



# County of Brunswick

**Comprehensive Annual Financial Report**  
for the fiscal year ended June 30, 2016



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**COUNTY OF BRUNSWICK  
NORTH CAROLINA**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2016**

**Prepared by Brunswick County Finance**

**COUNTY OF BRUNSWICK, NORTH CAROLINA**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2016**

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## County of Brunswick Finance Department

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Telephone: (910) 253-2070  
Fax: (910) 253-2068

October 24, 2016

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, 2016.

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.

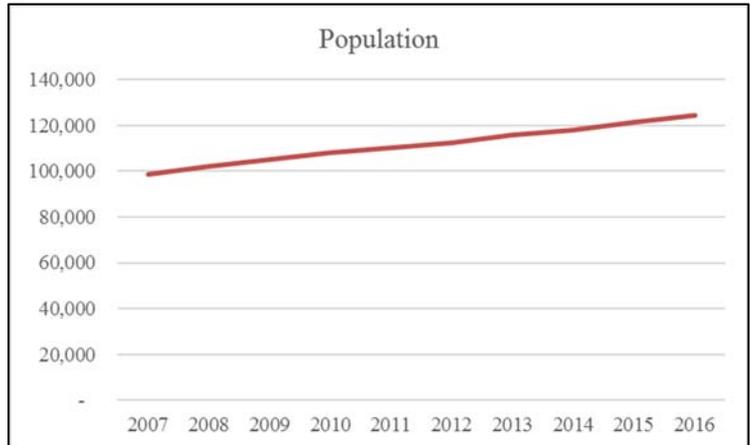
Martin Starnes & Associates, CPA's, P.A., a firm of licensed certified public accountants, has independently audited Brunswick County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Brunswick County for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Brunswick County's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the report.

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

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

## Profile of the Government

Brunswick County, founded in 1764 by the North Carolina General Assembly, is located in the southeastern corner of the State in the coastal plains region. As is typical of coastal plains, the topography is characterized by flatlands with 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 124,668, which is an increase of approximately 26% since 2007. It is the sixth largest county in the State, having a land area of 846 square miles.



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

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

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

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

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

The financial reporting entity includes all funds of the primary government (Brunswick County), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units, if applicable, are reported in a separate column in the general purpose financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial positions, results of operations, and cash flows from those of the primary government. The Brunswick County Board of Alcoholic Beverage Control, the Brunswick County Tourism Development Authority and the Brunswick County Airport Commission are reported as discretely presented component units in the financial statements.

The Brunswick County Industrial Facility and Pollution Control Financing Authority and Brunswick County Leasing Corporation are also component units of Brunswick County however, both do not have financial transactions or account balances and are therefore not reported in the financial statements.

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

- Departments submit budget requests by line item
- Requests are compiled and reviewed by the budget staff
- County Manager submits recommended budget to County Commissioners
- Board adopts budget before July 1

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

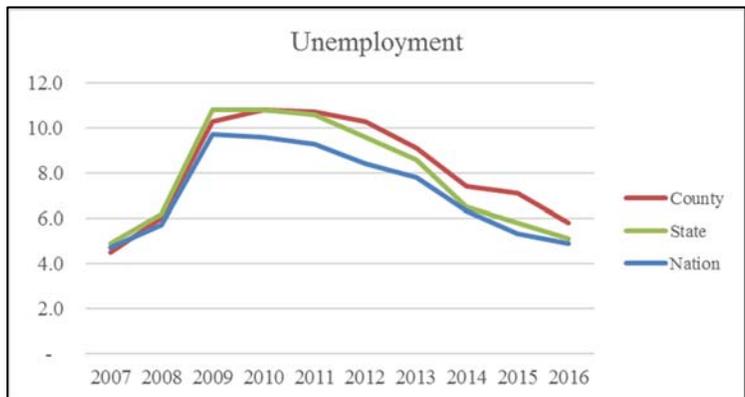
an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 20 as part of the basic financial statements for the governmental funds. For annually budgeted special revenue funds, this comparison is presented in the non-major governmental fund subsection of this report, which starts on page 92. 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 experienced significant growth in its permanent population. Current year growth in the County of 2.6% ranks number 2 in the state and number 38 in the country for growth as of July 2016. The permanent population grew at an average rate of approximately 3.2 percent annually over the last ten years.

The County and State’s unemployment rates at June 2016 were 5.8 and 5.1 percent, respectively. The State’s seasonally adjusted unemployment rate at June 2016 is 4.9. The County’s growth rate continues to increase mainly due to many people moving to Brunswick County for its quality of life. As with other areas in the nation, the County is experiencing a moderate economic comeback. Residential and commercial development has shown growth annually over last five years.

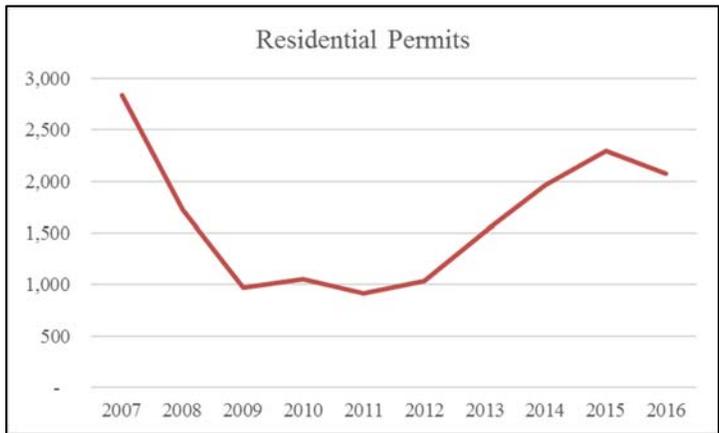


In the past year Brunswick County has experienced an increase in retail sales and tourism dollars as the economy improved. Since 2008, Brunswick County has had 20 new and expanded companies, creating 718 new jobs and over \$20 million in new capital investment. Other activities include the creation of Brunswick Catch, a non-profit dedicated to increasing the awareness of local seafood to both wholesale

and retail markets; the extension of utilities to our 2 mega sites, the International Logistics Park and the Mid-Atlantic Logistics Park; and the designation of both parks as North Carolina Certified Sites by the NC Department of Commerce.

Brunswick County is currently marketing two large industrial parks. The International Logistics Park of North Carolina and the Mid Atlantic Industrial Rail Park are both located adjacent to US Highway 74/76 at the Brunswick/Columbus County line and have over 1,000 acres of land each. The ILPNC, a State Tier 1 identified site, provides services for water, wastewater and fiber optics. In December of 2012, it was recognized as a North Carolina Certified Industrial Park. The Mid Atlantic site also has sewer and water service and can provide natural gas. CSXT can serve the park with rail and CSXT has recognized the Mid Atlantic Industrial Park as one of the few Certified Industrial Parks in their service area.

The County’s diversified economy is based primarily upon tourism, manufacturing, retail, and construction. Our existing industries continue to expand as they have added many new jobs to the County. Tourism contributions include permanent, as well as secondary housing development, increased retail sales, increased employment opportunities and increased demand for potable water and wastewater collection and treatment services. Retail development has picked up again with new shopping centers near St. James, Supply, and Leland and the infill of stores within centers in the southern part of the county. In the past year, residential construction has increased to levels experienced prior to the real estate bubble with hundreds of new homes now under construction.



Retail trade is the largest employment sector in Brunswick County, accounting for 16% of employment, while accommodation and food services represent 14%, government 13%, health care and social assistance 12%, public administration 7%, arts, entertainment, and recreation 5%, administrative and waste services 5%, construction 6%, real estate 3%, utilities 5%, wholesale trade 2% and manufacturing 4%. Various other employment sectors make up the remaining 8%.



There are two hospitals located in the County. Brunswick Community Hospital, a 62-bed acute-care facility, is owned by Novant, a non-profit corporation. The hospital opened in November, 1977. In March 2006, the Authority leased the Brunswick Community Hospital to Novant Health. On April 29, 2007, Brunswick Community Hospital, affiliated with Novant Health received conditional State approval to build a 74 bed replacement hospital with all private rooms and construction began in 2008. The cost of the replacement hospital is more than \$100 million with 200,000 square feet. The new hospital facility opened in July 2011 and is located approximately 3 miles from the prior facility on Hwy. 17 near Brunswick Community College. The

replacement hospital contains 74 private rooms, 5 operating rooms, 1 GI endoscopy room, pharmacy, lab and emergency room.

