liabilities:						
Current Liabilities:						
Accounts payable and accrued expenses	$ 219,883	$ 61,331	$ 7,063	$ 6,930		$ 295,207
Due to other governments	-	159,147	-	-	-	159,147
Total current liabilities	219,883	220,478	7,063	6,930	-	454,354
Noncurrent Liabilities:						
Debt obligation - long-term portion	700,000	-	-	-	-	700,000
Total noncurrent liabilities	700,000	-	-	-	-	700,000
Total liabilities	919,883	220,478	7,063	6,930	-	1,154,354
Net Assets:						
Invested in capital assets, net of related debt	527,637	11,754,148	-	1	-	12,281,786
Restricted:						
Economic development	-	-	-	178,505	-	178,505
Other purposes	65,964	-	-	-	-	65,964
Unrestricted	245,347	55,659	491,235	-	531,283	1,323,524
Total net assets	838,948	11,809,807	491,235	178,506	531,283	13,849,779
Total liabilities and net assets	$ 1,758,831	$ 12,030,285	$ 498,298	$ 185,436	$ 531,283	$ 15,004,133

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Brunswick County Board of Alcoholic Control	Brunswick County Airport Commission	Brunswick County Tourism Development Authority	Brunswick County Economic Development Commission	Brunswick County Hospital Authority	Totals
Revenues						
Sales and services	$ 1,715,120	$ 685,375	$ 1,096,641	$ 428	$ 53,503	$ 3,551,067
Operating grants	-	78,000	-	277,725	-	355,725
Capital grants	-	1,500,000	-	-	-	1,500,000
Investment earnings	3,034	-	12,777	2,928	21,578	40,317
Total revenues	1,718,154	2,263,375	1,109,418	281,081	75,081	5,447,109
Expenses						
Operating expenses	1,611,130	932,207	1,182,968	291,515	4,038	4,021,858
Revenues over (under) expenses	107,024	1,331,168	(73,550)	(10,434)	71,043	1,425,251
General Revenues:						
Sale of capital assets	1,000	9,246	-	-	-	10,246
Net Assets, beginning of year	730,924	10,469,393	564,785	188,940	460,240	12,414,282
Net Assets, end of year	$ 838,948	$ 11,809,807	$ 491,235	$ 178,506	$ 531,283	$ 13,849,779

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STATISTICAL SECTION

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

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

Net Assets by Components (unaudited)
Changes in Net Assets (unaudited)
Governmental Activities Tax Revenues by Source (unaudited)
Fund Balance, Governmental Funds (unaudited)
Changes in Fund Balance, Governmental Funds (unaudited)

Revenue Capacity – These tables contain information to help the reader assess the factors affecting the County's ability to generate its property taxes:

Assessed Value and Estimated Actual Value of Taxable Property (unaudited)
Property Tax Rates-Direct and All Overlapping Governments (unaudited)
Principal Property Taxpayers (unaudited)
Property Tax Levies and Collections – General Fund (unaudited)

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

Ratio of Outstanding Debt by Type (unaudited)
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita (unaudited)
Direct and Underlying Governmental Activities Debt (unaudited)
Legal Debt Margin Information (unaudited)
Pledged-Revenue Coverage (unaudited)

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

Demographic Statistics (unaudited)
Principal Employers (unaudited)
Full-time Equivalent County Government Employees by Function (unaudited)

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

Operating Indicators by Function/Program (unaudited)
Capital Asset Statistics by Function/Program (unaudited)

COUNTY OF BRUNSWICK, NORTH CAROLINA

Net Assets by Component
(accrual basis of accounting)
Last Six Fiscal Years

	Fiscal Year (1)			
	2003	**2004**	**2005**	**2006**
Governmental activities				
Invested in capital assets, net of related debt	$ 53,185,729	$ 48,903,970	$ 37,137,060	$ 54,279,043
Restricted	28,600,076	23,334,978	23,334,978	0
Unrestricted	(25,957,111)	(12,454,484)	(2,843,693)	13,102,857
Total governmental activities net assets	$ 55,828,694	$ 59,784,464	$ 57,628,345	$ 67,381,900
Business-type activities				
Invested in capital assets, net of related debt	$ 76,595,678	$ 80,543,952	$ 39,904,058	$ 93,748,105
Unrestricted	12,458,138	12,088,889	61,659,379	28,132,662
Total business-type activities net assets	$ 89,053,816	$ 92,632,841	$101,563,437	$ 121,880,767
Primary Government				
Invested in capital assets, net of related debt	$129,781,407	$129,447,922	$ 77,041,118	$ 148,027,148
Restricted	28,600,076	23,334,978	23,334,978	0
Unrestricted	(13,498,973)	(365,595)	58,815,686	41,235,519
Total primary government net assets	$144,882,510	$152,417,305	$159,191,782	$ 189,262,667

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

Table 1

2007	2008
$ 67,118,730	$ 37,377,510
-	-
12,669,940	31,112,731
$ 79,788,670	$ 68,490,241
$ 114,088,014	$ 104,963,579
28,311,927	65,985,290
$ 142,399,941	$ 170,948,869
$ 181,206,744	$ 142,341,089
-	-
40,981,867	97,098,021
$ 222,188,611	$ 239,439,110

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	Fiscal Year (1)			
	2003	2004	2005	2006
Expenses				
Governmental activities:				
General government	$ 8,763,176	$ 9,126,904	$ 12,265,609	$ 11,650,297
Public safety	13,325,392	14,901,214	16,613,151	21,488,245
Central services	7,089,722	8,524,633	9,819,916	11,415,044
Human services	19,321,396	19,498,577	21,705,607	24,449,640
Transportation	2,443,617	3,046,258	860,256	1,553,193
Environmental protection	11,386,071	9,412,246	9,737,741	10,201,646
Cultural and recreation	2,663,326	2,446,057	3,094,606	2,932,943
Economic and physical development	5,541,528	5,261,136	5,800,337	5,888,020
Education	42,890,086	41,780,114	35,261,269	40,347,613
Revaluation Services	221,065	-	-	-
Interest on long-term debt	3,785,689	4,297,354	6,016,632	4,120,523
Total governmental activities	117,431,068	118,294,493	121,175,124	134,047,164
Business-type activities:				
Water	9,095,020	9,847,383	9,599,753	10,906,786
Wastewater	708,840	1,693,765	3,541,858	2,937,019
Total business-type activities	9,803,860	11,541,148	13,141,611	13,843,805
Total primary government expenses	$ 127,234,928	$ 129,835,641	$ 134,316,735	$ 147,890,969
Program Revenues				
Governmental activities				
Charges for services:				
General government	$ 3,563,811	$ 2,486,888	$ 2,344,425	$ 3,445,947
Public safety	1,448,782	2,855,570	4,496,621	4,610,690
Central services	788,960	758,966	1,304,404	1,133,005
Human services	551,612	935,055	2,199,295	1,450,075
Environmental protection	1,029,562	1,391,467	2,092,870	2,315,762
Cultural and recreation	138,818	-	285,906	717,351
Economic and physical development	94,929	105,907	997,435	-
Education	-	453,891	-	-
Operating grants and contributions:				
General government	58,747	510,279	84,566	-
Public safety	370,893	683,683	932,645	-
Central services	60,115	-	128,721	-
Human services	8,917,650	9,524,915	9,333,298	15,222,947
Transportation	2,960,927	1,985,015	-	-
Environmental protection	208,703	263,178	221,070	-
Cultural and recreation	158,421	131,359	138,984	-
Economic and physical development	2,430,821	2,486,436	2,584,521	-
Education	-	-	-	-

Table 2

	Fiscal Year (1)	
	2007	2008
	$ 14,898,739	$ 25,786,285
	23,757,912	28,704,704
	11,661,193	12,491,337
	26,746,227	30,203,435
	1,005,751	2,258,368
	11,272,811	12,551,871
	1,060,589	4,449,488
	6,879,523	7,213,679
	38,167,647	47,784,629
	-	-
	4,255,116	4,294,959
	139,705,508	175,738,755
	13,871,028	16,426,295
	9,168,580	7,926,725
	23,039,608	24,353,020
	$ 162,745,116	$ 200,091,775
	$ 4,726,587	$ 1,480,767
	4,034,126	5,309,134
	1,320,217	2,163,366
	2,770,323	1,124,272
	-	1,928,085
	2,631,302	224,367
	8,397	1,224,383
	-	76,459
	-	-
	-	710,170
	-	-
	17,047,108	17,158,192
	-	-
	-	-
	-	1,228
	-	139,731
	-	2,146

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COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	Fiscal Year (1)			
	2003	2004	2005	2006
Capital grants and contributions:				
General government	-	421,823	-	-
Public safety	-	272,142	-	-
Transportation	4,035	-	-	-
Cultural and recreation	-	-	3,556,280	-
Economic and physical development	-	1,781,872	-	1,626,521
Education	-	331,223	-	548,439
Total governmental activities program revenues	$ 22,786,786	$ 27,379,669	$ 30,701,041	$ 31,070,737
Business-type activities:				
Charges for services:				
Water	14,000,842	13,461,240	12,729,168	15,985,038
Wastewater	714,571	1,527,189	4,196,991	8,406,018
Operating grants and contributions:				
Water	62,500	-	-	-
Wastewater	5,455,145	-	-	-
Capital grants and contributions:				
Water	1,522,630	1,708,819	1,206,673	4,058,527
Wastewater	-	2,531,517	1,318,004	4,355,512
Total business-type activities program revenues	21,755,688	19,228,765	19,450,836	32,805,095
Total primary government program revenues	$ 44,542,474	$ 46,608,434	$ 50,151,877	$ 63,875,832
Net (expense)/revenue				
Governmental activities	$ (94,644,282)	$ (90,914,824)	$ (90,474,083)	$ (102,976,427)
Business-type activities	11,951,828	7,687,617	6,309,225	18,961,290
Total primary government net (expense)/revenue	$ (82,692,454)	$ (83,227,207)	$ (84,164,858)	$ (84,015,137)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Ad Valorem taxes	$ 63,283,441	$ 67,717,315	$ 73,327,947	$ 78,767,616
Local option taxes	14,157,057	16,636,215	18,867,402	21,061,222
Other taxes	1,505,532	5,303,623	7,061,892	8,761,948
Unrestricted Grants and contributions	2,316,096	-	-	-
Investment earnings	976,947	921,742	1,832,774	4,199,756
Loss on disposal of capital assets	2,419,628	-	(10,909,492)	-
Transfers	(3,540,536)	4,291,705	(1,862,584)	(60,159)
Total governmental activities	81,118,165	94,870,600	88,317,939	112,730,383
Business-type activities:				
Investment earnings	128,951	183,113	758,787	1,295,870
Transfers	3,540,536	(4,291,705)	1,862,584	60,168
Total business-type activities	3,669,487	(4,108,592)	2,621,371	1,356,038
Total primary government	$ 84,787,652	$ 90,762,008	$ 90,939,310	$ 114,086,421

Table 2 (Continued)

Fiscal Year (1)	
2007	2008
1,337	-
-	-
-	1,568,395
100,000	(55,153)
-	574,128
-	-
$ 32,639,397	$ 33,629,670
18,085,844	19,502,863
13,187,399	12,161,118
-	-
-	-
3,056,007	9,101,531
7,963,239	9,994,682
42,292,489	50,760,194
$ 74,931,886	$ 84,389,864
$ (107,066,111)	$ (142,109,085)
19,252,881	26,407,174
$ (87,813,230)	$ (115,701,911)
$ 84,223,342	$ 97,218,426
23,256,105	23,061,392
6,340,890	4,942,000
-	-
5,200,749	5,155,748
-	489,997
451,795	(56,907)
119,472,881	130,810,656
1,718,088	2,084,847
(451,795)	56,907
1,266,293	2,141,754
$ 120,739,174	$ 132,952,410