Brunswick County is becoming the golf capital of the State of North Carolina. Thirty-six state of the art golf courses with most having residential/commercial development associated with them are located in the County.

Cape Fear Regional Jetport also known as the “Little Airport with the Big Heart” is located in Oak Island, NC drawing both business and recreation planes. The ideal location with 60 miles of beach, 36 golf courses and charming communities combined with the airport itself boasting 13 businesses including two aircraft maintenance shops, the largest flight school on the coast, helicopter flight school, bait and tackle shop, an avionics shop and an aircraft interior shop just to name a few. All of this is key in attracting the 95 aircrafts based at the airport with a 10 year waiting list for hangers. The airport is 4th in General Aviation Airport economic engines in the State of North Carolina out of 67 other airports.



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

### **Long-term financial planning.**

Brunswick County’s financial strength is reflective of its careful financial planning and sound management policies. The county relies on its goals and objectives and maintains a Five Year Capital Improvement Plan to meet the growing needs of the county. Projects are funded based on need and meeting financial targets for fund balance and debt service along with maintaining attractive bond ratings.

#### General Government

The County’s total operating budget for the fiscal year ending June 30, 2017 totals \$176,151,019 with no increase in the property tax rate of .4850 per \$100 of assessed value, based on a total valuation of \$14.49 billion and the estimated value of one cent is \$2.27 million.

The Five Year Capital Improvement Plan for general government in FY 2017 totals \$6.5 million. General government projects include \$4.65 million for Ocean Isle Beach park improvements, \$0.3 million for improvements to the Nature Park at Holden Beach and \$1.55 million for the District 1 Senior Center. Pay-go funding of \$3.9 million is planned for these park and senior center projects along with \$2 million in capital reserves and a \$0.55 million grant.

#### Water

The County is nearing completion of Phase 2 of the Northwest Water Treatment Plant Improvements which included construction of a new high service pump station capable of pumping 32 mgd and rehabilitation of the existing filters. Planning and negotiation of the agreement required to construct the final phase of the Northwest Water Treatment Plant Improvements has commenced. Phase 3 includes the construction of the additional flash mix basin, settling basins, and filters required to expand the permitted treatment capacity from the current permitted capacity of 24 mgd to 36 mgd. The timing of the actual construction of these improvements is dependent upon several factors including the construction of a water treatment plant by the County’s current largest wholesale water customer and the success of the Aquifer Storage and Recovery System that is currently under construction in the Shallotte area.

The number of customers connected to the County's water system continues to increase at a rate of 3% per year. Due to the growth and the increase in irrigation demand, additional transmission system improvements are planned in the next five years. The Five Year Capital Improvement Plan includes a new elevated water storage tank in the St. James area and a new 1.0 million gallon clearwell at the NC 211 Water Treatment Plant.

### Wastewater

The County currently operates six wastewater treatment plants with a combined permitted wastewater treatment capacity of 10.865 mgd.

The West Brunswick Regional Water Reclamation Facility is a 6.0 mgd facility that uses drip irrigation, spray irrigation, and groundwater recharge through infiltration basins for effluent disposal. The County currently leases a portion of its allocated capacity to the City of Southport for treatment of wastewater



generated within the City of Southport Service area. The City of Southport requested and the County has provided a proposal for the City of Southport to purchase capacity in the West Brunswick Regional Wastewater System. If the proposal is accepted by the City of Southport, the County would expand the West Brunswick Regional Wastewater System from 6.5 to 7.0 mgd.

The County also operates the Northeast Brunswick Regional Water Reclamation Facility which serves the Towns of Leland and Navassa, H2GO and the City of Northwest and is fully supported by user charges. In 2011, the County completed an expansion of the plant of .825 mgd to bring capacity to 2.475 mgd. Due to the rapid growth in the

northern section of the County, the County has included funds in the FY 2017 budget to begin the planning process to expand the Northeast Brunswick Regional Wastewater System. The construction schedule will depend on a number of factors including the continued growth in the number of sewer customers connected to the collection systems that send flow to the Northeast Brunswick WWTP for treatment, and the reduction by some utilities in the amount of infiltration and inflow in their collection systems.

No additional significant improvements are planned at the remaining wastewater treatment plants. The County plans to continue expansion of its collection system through the use of Special Assessment Districts and the Enterprise Funded Sewer Main Extension Program as funds are available.

### **Awards and Acknowledgements**

**Awards.** The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This is the fourteenth (14<sup>th</sup>) consecutive 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.



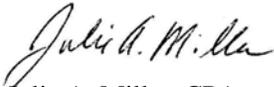
A Certificate of Achievement is valid for a period of one year only. We believe that this comprehensive annual report continues to meet the Certificate of Achievement Program's requirements, and are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgements.** We appreciate the efforts of the entire staff of the Finance Department throughout the year, especially during the preparation of this annual financial report with the assistance of Martin Starnes & Associates, CPAs, P.A. We would like to recognize the members of the finance staff for their dedication and ongoing efforts in the preparation of the 2016 CAFR:

Yvette Glenn	Bill Noland	Ventzie Penev	Tanya Simpson
Christina Kennedy	Ingrid Oliver	Tiffany Rogers	Aaron Smith, CPA
Melissa Modafferi	Debra Ormand		

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

Respectfully submitted,



Julie A. Miller, CPA  
Director of Fiscal Operations



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**County of Brunswick  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

**Brunswick County  
Board of County Commissioners**



Scott Phillips  
Chairman  
District 4



J. Martin Cooke  
Vice-Chairman  
District 2



Randy Thompson  
District 1



Pat Sykes  
District 3



Frank Williams  
District 5

**County Officials**

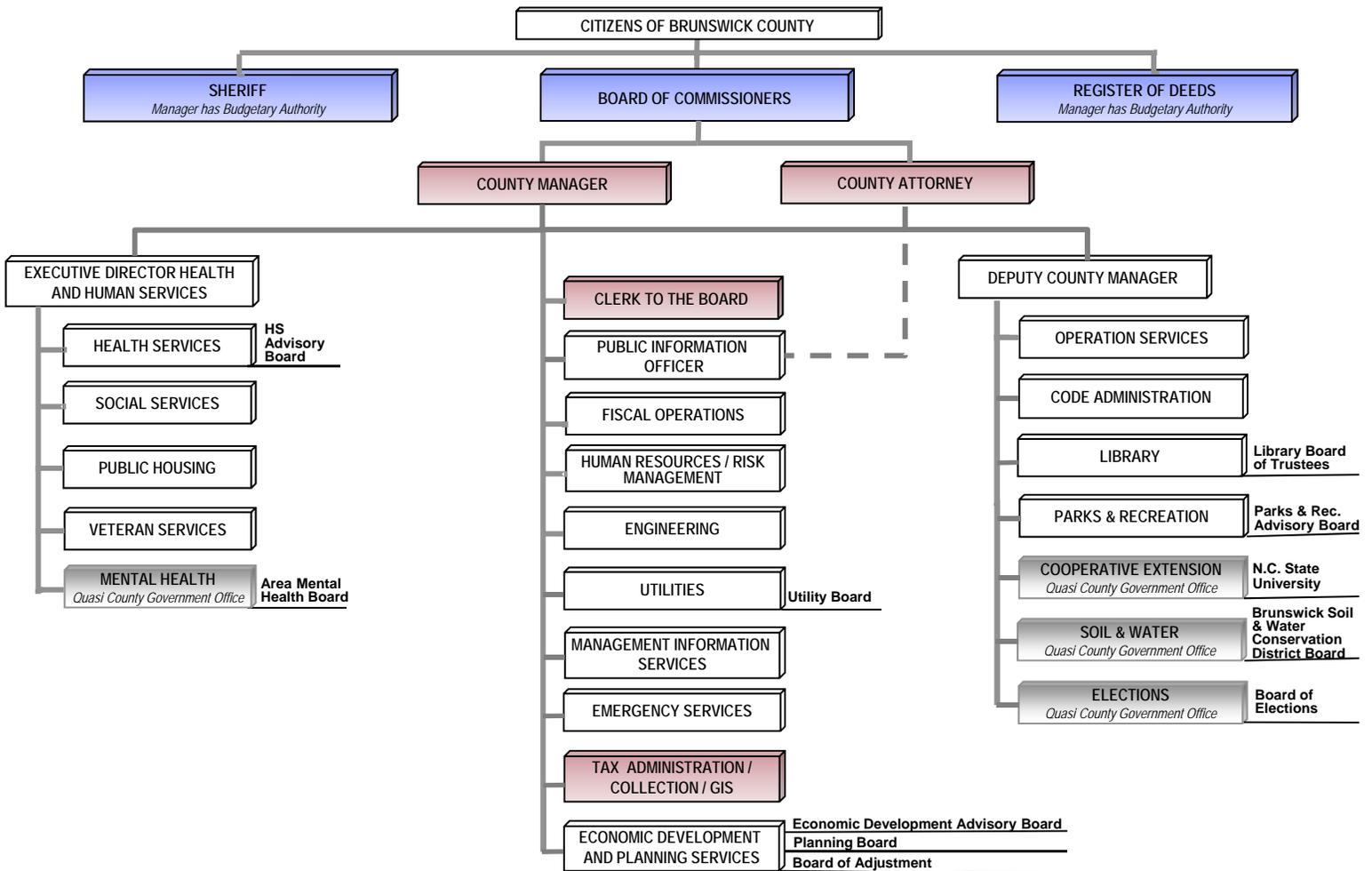
Ann B. Hardy	County Manager
Robert V. Shaver	County Attorney
Andrea White	Interim Clerk to the Board
Julie A. Miller	Director of Fiscal Operations