Continued on next page

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	Fiscal Year (1)			
	2004	**2004**	**2005**	**2006**
Change in Net Assets				
Governmental activates	$ (13,275,163)	$ (13,275,163)	$ 125,196,119	$ 8,895,519
Business-type activities	8,228,402	8,228,402	41,289,710	17,318,600
Total primary government	$ (5,046,761)	$ (5,046,761)	$ 166,485,829	$ 26,214,119

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

Table 2 (Continued)

Fiscal Year (1)			
2007		2008	
$	8,895,519	$	(11,298,429)
	17,318,600		28,548,928
$	26,214,119	$	17,250,499

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 3

Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Video Programming Tax	Alcoholic Beverage Tax	Total
1999	$ 45,270,251	$ 10,897,732	$ 20,843	$ -	$ 178,751	$ 56,367,577
2000	52,822,490	11,664,082	138,503	-	186,928	64,812,003
2001	55,689,742	12,233,671	147,751	-	192,083	68,263,247
2002	60,982,737	12,645,932	42,579	-	-	73,671,248
2003	62,753,363	14,157,055	288,250	-	203,180	77,401,848
2004	68,478,690	16,636,215	194,982	-	209,433	85,519,320
2005	74,520,219	18,867,402	218,647	-	220,257	93,826,525
2006	79,137,087	21,061,222	331,736	-	227,627	100,757,672
2007	84,422,322	23,256,105	212,941		241,782	108,133,150
2008	96,940,721	23,061,392	4,785	424,364	240,565	120,671,827

Note: During FY 07-08, Franchise Fees were eliminated by the State and replaced by the Video Programming Tax.

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COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	Fiscal Year			
	1999	2000	2001	2002
General Fund				
Reserved for:				
Reserved by State statute	$ 3,945,197	$ 5,425,472	$ 4,502,400	$ 8,180,594
Reserved for prepaid expenditures	-	-	-	-
Reserved for encumbrances	236,201	112,826	86,778	157,522
Total Reserved	4,181,398	5,538,298	4,589,178	8,338,116
Unreserved:				
Designated for subsequent year's expenditures	6,252,221	6,612,512	6,966,655	6,998,894
Undesignated	25,141,603	29,032,530	30,039,556	28,212,854
Total Unreserved	31,393,824	35,645,042	37,006,211	35,211,748
Total General fund	$ 35,575,222	$ 41,183,340	$ 41,595,389	$ 43,549,864
All Other Governmental Funds				
Reserved for:				
Reserved by State statute	$ 955,026	$ 1,395,790	$ 982,852	$ 1,055,610
Reserved for debt service	238,367	273,580	243,571	222,438
Reserved for encumbrances	18,500	3,500	-	-
Total Reserved	1,211,893	1,672,870	1,226,423	1,278,048
Unreserved:				
Special revenue funds:				
Designated for subsequent year's expenditures	13,514,408	13,135,195	15,429,221	16,479,421
Undesignated	4,695,912	2,032,239	2,274,955	176,252
Total Special revenue funds	18,210,320	15,167,434	17,704,176	16,655,673
Capital project funds:				
Designated for subsequent year's expenditures	4,754,849	13,069,032	54,060,090	23,675,138
Undesignated	-	-	-	-
Total Capital projects funds	4,754,849	13,069,032	54,060,090	23,675,138
Total Unreserved	22,965,169	28,236,466	71,764,266	40,330,811
Total all other governmental funds	$ 24,177,062	$ 29,909,336	$ 72,990,689	$ 41,608,859

Table 4

	Fiscal Year				
2003	2004	2005	2006	2007	2008
$ 10,046,645	$ 9,343,625	$ 15,952,860	$ 10,811,942	$ 7,334,790	$ 8,593,169
456,935	7,396	7,396	615,218	723,193	-
313,218	703,282	-	-	1,180,390	1,662,584
10,816,798	10,054,303	15,960,256	11,427,160	9,238,373	10,255,753
8,964,082	9,508,984	-	-	-	16,031,493
25,470,111	34,931,768	37,742,809	50,219,523	55,277,531	37,862,364
34,434,193	44,440,752	37,742,809	50,219,523	55,277,531	53,893,857
$ 45,250,991	$ 54,495,055	$ 53,703,065	$ 61,646,683	$ 64,515,904	$ 64,149,610
$ 2,099,862	$ 2,090,313	$ 1,087,511	$ 1,545,431	$ 1,574,922	$ 1,597,869
466	10,629	2,994	5,729	2,570	(599)
58,975	4,412	-	-	15,448,518	27,602,520
2,159,303	2,105,354	1,090,505	1,551,160	17,026,010	29,199,790
14,073,517	12,120,812	-	-	-	8,333,968
1,158,571	6,525,147	22,173,785	11,323,483	14,984,776	6,219,620
15,232,088	18,645,959	22,173,785	11,323,483	14,984,776	14,553,588
23,587,187	26,812,610	-	-	-	36,424,168
-	-	23,406,310	26,794,098	584,112	-
23,587,187	26,812,610	23,406,310	26,794,098	584,112	36,424,168
38,819,275	45,458,569	45,580,095	38,117,581	15,568,888	50,977,756
$ 40,978,578	$ 47,563,923	$ 46,670,600	$ 39,668,741	$ 32,594,898	$ 80,177,546