**Other Elected Officials**

Brenda M. Clemmons	Registrar
John W. Ingram, V	Sheriff



## Organizational Chart



### LEGEND

**Elected Officials**  
**Appointed by the Board of Commissioners**  
 Consultative supervision by Administration

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

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

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Brunswick County  
Bolivia, North Carolina

### **Report On the Financial Statements**

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, North Carolina, as of and for the year ended June 30, 2016, and the related Notes to the Financial Statements, which collectively comprise Brunswick County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Brunswick County Board of Alcoholic Beverage Control, which represents 9%, 7%, and 48%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. 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 Beverage Control, 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 Beverage Control were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based upon our audit and the report 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, North Carolina, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress, the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We, and the other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Brunswick County, North Carolina. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and other schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and; accordingly, we do not express and opinion or provide any assurance on them.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2016 on our consideration of Brunswick County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brunswick County's internal control over financial reporting and compliance. The report on internal control over financial reporting and on compliance and other matters will be published at a later date in Brunswick County's Single Audit Report.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
October 24, 2016

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## 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, 2016. 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

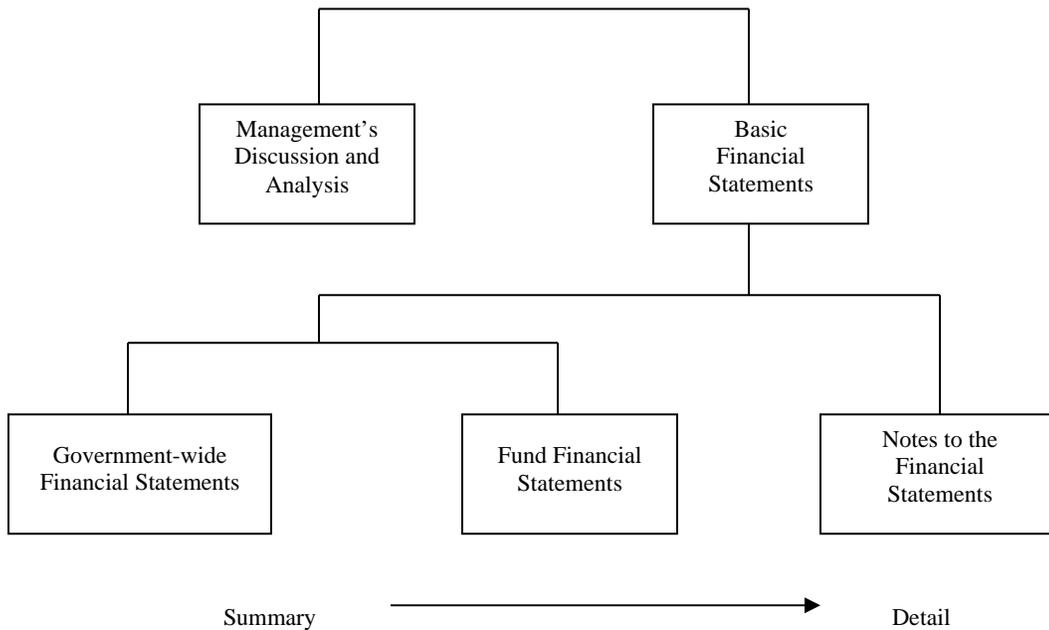
- The assets and deferred outflows of resources of Brunswick County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$114.2 million (*net position*). The County's net position is impacted considerably by the general obligation debt the County has issued on the behalf of the school system and community college to fund capital outlay. Under North Carolina law, the County is responsible for providing capital funding for the school system and college. The County has chosen to meet its legal obligation to provide education capital funding by using a mixture of sales taxes, NC Education Lottery, general obligation debt, and installment debt. A portion of the assets funded by the County issued debt are owned, utilized, and maintained by the school system and community college, therefore, the County acquires no capital assets, and 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 \$41.2 million dollars. Furthermore, the entire amount of education general obligation debt is collateralized by the full faith, credit and taxing power of the County. The County is authorized and required by State law to levy ad Valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due. Note 7G on page 50 further explains the effect of education debt on net position.
- The County's net position of governmental activities increased by \$17.4 million mainly due management's focus on monitoring spending and increased revenue collections in the General Fund.
- As of the close of the 2016 fiscal year, the County's general fund reported amounts restricted for Stabilization by State statute of \$7.5 million, minimal restrictions for public housing section 8 beneficiaries, and \$2.2 restricted for health and wellness programs totaling \$2.2 million. The unrestricted fund balance totals \$62.7 million of which \$0.2 million is committed for revaluation purposes and \$1.4 million is assigned for carryover expenditures into the next fiscal year leaving \$60.9 million available for spending.
- Moody's Investor Services ratings are Aa2 for general obligation bonds, Aa3 for limited obligation and revenue bonds. The County recently improved its general obligation bond rating to AA+ from Standard & Poor's bond rating agency, with limited obligation improved to AA and revenue bonds maintained at AA-. The County bond rating with Fitch is AA for general obligation bonds, AA- for limited obligation bonds and revenue bonds.

## 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 position and how they have changed. Net position is the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gage the County's financial condition.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Brunswick County include general government services, public safety, public education, human services, economic development, and cultural services. The business-type activities of Brunswick County are water and wastewater services offered by the County along with internal services funds for the County's self-insured workers' compensation program and the employee health fund.

The government-wide financial statements include not only Brunswick County itself (known as the primary government), but also the Brunswick County ABC Board, Economic Development Commission which ceased operations as of July 20, 2015, Airport Commission, and Tourism Development Authority. Although legally separate from the County, these boards, commissions and authorities are important to the County because the County exercises control over 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 Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

**Proprietary Funds** - The County maintains two types of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and wastewater activities. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. The *Internal Service Funds* are used to report the activities for the financing of workers' compensation self-insurance cost incurred and the employee health insurance fund.

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

**Notes to the Basic Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-71 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 72-77 of this report.