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	Fiscal Year			
	1999	**2000**	**2001**	**2002**
Revenues				
Ad Valorem taxes	$ 45,270,251	$ 52,822,490	$ 55,689,742	$ 60,982,737
Special assessments	98,550	613,622	195,141	133,020
Local option sales taxes	10,897,732	11,664,082	12,233,671	12,645,932
Other taxes and licenses	2,439,069	2,462,099	2,404,842	3,113,877
Unrestricted intergovernmental	1,467,873	1,453,454	1,443,569	858,933
Restricted intergovernmental	16,750,884	15,804,365	12,231,840	13,576,626
Permits and fees	2,128,904	2,618,547	2,566,947	2,736,242
Sales and services	1,692,387	1,524,456	1,557,769	2,139,248
Investment earnings	3,117,442	3,559,505	4,907,985	2,355,520
Other revenue	1,669,855	1,450,336	2,462,691	1,831,837
Total revenues	85,532,947	93,972,956	95,694,197	100,373,972
Expenditures				
General government	6,659,971	6,122,335	6,642,733	7,255,635
Public safety	9,446,771	11,594,574	11,734,944	12,347,137
Central services	5,388,536	5,772,999	6,403,783	6,580,556
Human services	13,969,975	17,604,712	17,689,885	18,835,128
Transportation	25,000	25,000	25,000	25,000
Environmental protection	8,075,668	7,894,033	8,676,632	8,814,119
Culture and recreation	2,102,362	2,201,201	2,674,561	2,667,069
Economic and physical development	3,577,267	4,034,151	3,975,640	5,687,237
Education	16,650,322	18,811,801	21,299,792	20,913,994
Capital Outlay	14,395,011	11,220,106	17,666,126	33,997,817
Debt Service:				
Principal retirement	3,725,837	3,598,194	4,101,264	4,851,485
Interest and fiscal charges	928,574	1,026,020	2,472,147	4,061,178
Total expenditures	84,945,294	89,905,126	103,362,507	126,036,355
Revenues over (under) expenditures	587,653	4,067,830	(7,668,310)	(25,662,383)
Other Financing Sources (Uses)				
Issuance of long-term debt	-	13,000,000	54,300,000	-
Premium on Bonds Issued	-	-	-	-
Payment to escrow agent-refunded debt	-	-	-	-
Proceeds from capital lease	8,200,000	-	-	-
Sale of capital assets	-	-	-	-
Transfer from other funds	11,849,428	12,337,147	11,769,864	11,581,677
Transfer to other funds	(17,532,223)	(18,064,585)	(14,908,152)	(15,346,649)
Total other financing sources (uses)	2,517,205	7,272,562	51,161,712	(3,764,972)
Net change in fund balances	$ 3,104,858	$ 11,340,392	$ 43,493,402	$ (29,427,355)
Debt service as a percentage of noncapital expenditures	6.6%	5.9%	7.7%	9.7%

Table 5

Fiscal Year					
2003	2004	2005	2006	2007	2008
$ 62,753,365	$ 68,478,690	$ 74,520,219	$ 79,137,087	$ 84,422,322	$ 96,940,721
126,715	81,718	123,739	64,430	-	-
14,157,057	16,636,215	18,867,402	21,061,222	23,256,105	23,061,392
3,635,749	5,303,623	7,149,284	8,889,952	6,340,890	4,942,000
203,180	239,433	244,257	251,627	265,782	701,489
17,271,304	17,022,785	15,562,908	17,655,444	18,597,043	19,912,197
3,622,045	5,654,018	6,279,187	7,550,776	7,591,795	4,127,984
2,321,659	3,367,844	4,045,435	4,921,912	5,217,986	8,379,989
976,947	921,742	1,832,774	4,199,756	5,200,749	5,155,748
2,227,232	1,129,707	572,923	548,246	853,493	924,338
107,295,253	118,835,775	129,198,128	144,280,452	151,746,165	164,145,858
8,235,688	8,586,235	11,199,360	10,869,890	15,444,424	15,269,231
13,248,649	15,906,193	19,068,489	20,976,344	30,944,748	29,383,374
7,282,407	9,219,309	10,022,451	12,348,752	11,276,503	11,867,248
19,113,587	19,444,080	21,478,307	24,451,543	26,466,751	28,970,990
85,000	85,000	85,000	85,000	1,005,751	2,258,368
9,262,908	9,563,180	9,932,288	10,163,812	11,069,839	12,530,556
2,804,605	3,375,151	3,256,502	4,339,985	4,455,447	7,389,267
5,457,347	5,823,286	5,678,048	5,765,438	6,802,351	6,947,615
22,117,450	23,088,975	24,540,416	25,624,225	38,160,050	55,775,475
24,341,937	24,587,868	16,552,848	18,667,947	-	-
4,815,084	5,451,171	6,609,797	6,372,162	6,697,377	7,975,512
3,785,689	4,360,746	6,116,632	4,620,523	4,255,116	4,861,013
120,550,351	129,491,194	134,540,138	144,285,621	156,578,357	183,228,649
(13,255,098)	(10,655,419)	(5,342,010)	(5,169)	(4,832,192)	(19,082,791)
18,320,000	25,348,765	22,674,694	1,007,492	175,770	65,300,000
-	-	-	-	-	566,054
-	(3,275,000)	(17,385,545)	-	-	-
-	-	-	-	-	-
-	119,366	230,106	-	-	489,997
15,197,821	20,162,719	24,449,183	34,901,277	24,969,412	21,600,857
(19,191,877)	(15,871,016)	(26,311,766)	(34,961,447)	(24,517,617)	(21,657,764)
14,325,944	26,484,834	3,656,672	947,322	627,565	66,299,144
$ 1,070,846	$ 15,829,415	$ (1,685,338)	$ 942,153	$ (4,204,627)	$ 47,216,353
8.9%	9.4%	10.8%	8.8%	7.0%	7.0%

COUNTY OF BRUNSWICK, NORTH CAROLINA

Assessed Value and Estimated Actual Value of Taxable Property
(amounts expressed in thousands)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property	
	Residential Property	Commercial Property	Motor Vehicles	Other
1999	3,907,836	753,632	481,572	1,535,521
2000	6,189,908	1,271,311	523,451	1,748,103
2001	6,400,833	1,354,135	574,585	1,686,225
2002	6,750,348	1,471,673	606,949	1,691,520
2003	7,081,979	1,530,909	634,170	1,629,599
2004	8,917,420	1,872,343	670,135	1,682,987
2005	9,425,726	1,954,738	737,823	1,690,560
2006	10,131,558	2,063,869	828,607	1,706,215
2007	10,898,562	2,315,751	899,654	1,698,714
2008	24,137,625	5,539,507	954,681	1,785,364

Source: Annual County Report of Valuation and Property Tax Levies

Note:
A revaluation of real property is required by the North Carolina General Statutes at least every eight years. Real property in Brunswick County is reassessed once every four years. The last revaluation was completed January 2007. The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
94,706	6,583,855	0.00550	8,897,101	74.00%
169,141	9,563,632	0.00565	9,563,632	100.00%
179,979	9,835,799	0.00593	10,552,300	93.21%
184,076	10,336,414	0.00593	12,051,316	85.77%
193,301	10,683,356	0.00520	13,153,603	81.22%
235,475	12,907,410	0.00540	12,907,410	100.00%
241,148	13,567,699	0.00540	15,527,236	87.38%
240,038	14,490,211	0.00540	18,112,764	80.00%
287,626	15,525,055	0.00540	24,840,088	62.50%
992,640	31,424,537	0.00305	31,649,246	99.29%

COUNTY OF BRUNSWICK, NORTH CAROLINA

Property Tax Rates-Direct and All Overlapping Governments
(Per $100.00 of Assessed Value)
Last Ten Fiscal Years

	2008	2007	2006	2005	2004
County:					
Brunswick	0.0305	0.5400	0.5400	0.5400	0.5200
Municipalities:					
Village of Bald Head Island	0.2600	0.4650	0.4650	0.4650	0.4650
Town of Belville	0.0911	0.1500	0.1500	0.1500	0.1500
Town of Boiling Spring Lakes	0.1200	0.2500	0.2500	0.2500	0.2500
Town of Bolivia	0.0500	0.0600	0.0600	0.0600	0.0600
Town of Calabash	0.0700	0.1000	0.1000	0.1000	0.1000
Town of Carolina Shores	0.0800	0.0800	0.0800	0.0800	0.0800
Town of Caswell Beach	0.1500	0.2200	0.2100	0.2200	0.2100
Town of Holden Beach	0.0690	0.1800	0.1800	0.1800	0.1800
Town of Leland	0.1166	0.1800	0.1800	0.1800	0.1800
Town of Long Beach	*	*	*	*	*
Town of Navassa	0.2000	0.2700	0.2700	0.2700	0.2500
Town of Northwest	0.1700	0.2000	0.2000	0.2000	0.2000
Town of Oak Island	0.1400	0.3300	0.3300	0.3500	0.3650
Town of Ocean Isle Beach	0.0900	0.1400	0.1400	0.1500	0.1600
Town of Sandy Creek	0.3000	0.3500	0.3500	0.3500	0.3500
Town of Shallotte	0.2700	0.3200	0.3200	0.2900	0.2900
Town of St. James Plantation	0.0500	0.0500	0.0500	0.0500	0.0700
Town of Southport	0.1800	0.2700	0.2700	0.3000	0.3300
Town of Sunset Beach	0.0900	0.1450	0.1300	0.1300	0.1200
Town of Varnamtown	0.0500	0.0500	0.0500	0.0500	0.0500
Town of Yaupon Beach	*	*	*	*	*
Other Districts: (3)					
North Brunswick Sanitary District	NA	NA	NA	NA	NA
Southeastern Sanitary District	0.0000	0.0000	0.0000	0.0000	0.0000
Smithville Township	0.0400	0.0400	0.0400	0.0400	0.0400

Notes:
(1) Property was revalued in January 1999, January 2003 and January 2007.
(2) The property tax rates for each of the governments listed above are based on unit-wide tax rates. For each government, certain motor vehicles were taxed at the preceding year's rate.
(3) The North Brunswick Sanitary District has not enacted property taxes as of June 30, 2007.
The Smithville Township is a hospital district. The levy collected is specific for debt retirement and captital improvements.
*The Town of Long Beach and Yaupon Beach consolidated into the Town of Oak Island effective July 1, 1999.

Source : Brunswick County Tax Department

Table 7

2003	2002	2001	2000	1999
0.5925	0.5925	0.5650	0.5500	0.6850
0.6350	0.6350	0.6350	0.6350	0.8150
0.1500	0.1500	0.1500	0.1500	0.1500
0.2500	0.2500	0.2500	0.2500	0.3500
0.0600	0.0600	0.0600	0.0600	0.1500
0.0600	0.0600	0.0600	0.0600	0.0600
0.0800	0.0600	0.0600	0.0600	0.0600
0.2700	0.2400	0.2400	0.3800	0.2400
0.1900	0.1900	0.1900	0.1900	0.2000
0.1800	0.1800	0.1800	0.1800	0.1800
*	*	*	*	0.4200
0.3000	0.3000	0.3000	0.3000	0.3000
0.2000	0.2000	0.1700	0.1700	0.2000
0.3800	0.3800	0.3400	0.3400	*
0.1600	0.1400	0.1400	0.1400	0.1700
0.1000	0.3500	0.2500	0.2000	0.3000
0.3100	0.3100	0.2700	0.2400	0.3450
0.1000	0.1000	0.1000	0.1000	NA
0.4000	0.4000	0.4300	0.4900	0.5300
0.0900	0.0950	0.0950	0.0950	0.1350
0.0500	0.0500	0.0500	0.0500	0.0500
*	*	*	*	0.3750
NA	NA	NA	NA	NA
0.0500	0.1500	0.2000	0.2250	0.3000
0.0400	0.0400	0.0400	0.0400	0.0400