## Brunswick County's Net Position

### Figure 2

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 122,645,497	\$ 125,560,496	\$ 70,945,738	\$ 77,123,992	\$ 193,591,235	\$ 202,684,488
Capital asset (net)	<u>137,019,796</u>	<u>128,124,662</u>	<u>378,853,315</u>	<u>369,983,547</u>	<u>515,873,111</u>	<u>498,108,209</u>
Total assets	<u>259,665,293</u>	<u>253,685,158</u>	<u>449,799,053</u>	<u>447,107,539</u>	<u>709,464,346</u>	<u>700,792,697</u>
Deferred Outflows of Resources:	<u>2,955,327</u>	<u>3,049,430</u>	<u>3,072,841</u>	<u>4,409,428</u>	<u>6,028,168</u>	<u>7,458,858</u>
Noncurrent liabilities	125,306,330	128,673,670	139,741,557	148,823,795	265,047,887	277,497,465
Other liabilities	<u>21,464,537</u>	<u>20,969,608</u>	<u>18,826,900</u>	<u>16,857,001</u>	<u>40,291,437</u>	<u>37,826,609</u>
Total Liabilities	<u>146,770,867</u>	<u>149,643,278</u>	<u>158,568,457</u>	<u>165,680,796</u>	<u>305,339,324</u>	<u>315,324,074</u>
Deferred Inflows of Resources:	<u>1,631,097</u>	<u>10,249,191</u>	<u>471,011</u>	<u>1,533,474</u>	<u>2,102,108</u>	<u>11,782,665</u>
Net position:						
Net investment in capital assets	98,533,551	94,573,843	237,499,403	229,251,045	336,032,954	323,824,888
Restricted	11,393,121	13,757,595	-	-	11,393,121	13,757,595
Unrestricted	<u>4,291,984</u>	<u>(11,489,319)</u>	<u>56,333,023</u>	<u>55,051,652</u>	<u>60,625,007</u>	<u>43,562,333</u>
Total net position	<u>\$ 114,218,656</u>	<u>\$ 96,842,119</u>	<u>\$ 293,832,426</u>	<u>\$ 284,302,697</u>	<u>\$ 408,051,082</u>	<u>\$ 381,144,816</u>

The assets and deferred outflows of resources of Brunswick County governmental activities exceeded its liabilities and deferred outflows of resources by \$114.2 million as of June 30, 2016. Net position is reported as follows: net investment in capital assets of \$98.4 million, restricted for stabilization by State statute \$7.6 million, restricted for other purposes \$3.8 million and unrestricted net position of \$4.3 million.

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

	Amount (in millions)
Total capital assets	\$ 137.0
Less long-term debt	(78.3)
Less current maturities of long-term debt	(11.9)
Landfill closure included in long-term debt	8.5
Current portion of compensated absences	0.3
Education general obligation debt payable	41.2
Restricted cash from unexpended debt proceeds	<u>1.7</u>
Total net investment in capital assets	<u>\$ 98.5</u>

The final category of net position is unrestricted resources. This balance may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2016, the unrestricted resources were \$4.3 million. Even though the debt issued has been issued to finance capital outlay, construction and renovation for the school system and the community college, the Governmental Accounting Standards Board has determined that it is not capital debt for the County since it is not financing assets owned by the County. As a result, the education debt is reportable within the unrestricted category of the net position rather than as part of the category net investment in capital assets.

The impact of the inclusion of the education debt without the corresponding assets was offset by the continued low cost of debt due to Brunswick County's excellent bond ratings.

### Brunswick County Changes in Net Position

**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Changes for services	\$ 17,359,732	\$ 18,141,401	\$ 47,284,926	\$ 43,133,832	\$ 64,644,658	\$ 61,275,233
Operating grants and contributions	23,602,517	26,287,134	-	-	23,602,517	26,287,134
Capital grants and contributions	1,643,743	1,691,195	3,048,360	1,442,690	4,692,103	3,133,885
General revenues:						
Ad valorem taxes	114,258,168	111,847,084	-	-	114,258,168	111,847,084
Local option sales taxes	20,944,326	19,698,311	-	-	20,944,326	19,698,311
Other taxes	4,956,253	4,088,743	-	-	4,956,253	4,088,743
Sale of real property	11,640	-	-	-	11,640	-
Investment earnings	159,867	120,072	93,247	53,888	253,114	173,960
Total revenues	<u>182,936,246</u>	<u>181,873,940</u>	<u>50,426,533</u>	<u>44,630,410</u>	<u>233,362,779</u>	<u>226,504,350</u>
Expenses:						
General government	12,394,690	11,457,688	-	-	12,394,690	11,457,688
Public safety	38,664,204	38,962,019	-	-	38,664,204	38,962,019
Central services	13,337,319	15,525,612	-	-	13,337,319	15,525,612
Human services	27,603,012	28,935,510	-	-	27,603,012	28,935,510
Transportation	1,359,490	471,838	-	-	1,359,490	471,838
Environmental protection	14,346,834	14,029,464	-	-	14,346,834	14,029,464
Cultural and recreation	4,019,127	3,937,844	-	-	4,019,127	3,937,844
Economic and physical development	7,367,883	9,799,191	-	-	7,367,883	9,799,191
Education	43,174,118	44,955,498	-	-	43,174,118	44,955,498
Interest on long-term debt	3,293,032	3,487,733	-	-	3,293,032	3,487,733
Water and wastewater	-	-	40,896,804	36,842,797	40,896,804	36,842,797
Total expenses	<u>165,559,709</u>	<u>171,562,397</u>	<u>40,896,804</u>	<u>36,842,797</u>	<u>206,456,513</u>	<u>208,405,194</u>
Increase (decrease) in net position	<u>17,376,537</u>	<u>10,311,543</u>	<u>9,529,729</u>	<u>7,787,613</u>	<u>26,906,266</u>	<u>18,099,156</u>
Net position, July 1	96,842,119	91,598,617	284,302,697	277,350,435	381,144,816	368,949,052
Restatement	-	(5,068,041)	-	(835,351)	-	(5,903,392)
Net position, restated	<u>96,842,119</u>	<u>86,530,576</u>	<u>284,302,697</u>	<u>276,515,084</u>	<u>381,144,816</u>	<u>363,045,660</u>
Net position, June 30	<u>\$ 114,218,656</u>	<u>\$ 96,842,119</u>	<u>\$ 293,832,426</u>	<u>\$ 284,302,697</u>	<u>\$ 408,051,082</u>	<u>\$ 381,144,816</u>

**Governmental activities.** Governmental activities accounted for \$114.2 million, which is 28.0 percent of the total net position. Governmental revenues increased mainly due to increases in ad valorem tax collections and local option sales taxes. Operating grants funded \$23.6 million of the county's governmental activities. Governmental expenses decreased due to one-time purchases made in the prior year and increased operational efficiencies. Governmental net position increased \$17.4 million mainly due to principal debt retirements associated with education facilities for which the county does not own the underlying assets.

**Business-type activities.** Business-type activities increased the County's net position by \$9.5 million. Business-type revenues increased mainly due to the addition of customers resulting in increases in user charges. Business-type expenses increased due to increase in operations and the acquisition of the Town of Caswell Beach's Water and Wastewater utility system. Business-type net position increased by \$9.5 million due to the completion of capital projects and the principal retirement of the associated debt on the assets.

## **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, fund balance available for appropriation may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$105.5 million, which is an increase of \$1.9 million over the prior year. Approximately \$13.3 million of the total fund balance is restricted by state stabilization or other restrictions and approximately \$92.2 million is unrestricted. Of the unrestricted fund balance of \$92.2 million at June 30, 2016, \$0.2 million was committed for a legally budgeted tax revaluation, \$29.6 million or approximately 32.1 percent was committed for education and county capital projects and \$1.4 million was assigned for subsequent year expenditures leaving \$60.9 million of unassigned fund balance. The unassigned fund balance of \$60.9 million, which is approximately 57.7 percent of the total fund balance, is available for spending at the County's discretion.

The General Fund is the principal operating fund of the County. At the end of the current fiscal year, unassigned fund balance in the general fund was \$60.9 million, while total fund balance for the general fund increased from \$68.4 million to \$72.4 million mainly due to increased ad valorem tax collections and local option sales taxes. Amounts in the General Fund balance assigned for subsequent year's expenditures totaled \$1.4 million. The amount of restricted general fund balance was \$7.5 million for stabilization by state statute and \$2.2 million for other restriction related to health and wellness and public housing section 8 programs. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned general fund balance represents 37.4% of total general fund expenditures before transfers for capital projects, while total general fund balance represents 44.4% of that same amount. The County Capital Project fund balance increased \$5.9 million due to transfers from the General Fund. The Education Capital Project Fund balance decreased \$7.7 million due to planned capital project expenditures. The Non-Major Governmental Funds balance decreased \$0.3 million mainly due to an increase in planned expenditures related to the Emergency Telephone System Fund's Central Communication Building Project.

**Enterprise Funds.** The Water Fund's net position increased \$4.2 million to \$156.0 million. The Wastewater Fund's net position increased \$5.3 million to \$137.8 million. The increases in the net position of the enterprise funds are from the completion of capital projects and capital contributions.

**Internal service fund.** The Health Insurance Internal service fund increased net position from \$0.6 million to \$1.1 million due to user charges in excess of claims. The Workers' Compensation Internal service fund net position increased from \$2.0 million to \$2.1 million due to user charges in excess of claims.