Principal Property Taxpayers
Current Year and Nine Years Ago

		Fiscal Year 2008			Fiscal Year 1999		
Taxpayer	**Type of Business**	**2007 Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**	**1998 Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
Progress Energy Carolinas, Inc.	Utility	$ 852,145,872	1	2.71%	$ 683,637,913	1	10.38%
DAK LLC	Chemicals	189,622,138	2	0.60%	285,555,181	2	4.34%
MAS Properties LLC	Developer	143,453,328	3	0.46%			
Brunswick Electric Membership Corp.	Utility	141,932,557	4	0.45%	41,168,392	5	0.63%
N. C. Eastern Municipal Power Agency	Utility	141,339,790	5	0.45%	175,644,997	3	2.67%
Bald Head Island Ltd	Developer	126,278,685	6	0.40%	35,553,707	8	0.54%
Sustainable Forests, LLC	Timber	93,953,823	7	0.30%			
Archer Daniels Midland Company	Chemicals	84,905,128	8	0.27%	131,611,437	4	2.00%
Odell Williamson	Developer	81,829,705	9	0.26%	40,160,473	6	0.61%
SP Forests, LLC	Timber	77,564,734	10	0.25%			
Sea Trail Corporation	Developer				36,876,517	7	0.56%
Federal Paper Board	Timber				24,672,347	9	0.37%
Primary Energy of NC, LLC	Utility				23,425,122	10	0.36%
Totals		$ 1,933,025,760		6.15%	$1,478,306,086		22.46%

Source: Brunswick County Tax Department

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

Fiscal Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Tax Levy
1999	45,090,191	43,055,915	95.5%	1,934,182	44,990,097	99.8%	5,148,526	11.4%
2000	52,963,804	50,565,486	95.5%	1,930,915	52,496,401	99.1%	5,616,929	10.6%
2001	55,576,580	53,047,566	95.4%	2,185,221	55,232,787	99.2%	5,959,722	10.7%
2002	61,214,433	58,085,913	94.9%	2,654,094	60,740,007	99.2%	6,434,148	10.5%
2003	63,391,002	59,851,207	94.4%	2,473,772	62,324,979	98.3%	7,500,173	11.8%
2004	67,177,741	64,507,758	96.0%	3,412,376	67,920,134	101.1%	6,757,810	10.1%
2005	72,980,743	70,810,206	97.0%	3,162,044	73,972,250	101.4%	5,771,568	7.9%
2006	77,993,000	75,849,114	97.3%	2,673,750	78,522,864	100.7%	5,241,705	6.7%
2007	83,653,780	81,622,970	97.6%	2,392,525	84,015,495	100.4%	4,879,989	5.8%
2008	96,784,569	94,153,697	97.3%	2,445,657	96,599,356	99.8%	4,922,666	5.1%

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities		
	General Obligation Bonded	Certificates of Participation	Installment Loans
1999	7,125,842	1,390,000	13,633,615
2000	18,801,880	1,025,000	11,724,386
2001	53,674,628	15,420,000	7,803,890
2002	55,781,171	16,235,000	9,733,831
2003	69,922,714	14,600,000	5,880,721
2004	80,818,576	25,075,000	1,132,453
2005	81,484,694	23,935,000	285,687
2006	77,290,352	21,865,000	1,185,359
2007	73,080,454	19,755,000	983,650
2008	97,465,000	17,625,000	36,053,592

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

(1) State Data Center; estimate as of June 30, 2008
(2) Bureau of Economic Analysis; amounts are for prior calendar year

Table 10

Business-Type Activities						
General Obligation Bonded	Certificates of Participation	Revenue Bonds	SRF Debt & Installment Loans	Total Primary Government	(2) Ratio Debt to Personal Income	(1) Per Capita
16,269,158	3,255,000	-	2,968,403	44,642,018	3.2%	624.91
14,208,120	2,510,000	-	2,430,755	50,700,141	3.4%	688.00
9,210,372	1,725,000	-	1,865,876	89,699,766	5.4%	1,187.09
11,693,829	890,000	-	1,274,240	95,608,071	5.3%	1,212.96
6,802,286	-	-	654,613	97,860,334	5.3%	1,211.88
36,016,424	-	-	1,945,689	144,988,142	7.5%	1,730.44
2,525,306	-	39,447,389	25,622,555	173,300,631	7.8%	1,975.72
1,754,648	-	32,779,319	36,502,809	171,377,487	7.1%	1,812.29
1,009,546	-	38,084,416	34,223,830	167,136,896	6.3%	1,682.07
295,000	-	89,757,733	32,468,604	273,664,929	n/a	2,628.51

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 11

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

Fiscal Year Ended June 30	Assessed Value (000 omitted)	Gross General Obligation Bonded Debt	Less Debt Payable from Enterprise Fund	Net General Obligation Bonded Debt	Ratio Net General Obligation Bonded Debt to Assessed Value	(1) Population	Net General Obligation Bonded Debt per Capita
1999	6,583,855	21,895,000	14,769,157	7,125,843	0.1%	71,437	99.75
2000	9,563,632	33,010,000	14,288,120	18,801,880	0.2%	73,856	254.57
2001	9,835,799	67,475,000	11,693,829	55,781,171	0.6%	76,584	728.37
2002	10,366,414	62,885,000	9,210,372	53,674,628	0.5%	79,100	678.57
2003	10,683,356	76,725,000	6,802,286	69,922,714	0.7%	81,559	857.33
2004	12,907,410	85,295,000	4,476,425	80,818,575	0.6%	84,772	953.36
2005	13,567,699	84,010,000	2,525,306	81,484,694	0.6%	89,155	913.97
2006	14,490,211	79,045,000	1,754,648	77,290,352	0.5%	94,564	817.33
2007	15,525,054	74,090,000	1,009,546	73,080,454	0.5%	99,364	735.48
2008	31,424,537	97,760,000	295,000	97,465,000	0.3%	104,114	936.14