**General Fund Budgetary Highlights.** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$7.4 million. The majority of the increase was comprised of \$2.2 million increase in ad valorem taxes and \$2.2 million increase in intergovernmental revenues. Total actual revenues exceeded amended budgeted amounts by \$8.9 million. Total actual expenditures were \$7.0 million less than amended budgeted amounts, with the majority of that amount relating to expenditures lower than budgeted in general government, central services, public safety and human services.

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

Unrestricted net position of Water/Wastewater Funds at the end of the year totaled \$56.3 million. The primary factor affecting this amount was a net increase of \$8.9 million in the County's capital assets.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** Brunswick County's investment in capital assets for its governmental and business type activities as of June 30, 2016 amounts to \$515.9 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.

Major capital asset transactions for governmental activities during 2016 fiscal year include park improvements, a new senior center facility, and an investment for the term of the associated debt to include high school classroom additions and a multi-purpose facility.

Major capital asset transactions for Business-type activities during 2016 fiscal year 2016 include Northwest Water Plant Expansion, additional water main construction, and Ocean Isle Beach Wastewater Plant improvements.

### Brunswick County's Capital Assets

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 16,284,904	\$ 16,299,029	\$ 2,851,449	\$ 2,830,609	\$ 19,136,353	\$ 19,129,638
Operating plants, buildings & improvements	97,694,245	101,000,662	143,666,661	144,426,621	241,360,906	245,427,283
Equipment and vehicles	5,247,849	5,783,212	11,498,122	11,375,336	16,745,971	17,158,548
Distribution and collection systems	-	-	197,178,173	195,234,196	197,178,173	195,234,196
Construction in progress	17,792,798	5,041,759	23,658,910	16,116,785	41,451,708	21,158,544
Total capital assets, net	<u>\$ 137,019,796</u>	<u>\$ 128,124,662</u>	<u>\$ 378,853,315</u>	<u>\$ 369,983,547</u>	<u>\$ 515,873,111</u>	<u>\$ 498,108,209</u>

Additional information on Brunswick County's capital assets can be found in Note 4 on pages 41 and 42 of this report.

**Long-term Debt.** At the end of the current fiscal year, Brunswick County had total general obligation bonded debt outstanding of \$46.1 million, which is backed by the full faith and credit of the County.

### General Obligation, Capital Leases and Installment Notes Payable

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 42,815,000	\$ 50,615,000	\$ 3,280,000	\$ 3,445,000	\$ 46,095,000	\$ 54,060,000
Limited obligation bonds	36,900,000	40,500,000	-	-	36,900,000	40,500,000
Bond premiums	1,403,572	1,504,922	7,777,411	8,315,899	9,180,983	9,820,821
Installment purchases & revolving loans	280,000	350,000	40,052,114	43,819,260	40,332,114	44,169,260
Revenue bonds	-	-	93,560,754	98,667,778	93,560,754	98,667,778
Other	55,810,868	47,780,758	6,352,432	5,310,516	62,163,300	53,091,274
Total long-term debt	<u>\$ 137,209,440</u>	<u>\$ 140,750,680</u>	<u>\$ 151,022,711</u>	<u>\$ 159,558,453</u>	<u>\$ 288,232,151</u>	<u>\$ 300,309,133</u>

The legal debt limit is \$1.88 billion. The legal debt margin on June 30, 2016 was \$1.80 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 8.1% and to total general fund expenditures is 9.1%. The County's governmental general obligation debt per capita is \$344 as of June 30, 2016. The County's governmental activities gross debt per capita (excluding landfill closure/post closure, accrued compensated absences and pension benefit obligations) is \$642 made up of \$344 of general obligation debt per capita, \$296 in outstanding limited obligation bonds for construction and renovation of various county and education buildings and \$2 for county building installment purchases.

The County's debt had a net decrease of \$3.5 million in governmental and a net decrease of \$8.5 in enterprise funds, for a total 4.0 percent decrease during the current fiscal year. The key factor

in this decrease was the retirement of debt through principal payments. Additional information on Brunswick County's long-term debt can be found in Note 7 on pages 44-52 of this report.

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

- The unemployment rate for Brunswick County is currently 5.6 percent and was 5.8 percent at June 30, 2016, compared to the state's seasonally adjusted unemployment rate of 4.7 percent currently and 4.9 percent at June 30, 2016.
- Inflationary trends in the region are similar to national indices.
- Population estimation of 124,668 has grown nearly 26.5 percent in the last 10 years.

All of these factors were considered in preparing Brunswick County's budget for fiscal year 2016-2017.

## **BUDGET HIGHLIGHTS FOR FISCAL YEAR 2016-2017**

**Governmental activities.** The county maintained the tax rate of \$0.485 cents. The last revaluation was for the 2015 levy. Budgeted operating expenditures in the General Fund are expected to increase 3.4 percent to \$175.8 million.

Budgeted expenditures for education are expected to increase 4.8 percent or approximately \$1.8 million. Education funding includes a current expense appropriation to the Brunswick County School System that represents 36.5 percent of the ad Valorem tax base excluding any amount needed for annual general government debt service. The School System funds the majority of its local capital outlay needs from sales tax allocations, bond proceeds, lottery funds and ad valorem taxes. The County also includes an appropriation to the Brunswick Community College in its educational funding for current expense and capital outlay needs.

The fiscal year 2017 budget includes a fund balance appropriation of \$3.3 million. The county appropriates fund balance each year to assist in meeting the capital outlay needs with the challenge to save the appropriated amount to lower the burden on property tax owners.

**Business-type activities.** The water and wastewater enterprise fund is anticipated to increase 5.0 percent due to moderate commercial and residential growth, first full year operations of the acquired town of Caswell Beach water and sewer system 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. You can also visit our website:

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2016

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units Total
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents/investments	\$ 105,746,105	\$ 52,369,944	\$ 158,116,049	\$ 1,191,939
Restricted cash and investments	2,148,169	4,955,526	7,103,695	13,915
Interest receivable	30,502	13,610	44,112	-
Taxes receivable, net	4,082,695	-	4,082,695	-
Receivables and special assessments, net	2,117,266	10,566,480	12,683,746	392,932
Other governmental agencies	7,970,000	675,822	8,645,822	-
Inventories	-	2,364,356	2,364,356	445,985
Prepaid items	64,000	-	64,000	19,413
Total current assets	<u>122,158,737</u>	<u>70,945,738</u>	<u>193,104,475</u>	<u>2,064,184</u>
<b>Non-Current Assets:</b>				
Restricted net pension asset	486,760	-	486,760	-
Non-depreciable capital assets	34,077,702	26,510,359	60,588,061	-
Depreciable capital assets, net	102,942,094	352,342,956	455,285,050	23,562,922
Total capital assets	<u>137,019,796</u>	<u>378,853,315</u>	<u>515,873,111</u>	<u>23,562,922</u>
Total non-current assets	<u>137,506,556</u>	<u>378,853,315</u>	<u>516,359,871</u>	<u>23,562,922</u>
Total assets	<u>259,665,293</u>	<u>449,799,053</u>	<u>709,464,346</u>	<u>25,627,106</u>
<b>Deferred Outflows of Resources:</b>				
	<u>2,955,327</u>	<u>3,072,841</u>	<u>6,028,168</u>	<u>28,661</u>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts payable and other liabilities	\$ 8,932,177	\$ 3,213,766	\$ 12,145,943	\$ 341,346
Prepaid fees	-	1,305,181	1,305,181	-
Accrued interest payable	629,250	1,312,746	1,941,996	-
Current maturities of long-term debt	11,903,110	11,281,154	23,184,264	60,809
Due to other governments	-	-	-	128,137
<b>Payable From Restricted Assets:</b>				
Customer Deposits	-	1,714,053	1,714,053	13,915
Total current liabilities	<u>21,464,537</u>	<u>18,826,900</u>	<u>40,291,437</u>	<u>544,207</u>
<b>Noncurrent Liabilities:</b>				
Net pension liability	3,395,339	295,942	3,691,281	14,943
Compensated absences	3,229,822	515,321	3,745,143	10,962
Law enforcement pension obligation	1,918,400	-	1,918,400	-
Other post employment benefits	38,489,406	5,509,169	43,998,575	-
Long-term debt	78,273,363	133,421,125	211,694,488	75,875
Total noncurrent liabilities	<u>125,306,330</u>	<u>139,741,557</u>	<u>265,047,887</u>	<u>101,780</u>
Total liabilities	<u>146,770,867</u>	<u>158,568,457</u>	<u>305,339,324</u>	<u>645,987</u>
<b>Deferred Inflows of Resources:</b>				
	<u>1,631,097</u>	<u>471,011</u>	<u>2,102,108</u>	<u>13,247</u>
<b>Net Position:</b>				
Net investment in capital assets	98,533,551	237,499,403	336,032,954	23,426,347
Restricted for Stabilization by State Statute	7,633,453	-	7,633,453	467,045
Restricted for Public Housing	10,616	-	10,616	-
Restricted for Human Services Health Program	2,207,021	-	2,207,021	-
Restricted for Public Safety	730,854	-	730,854	-
Restricted for Register of Deeds	811,177	-	811,177	-
Restricted for Tourism Promotion	-	-	-	351,382
Unrestricted	4,291,984	56,333,023	60,625,007	751,759
Total net position	<u>\$ 114,218,656</u>	<u>\$ 293,832,426</u>	<u>\$ 408,051,082</u>	<u>\$ 24,996,533</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Government Activities:</b>				
General government	\$ 12,394,690	\$ 1,456,894	\$ 3,224,530	\$ -
Public safety	38,664,204	10,157,712	1,589,862	189,187
Central services	13,337,319	-	140,213	-
Human services	27,603,012	735,106	15,605,953	-
Transportation	1,359,490	-	186,354	1,454,556
Environmental protection	14,346,834	3,672,124	14,696	-
Cultural and recreation	4,019,127	292,772	149,460	-
Economic and physical development	7,367,883	1,045,124	2,691,449	-
Education	43,174,118	-	-	-
Interest on long-term debt	3,293,032	-	-	-
Total governmental activities	<u>165,559,709</u>	<u>17,359,732</u>	<u>23,602,517</u>	<u>1,643,743</u>
<b>Business-type Activities:</b>				
Water	19,859,927	22,526,148	-	1,495,593
Wastewater	21,036,877	24,758,778	-	1,552,767
Total business-type activities	<u>40,896,804</u>	<u>47,284,926</u>	<u>-</u>	<u>3,048,360</u>
Total primary government	<u>\$ 206,456,513</u>	<u>\$ 64,644,658</u>	<u>\$ 23,602,517</u>	<u>\$ 4,692,103</u>
Discretely presented component units	<u>\$ 4,559,675</u>	<u>\$ 3,167,085</u>	<u>\$ -</u>	<u>\$ 74,787</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

Function/Programs	Net (Expense) Revenue and Changes in Net Position			Component Units
	Primary Government			
	Governmental Activities	Business-type Activities	Total	
<b>Primary Government:</b>				
<b>Government Activities:</b>				
General government	\$ (7,713,266)	\$ -	\$ (7,713,266)	
Public safety	(26,727,443)	-	(26,727,443)	
Central services	(13,197,106)	-	(13,197,106)	
Human services	(11,261,953)	-	(11,261,953)	
Transportation	281,420	-	281,420	
Environmental protection	(10,660,014)	-	(10,660,014)	
Cultural and recreation	(3,576,895)	-	(3,576,895)	
Economic and physical development	(3,631,310)	-	(3,631,310)	
Education	(43,174,118)	-	(43,174,118)	
Interest on long-term debt	(3,293,032)	-	(3,293,032)	
Total governmental activities	<u>(122,953,717)</u>	<u>-</u>	<u>(122,953,717)</u>	
<b>Business-type Activities:</b>				
Water	-	4,161,814	4,161,814	
Wastewater	-	5,274,668	5,274,668	
Total business-type activities	<u>-</u>	<u>9,436,482</u>	<u>9,436,482</u>	
Total primary government	<u>(122,953,717)</u>	<u>9,436,482</u>	<u>(113,517,235)</u>	
Discretely presented component units				<u>\$ (1,317,803)</u>
<b>General Revenues:</b>				
Ad valorem taxes	114,258,168	-	114,258,168	-
Local option sales taxes	20,944,326	-	20,944,326	-
Deed stamp excise and other taxes	4,956,253	-	4,956,253	1,372,055
Sale of real property	11,640	-	11,640	
Investment earnings	159,867	93,247	253,114	2,682
Total general revenues	<u>140,330,254</u>	<u>93,247</u>	<u>140,423,501</u>	<u>1,374,737</u>
Change in net position	<u>17,376,537</u>	<u>9,529,729</u>	<u>26,906,266</u>	<u>56,934</u>
<b>Net position, beginning of year</b>	<u>96,842,119</u>	<u>284,302,697</u>	<u>381,144,816</u>	<u>24,939,599</u>
<b>Net position, end of year</b>	<u>\$ 114,218,656</u>	<u>\$ 293,832,426</u>	<u>\$ 408,051,082</u>	<u>\$ 24,996,533</u>

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<b>Major Funds</b>				<b>Total Governmental Funds</b>
	<b>General</b>	<b>County Capital Project</b>	<b>Education Capital Project</b>	<b>Non Major Governmental Funds</b>	
<b>Assets:</b>					
Cash and cash equivalents/investments	\$ 70,308,771	\$17,961,953	\$11,412,258	\$ 1,651,051	\$ 101,334,033
Restricted cash and investments	226,446	-	1,921,723	-	2,148,169
Interest receivable	22,529	4,319	2,042	476	29,366
Taxes receivable - net	4,082,695	-	-	-	4,082,695
Receivables - net	1,567,726	349,240	-	-	1,916,966
Other governmental agencies	6,179,132	1,437,338	210,088	143,442	7,970,000
Due from other funds	-	-	885,841	-	885,841
Prepaid expenditures	64,000	-	-	-	64,000
<b>Total assets</b>	<b>\$ 82,451,299</b>	<b>\$19,752,850</b>	<b>\$14,431,952</b>	<b>\$ 1,794,969</b>	<b>\$ 118,431,070</b>
<b>Liabilities:</b>					
Accounts payable and other liabilities	\$ 4,716,094	\$ 1,491,937	\$ 1,159,179	\$ 190,944	\$ 7,558,154
Due to other funds	885,841	-	-	-	885,841
<b>Total liabilities</b>	<b>5,601,935</b>	<b>1,491,937</b>	<b>1,159,179</b>	<b>190,944</b>	<b>8,443,995</b>
<b>Deferred Inflows of Resources:</b>	<b>4,484,492</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,484,492</b>
<b>Fund Balances:</b>					
Nonspendable - prepaids	64,000	-	-	-	64,000
Restricted - Stabilization by State Statute	7,489,535	-	-	143,918	7,633,453
Restricted - other	2,217,637	-	1,921,723	1,542,031	5,681,391
Committed	214,566	18,260,913	11,351,050	-	29,826,529
Assigned	1,444,986	-	-	-	1,444,986
Unassigned	60,934,148	-	-	(81,924)	60,852,224
<b>Total fund balances</b>	<b>72,364,872</b>	<b>18,260,913</b>	<b>13,272,773</b>	<b>1,604,025</b>	<b>105,502,583</b>
Total liabilities, deferred inflow of resources and fund balances	<b>\$ 82,451,299</b>	<b>\$19,752,850</b>	<b>\$14,431,952</b>	<b>\$ 1,794,969</b>	<b>118,431,070</b>
<b>Reconciliation of Fund Balance as Reported in the Balance Sheet - Governmental Funds with Net Position - Governmental Activities:</b>					
Fund balance as reported in the balance sheet - governmental funds					105,502,583
Amounts reported for governmental activities in the statement of net position are different because:					
Change in internal service net position, attributed to governmental activities					636,557
Consolidation of internal service fund					2,602,928
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds					137,019,796
Net pension asset					486,760
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position					2,955,327
Accrual of interest payable for debt does not require the use of current financial resources and, therefore, is not reported in the funds					(629,250)
Net pension liability					(3,395,339)
Other assets are not available to pay for current period expenditures and, therefore, are deferred inflows					4,362,547
Pension related deferrals					(1,509,152)
Long-term liabilities, including interest and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds					(133,814,101)
<b>Net position reported as governmental activities</b>					<b>\$ 114,218,656</b>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Major Funds				Total Governmental Funds
	General	County Capital Project	Education Capital Project	Non Major Governmental Funds	
<b>Revenues:</b>					
Ad valorem taxes	\$ 116,180,734	\$ -	\$ -	\$ -	\$ 116,180,734
Local option sales taxes	20,944,326	-	-	-	20,944,326
Other taxes and licenses	4,956,253	-	-	-	4,956,253
Unrestricted intergovernmental revenues	2,409,442	-	-	-	2,409,442
Restricted intergovernmental revenues	20,320,218	1,454,556	-	1,489,881	23,264,655
Permits and fees	3,864,656	-	-	140,518	4,005,174
Sales and services	10,380,809	-	-	-	10,380,809
Investment earnings	102,528	21,207	29,246	1,775	154,756
Other	2,304,469	372,840	-	-	2,677,309
Total revenues	<u>181,463,435</u>	<u>1,848,603</u>	<u>29,246</u>	<u>1,632,174</u>	<u>184,973,458</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	10,757,337	-	-	337,199	11,094,536
Public safety	34,764,682	393,946	-	1,312,419	36,471,047
Central services	14,019,519	-	-	-	14,019,519
Human services	26,531,689	-	-	-	26,531,689
Transportation	340,204	1,019,286	-	-	1,359,490
Environmental protection	14,162,219	-	-	-	14,162,219
Culture and recreation	3,842,141	3,129,782	-	-	6,971,923
Economic and physical development	5,635,190	19,463	-	343,774	5,998,427
Education	38,148,499	-	13,491,692	-	51,640,191
<b>Debt Service:</b>					
Principal retirement	11,470,000	-	-	-	11,470,000
Interest and fiscal charges	3,410,271	-	-	-	3,410,271
Total expenditures	<u>163,081,751</u>	<u>4,562,477</u>	<u>13,491,692</u>	<u>1,993,392</u>	<u>183,129,312</u>
<b>Revenues over (under) expenditures</b>	<u>18,381,684</u>	<u>(2,713,874)</u>	<u>(13,462,446)</u>	<u>(361,218)</u>	<u>1,844,146</u>
<b>Other Financing Sources (Uses):</b>					
Sale of capital assets	11,640	-	-	-	11,640
Transfers from other funds	-	8,623,712	5,748,725	31,763	14,404,200
Transfers to other funds	<u>(14,404,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,404,200)</u>
Total other financing sources (uses)	<u>(14,392,560)</u>	<u>8,623,712</u>	<u>5,748,725</u>	<u>31,763</u>	<u>11,640</u>
<b>Net change in fund balance</b>	3,989,124	5,909,838	(7,713,721)	(329,455)	1,855,786
<b>Fund balance, beginning of year</b>	<u>68,375,748</u>	<u>12,351,075</u>	<u>20,986,494</u>	<u>1,933,480</u>	<u>103,646,797</u>
<b>Fund balance, end of year</b>	<u>\$ 72,364,872</u>	<u>\$18,260,913</u>	<u>\$13,272,773</u>	<u>\$ 1,604,025</u>	<u>\$ 105,502,583</u>