Notes:
(1) State Data Center; estimate as of June 30, 2008

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 12

Direct and Underlying Governmental Activities Debt
General Obligation Bonds
June 30, 2008

	General Obligation Bonded Debt	Percent Applicable To County	Amount Applicable To County
Direct:			
Brunswick County	$ 97,760,000	100%	$ 97,760,000
Underlying Debt:			
City of Boiling Springs Lakes	4,450,000	100%	4,450,000
City of Navassa	16,436	100%	16,436
City of Northwest	658,000	100%	658,000
Town of Sandy Creek	281,000	100%	281,000
City of Southport	123,500	100%	123,500
North Brunswick Sanitary District	76,700	100%	76,700
Southeast Brunswick Sanitary District	1,072,500	100%	1,072,500
Totals	$ 104,438,136		$104,438,136

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			
	1999	2000	2001	2002
Debt limit	$ 526,708,371	$ 765,090,521	$ 786,863,862	$ 826,913,125
Total net debt applicable to limit	22,149,459	31,551,266	81,750,002	76,898,517
Legal margin	$ 504,558,912	$ 733,539,255	$ 705,113,860	$ 750,014,608
Total net debt applicable to the limit as a percentage of debt limit	4.4%	4.3%	11.6%	10.3%

Table 13

Fiscal Year					
2003	2004	2005	2006	2007	2008
$ 854,668,411	$ 1,032,592,800	$ 1,085,415,887	$ 1,159,216,908	$ 1,242,004,397	$ 2,513,962,929
90,403,435	107,026,029	105,705,381	99,155,352	94,828,650	151,143,592
$ 764,264,976	$ 925,566,771	$ 979,710,506	$ 1,060,061,556	$ 1,147,175,747	$ 2,362,819,337
11.8%	11.6%	10.8%	9.4%	8.3%	6.4%

Calculation of Legal Debt Margin for Fiscal Year 2008:

Assessed value of taxable property	$ 31,424,536,613
	x 0.08
Debt limit- 8 percent of assessed value	$ 2,513,962,929
Gross debt:	
Total bonded debt	$ 187,517,733
Total certificates of participation	17,625,000
Total installment purchases	68,522,195
Gross debt	$ 273,664,928
Less: water and wastewater revenue bonds & installment purchases	122,521,336
Total amount of debt applicable to debt limit (net debt)	$ 151,143,592
Legal debt margin	$ 2,362,819,337

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

Pledged-Revenue Coverage
Last Ten Fiscal Years

Net Coverage:

Fiscal Year Ended June 30	Enterprise Funds Operating Revenue Plus Interest	Operating Expenses Less Depreciation	Net Available Revenue	All Enterprise Fund Debt Service Principal	Interest	Total	Enterprise Fund Parity Debt Service Principal	Interest	Total	Net Coverage
1999	8,914,243	6,255,233	2,659,010	3,364,254	1,248,691	4,612,945	-	-	-	0.58
2000	12,433,212	6,146,842	6,286,370	3,345,755	1,085,209	4,430,964	-	-	-	1.42
2001	12,277,094	6,859,360	5,417,734	3,864,740	921,368	4,786,108	-	-	-	1.13
2002	12,382,731	6,214,512	6,168,219	3,910,863	737,119	4,647,982	-	-	-	1.33
2003	14,844,364	7,398,018	7,446,346	3,918,735	549,000	4,467,735	-	-	-	1.67
2004	15,171,542	8,880,099	6,291,443	2,980,475	356,550	3,337,025	-	-	-	1.89
2005	17,684,946	9,656,725	8,028,221	2,376,969	1,405,014	3,781,983	217,611	285,617	503,228	2.12
2006	25,686,926	10,054,792	15,632,134	1,457,752	2,833,230	4,290,982	273,069	1,871,606	2,144,675	3.64
2007	32,991,331	15,095,168	17,896,163	3,557,232	2,951,486	6,508,718	1,089,903	1,859,771	2,949,674	2.75
2008	33,748,828	16,265,392	17,483,436	3,553,881	2,657,871	6,211,752	1,126,683	1,823,841	2,950,524	2.81

Required Coverage:

Fiscal Year Ended June 30	Net Available Revenue	20% Unrestricted Net Assets	Total Debt Service	Parity Debt Service	20% Parity Debt Service	Coverage 100% Parity	120% Parity
2005	8,028,221	5,053,436	3,781,983	503,228	100,646	2.12	3.37
2006	15,632,134	4,431,840	4,290,982	2,144,675	428,935	3.64	4.25
2007	17,896,163	4,771,794	6,508,718	2,949,674	589,935	2.75	3.19
2008	17,483,436	6,834,562	6,211,752	2,950,524	590,105	2.81	3.58

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 15

Demographic Statistics
Last Ten Fiscal Years

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
1999	71,437	1,408,747	20,530	41.8	9,737	5.1%
2000	73,856	1,500,718	21,028	42.3	9,980	4.1%
2001	76,584	1,653,216	22,412	42.5	10,085	4.6%
2002	79,100	1,819,075	23,819	42.8	10,318	5.4%
2003	81,559	1,829,637	23,193	43.2	10,426	6.1%
2004	84,772	1,921,173	23,539	43.6	10,528	6.4%
2005	89,155	2,209,726	26,171	43.9	10,789	5.0%
2006	94,564	2,394,009	26,866	44.1	11,133	4.1%
2007	99,364	2,652,318	28,202	44.7	11,505	4.7%
2008	104,114	not available	not available	45.0	11,599	6.1%

Notes:
(1) State Data Center; estimate as of June 30, 2008
(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

COUNTY OF BRUNSWICK, NORTH CAROLINA **Table 16**

Principal Employers
Current Year and Nine Years Ago

		Fiscal Year 2008			1999		
Name of Employer	**Type of Business**	**Number of Employees**	**Rank**	**Percentage of Total County Employment**	**Number of Employees**	**Rank**	**Percentage of Total County Employment**
Brunswick County Board of Education	Education	1,827	1	3.98%	1,300	1	3.82%
County of Brunswick	Local Government	1,008	2	2.20%	600	4	1.76%
Progress Energy Carolinas, Inc.	Utility	862	3	1.88%	1,000	3	2.94%
Wal-Mart Associates Inc.	Retail Chain	735	4	1.60%			
Brunswick Community Hospital LLC	Medical Care Facility	651	5	1.42%	300	5	0.88%
Bald Head Island LP	Financial Activities	523	9	1.14%			
Food Lion LLC	Grocery Chain	490	7	1.07%			
DAK Americas	Dacron Polyester Fiber	397	6	0.87%	1,100	2	3.24%
Victaulic Company of America	Pipe Fittings & Seals	330	8	0.72%	185	8	0.54%
US Marine (formerly Rampage Yachts)	Yacht Manufacture	280	10	0.61%			
Sunny Point Military Terminal	Military				300	6	0.88%
Dosher Memorial Hospital	Medical Care Facility				200	7	0.59%
Archer Danials Midland Company	Citric Acid				165	9	0.49%
Armada, Inc.	Automobile Parts				120	10	0.35%
Totals		7,103		15.48%	5,270		15.50%

Source: NC Employment Security Commission; total county employment

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 17

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Function:										
General government	65	75	75	77	78	84	87	98	105.5	111.5
Public safety	164	175	175	196	193	201	221	224	275	340
Central services	79	68	68	70	75	80	79	83	88	94
Human services	198	210	210	198	246	253	234	264	244	254
Transportation	11	15	15	17	13	0	0	0	0	0
Environmental protection	10	9	9	9	9	9	10	12	10	10
Cultural and recreation	44	52	52	37	37	39	44	45	45	46
Economic and physical development	30	27	27	29	33	42	33	30	37	42
Utilities	61	55	55	59	61	66	78	86	98.5	109.5
Total	662	686	686	692	745	774	786	842	903	1007

Source: County Finance Department

Note: This schedule represents the number of approved permanent FTE's as of June 30, 2008.

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 18

Operating Indicators by Function/Program
Last Four Fiscal Years

	Fiscal Year			
	2005	2006	2007	2008
Law enforcement:				
Civil papers issued	9,278	9,025	7,761	9,312
Criminal papers issued	12,058	11,346	15,285	16,685
Uniform mileage	1,501,832	1,801,864	2,092,423	2,159,680
Emergency Services:				
Fire Protection:				
Number of calls answered	7,018	7,893	8,879	9,323
Number of inspections conducted	1,224	1,272	1,424	1,310
Emergency Medical Services:				
Number of calls answered	10,049	13,492	15,254	15,860
Number of transports	4,389	7,667	12,265	8,884
Code enforcement/building permits:				
Number of code violations	760	873	2,114	2,000
Number of building permits:				
Single family residential	3,268	3,905	2,841	1,722
Commercial	280	410	516	463
Parks and Recreation:				
Number of athletic fields rented	60	75	71	8
Youth recreation:				
Certified coaches	665	695	705	1,001
Sports teams	46	49	61	62
Participants	675	735	975	981
Adult recreation:				
Sports teams	41	45	49	53
Participants	640	700	790	800
Fitness program participants	1,195	1,250	1,475	1,525
Solid waste:				
Waste received (tons per 1,000 population)	1,995	2,078	1,654	1,337
Ratio of recyclable to total waste received	5.4%	6.2%	5.5%	5.0%
Public Utilities:				
Water customers	19,949	22,412	28,270	29,955
Water average daily treatment (in gallons)	12,350,000	12,910,000	13,750,000	13,640,000
Sewer customers	5,017	6,241	7,565	8,378
Sewer average daily treatment (in gallons)	1,210,000	1,322,000	2,080,000	2,253,000

Sources: Various government departments.

Note: Data not collected prior to 2005

Capital Asset Statistics by Function/Program
Last Four Fiscal Years

	Fiscal Year			
	2005	2006	2007	2008
Law enforcement:				
Police stations	13	13	13	13
Police patrol units	30	33	44	47
Detention center capacity	196	196	196	440
Emergency services:				
Fire stations	22	22	22	22
Fire trucks	97	97	110	121
Rescue stations	14	15	15	15
EMS vehicles	27	28	28	28
Culture and recreational:				
Community centers	7	7	7	7
Parks	10	11	11	12
Golf courses	38	35	36	39
Museums	2	2	2	3
Planetarium	-	-	1	1
Libraries (branches)	5	5	5	5
Public Utilities:				
Miles of water mains	570.00	642.37	727.00	795.00
Maximum daily water capacity (in gallons)	30,000,000	30,000,000	30,000,000	30,000,000
Miles of Sewer mains	90.3	238.2	299.0	360.0
Maximum daily wastewater capacity (in gallons)	3,050,000	4,650,000	6,115,000	6,115,000
Miles of streets	815.46	818.35	818.35	818.48
Number of traffic lights	43	50	56	57
Hospitals:				
Number of hospitals	2	2	2	2
Number of patient beds:				
Licensed Acute Care	96	96	96	96
Licensed Skilled Care	64	64	64	64
Education:				
Number of schools	16	16	17	17
Number of teachers	727	731	752	756
Number of students	10,789	11,133	11,505	11,599
Number of charter schools	1	1	1	1
Number of charter students	277	340	396	443

Sources: Various government departments.

Note: Data not collected prior to 2005

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