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

Net change in fund balances - total governmental funds (Exhibit D)	\$ 1,855,786
<p>Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected or is expected to be collected within 60 days of year end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:</p>	
Property taxes	(1,922,566)
Emergency services revenues	(35,613)
Public Health revenues	(119,760)
Expenses related to other post-employment benefits, compensated absences, law enforcement officers separation allowance, and pension expense that do not require current financial resources are not reported as expenditures in the governmental fund statement.	(6,652,850)
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.	15,610,192
Contribution of capital assets do not provide current financial resources and are not reported in the funds	138,644
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.	2,955,327
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.	(204,522)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements.	(6,649,180)
Amortization of bond premium.	101,350
Principal repayments are reported as expenditures in the governmental fund statement. However, in the statement of activities, these transactions are not an expense, rather they are a decrease in liabilities.	11,470,000
Change in closure/post closure liability estimate. Expenses are reported as incurred in the funds.	75,933
Change in interest payable for governmental activity long-term debt. Interest expense is recorded as incurred in the fund statements.	117,239
Change in internal service net position, attributed to governmental activities	<u>636,557</u>
Change in net position of governmental activities per Exhibit B	<u>\$ 17,376,537</u>

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 109,348,481	\$ 111,525,397	\$ 116,180,734	\$ 4,655,337
Local option sales taxes	19,006,196	19,591,196	20,944,326	1,353,130
Other taxes and licenses	3,715,000	4,732,780	4,956,253	223,473
Unrestricted intergovernmental revenues	1,086,000	1,086,000	2,409,442	1,323,442
Restricted intergovernmental revenues	18,485,779	20,708,768	20,320,218	(388,550)
Permits and fees	3,555,896	3,698,904	3,864,656	165,752
Sales and services	8,620,679	9,032,939	10,380,809	1,347,870
Investment earnings	85,000	85,000	102,528	17,528
Other	1,187,800	2,053,979	2,304,469	250,490
Total revenues	<u>165,090,831</u>	<u>172,514,963</u>	<u>181,463,435</u>	<u>8,948,472</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	11,547,170	11,573,338	10,757,337	816,001
Central services	14,250,771	15,310,123	14,019,519	1,290,604
Public safety	34,153,613	35,831,585	34,764,682	1,066,903
Transportation	153,850	362,725	340,204	22,521
Environmental protection	14,222,177	14,311,260	14,162,219	149,041
Economic and physical development	5,762,766	6,184,205	5,635,190	549,015
Human services	27,813,840	29,371,078	26,531,689	2,839,389
Education	38,148,499	38,148,499	38,148,499	-
Culture and recreation	4,030,707	4,068,765	3,842,141	226,624
<b>Debt Service:</b>				
Principal retirement	11,470,000	11,470,000	11,470,000	-
Interest and fiscal charges	3,411,873	3,411,873	3,410,271	1,602
Contingency	400,000	106,047	-	106,047
Total expenditures	<u>165,365,266</u>	<u>170,149,498</u>	<u>163,081,751</u>	<u>7,067,747</u>
Revenues over (under) expenditures	<u>(274,435)</u>	<u>2,365,465</u>	<u>18,381,684</u>	<u>16,016,219</u>
<b>Other Financing Sources (Uses):</b>				
Sale of capital assets	-	-	11,640	11,640
Transfers to other funds	(2,698,665)	(14,404,230)	(14,404,200)	30
Appropriated fund balance	2,973,100	12,038,765	-	(12,038,765)
Total other financing sources (uses)	<u>274,435</u>	<u>(2,365,465)</u>	<u>(14,392,560)</u>	<u>(12,027,095)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>3,989,124</u>	<u>\$ 3,989,124</u>
<b>Fund balance, beginning of year</b>			<u>68,375,748</u>	
<b>Fund balance, end of year</b>			<u>\$ 72,364,872</u>	

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF FUND NET POSITION- PROPRIETARY FUNDS  
JUNE 30, 2016

	Business-type Activities			Internal Services
	Enterprise Funds			
	Water	Wastewater	Total	
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents/investments	\$ 29,402,036	\$ 22,967,908	\$ 52,369,944	\$ 4,412,072
Restricted cash and investments	2,833,685	2,121,841	4,955,526	-
Interest receivable	7,983	5,627	13,610	1,136
Receivables and special assessments, net	2,726,501	7,839,979	10,566,480	200,300
Other governmental agencies	425,667	250,155	675,822	-
Inventories	2,031,688	332,668	2,364,356	-
Total current assets	<u>37,427,560</u>	<u>33,518,178</u>	<u>70,945,738</u>	<u>4,613,508</u>
<b>Non-Current Assets:</b>				
Non-depreciable capital assets	24,232,270	2,278,089	26,510,359	-
Depreciable capital assets, net	129,442,924	222,900,032	352,342,956	-
Total capital assets	<u>153,675,194</u>	<u>225,178,121</u>	<u>378,853,315</u>	<u>-</u>
Total assets	<u>191,102,754</u>	<u>258,696,299</u>	<u>449,799,053</u>	<u>4,613,508</u>
<b>Deferred Outflows of Resources:</b>	<u>272,996</u>	<u>2,799,845</u>	<u>3,072,841</u>	<u>-</u>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	2,741,887	471,879	3,213,766	1,374,023
Prepaid fees	-	1,305,181	1,305,181	-
Accrued interest payable	281,796	1,030,950	1,312,746	-
Current portion of debt	1,292,105	9,989,049	11,281,154	-
<b>Payable From Restricted Assets:</b>	<u>1,714,053</u>	<u>-</u>	<u>1,714,053</u>	<u>-</u>
Total current liabilities	<u>6,029,841</u>	<u>12,797,059</u>	<u>18,826,900</u>	<u>1,374,023</u>
<b>Noncurrent Liabilities:</b>				
Net pension liability	200,218	95,724	295,942	-
Compensated absences	352,431	162,890	515,321	-
Other post employment benefits	3,747,478	1,761,691	5,509,169	-
Long-term debt	24,750,909	108,670,216	133,421,125	-
Total noncurrent liabilities	<u>29,051,036</u>	<u>110,690,521</u>	<u>139,741,557</u>	<u>-</u>
Total liabilities	<u>35,080,877</u>	<u>123,487,580</u>	<u>158,568,457</u>	<u>1,374,023</u>
<b>Deferred Inflows of Resources:</b>	<u>283,505</u>	<u>187,506</u>	<u>471,011</u>	<u>-</u>
<b>Net Position:</b>				
Net investment in capital assets	130,973,279	106,526,124	237,499,403	-
Unrestricted	<u>25,038,089</u>	<u>31,294,934</u>	<u>56,333,023</u>	<u>3,239,485</u>
Total net position	<u>\$ 156,011,368</u>	<u>\$ 137,821,058</u>	<u>\$ 293,832,426</u>	<u>\$ 3,239,485</u>

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	<b>Business-type Activities</b>			<b>Internal Services</b>
	<b>Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Total</b>	
<b>Operating Revenues:</b>				
User charges	\$ 21,748,171	\$ 23,823,488	\$ 45,571,659	\$ 12,054,900
Assessments	-	275,125	275,125	-
Intergovernmental revenue	337,575	170,772	508,347	-
Other	440,402	489,393	929,795	-
Total operating revenues	<u>22,526,148</u>	<u>24,758,778</u>	<u>47,284,926</u>	<u>12,054,900</u>
<b>Operating Expenses:</b>				
Salaries and employee benefits	6,249,360	3,359,391	9,608,751	-
Operating expenses	6,489,417	3,673,858	10,163,275	11,423,454
Repairs and maintenance	1,357,906	1,693,738	3,051,644	-
Depreciation and amortization	4,643,917	6,390,935	11,034,852	-
Total operating expenses	<u>18,740,600</u>	<u>15,117,922</u>	<u>33,858,522</u>	<u>11,423,454</u>
Operating income (loss)	<u>3,785,548</u>	<u>9,640,856</u>	<u>13,426,404</u>	<u>631,446</u>
<b>Non-operating Revenues (Expenses):</b>				
Investment earnings	57,394	35,853	93,247	5,111
Interest expense	(1,119,327)	(5,918,955)	(7,038,282)	-
Total nonoperating revenues (expenses)	<u>(1,061,933)</u>	<u>(5,883,102)</u>	<u>(6,945,035)</u>	<u>5,111</u>
Income before capital contributions	2,723,615	3,757,754	6,481,369	636,557
Dedicated service lines	<u>1,495,593</u>	<u>1,552,767</u>	<u>3,048,360</u>	<u>-</u>
Increase (decrease) in net position	4,219,208	5,310,521	9,529,729	636,557
<b>Net position, beginning of year</b>	<u>151,792,160</u>	<u>132,510,537</u>	<u>284,302,697</u>	<u>2,602,928</u>
<b>Net position, end of year</b>	<u>\$ 156,011,368</u>	<u>\$ 137,821,058</u>	<u>\$ 293,832,426</u>	<u>\$ 3,239,485</u>

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities			
	Enterprise Funds			Internal Services
	Water	Wastewater	Total	
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers	\$ 22,504,153	\$ 25,871,071	\$ 48,375,224	\$ 12,054,900
Payments to suppliers for goods and services	(6,197,598)	(5,923,757)	(12,121,355)	(12,202,250)
Payments to or on behalf of employees	(5,839,045)	(3,145,157)	(8,984,202)	-
Net cash provided by (used in) operating activities	<u>10,467,510</u>	<u>16,802,157</u>	<u>27,269,667</u>	<u>(147,350)</u>
<b>Net Cash From Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(14,388,362)	(1,825,224)	(16,213,586)	-
Interest paid	(982,242)	(4,345,298)	(5,327,540)	-
Principal payments on long-term debt	(1,039,032)	(9,200,138)	(10,239,170)	-
Net cash provided (used) in capital and related financing activities	<u>(16,409,636)</u>	<u>(15,370,660)</u>	<u>(31,780,296)</u>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>				
Interest on investments	<u>69,835</u>	<u>43,819</u>	<u>113,654</u>	<u>7,043</u>
Net increase (decrease) in cash and cash equivalents	(5,872,291)	1,475,316	(4,396,975)	(140,307)
Cash and cash equivalents, beginning of year	<u>38,108,012</u>	<u>23,614,433</u>	<u>61,722,445</u>	<u>4,552,379</u>
Cash and cash equivalents, end of year	<u>\$ 32,235,721</u>	<u>\$ 25,089,749</u>	<u>\$ 57,325,470</u>	<u>\$ 4,412,072</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 3,785,548	\$ 9,640,856	\$ 13,426,404	\$ 631,446
<b>Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
Depreciation and amortization	4,643,917	6,390,935	11,034,852	-
Loss on disposal of capital assets	18,838	-	18,838	-
Pension expense	(88,865)	(48,472)	(137,337)	-
<b>Changes in Assets and Liabilities:</b>				
(Increase) decrease in accounts receivable	(104,345)	1,298,746	1,194,401	-
(Increase) decrease in sales tax refund receivable	59,770	(24,566)	35,204	-
(Increase) decrease in inventories	29,991	(127,908)	(97,917)	-
Increase (decrease) in accounts payable/accrued expense:	2,030,010	(146,597)	1,883,413	(778,796)
(Increase) decrease in deferred outflows of resources for pensions	10,296	5,616	15,912	-
Increase (decrease) in unearned revenue	-	(186,453)	(186,453)	-
Increase (decrease) in customer deposits	<u>82,350</u>	<u>-</u>	<u>82,350</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ 10,467,510</u>	<u>\$ 16,802,157</u>	<u>\$ 27,269,667</u>	<u>\$ (147,350)</u>
<b>Supplemental Disclosures of Noncash Transactions</b>				
Assumption of long-term debt for capital assets	\$ -	\$ 1,200,000	\$ 1,200,000	\$ -
Dedicated service lines	<u>1,495,593</u>	<u>1,552,767</u>	<u>3,048,360</u>	<u>-</u>

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS  
JUNE 30, 2016**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents/investments	\$ 1,117,786
Interest receivable	539
Taxes receivable	20,230
Due from other governments	<u>115,116</u>
Total assets	<u>\$ 1,253,671</u>
<b>Liabilities:</b>	
Due to other governmental agencies	\$ 1,198,722
Other	<u>54,949</u>
Total liabilities	<u>\$ 1,253,671</u>

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

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**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**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 124,668, 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.

**Discretely Presented Component Units**

**Brunswick County Board of Alcoholic Control**

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

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

**Brunswick County Economic Development Commission**

On July 20, 2015, the Economic Development Commission ceased operations in order to create efficiencies and avoid the duplication of services provided by the County's Economic Development Department and transferred all assets and liabilities to the County. In the fiscal year ended June 30, 2016, there were no appropriations for the Economic Development Commission.

Complete financial information for the Brunswick County Economic Development Commission may be obtained at the administrative offices at P.O. Box 249, 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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

to promote travel, tourism and conventions within the County. The TDA, which has a June 30 year-end, is presented as a governmental type fund.

Complete financial statements for the Brunswick County Tourism Development Authority may be obtained at their administrative offices at 101 Stone Chimney Rd SE, Supply, North Carolina 28462.

#### **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 \$97,000 for the fiscal year ended June 30, 2016. The Airport, which also has a June 30 year-end, is presented as a governmental type fund.

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

#### **Other Component Unit**

##### **Brunswick County Industrial Facility and Pollution Control Financing Authority**

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

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

The members of the Brunswick County Leasing Corporation’s (“Corporation”) governing board are appointed by the County and includes the County Manager. The Corporation exists to issue and service 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 position in the County’s financial statements. The Corporation has no financial transactions or account balances and does not issue financial statements; therefore, is not presented in the government-wide financial statements.

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

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

The accounting policies of Brunswick County and its component units, as reflected in the financial statements for the year ended June 30, 2016, conform to generally accepted accounting principles applicable to governments.

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

**Government-wide Statements** - The statement of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include all of the financial activities of the overall government, except for

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

fiduciary activities. Eliminations have been made to minimize the double counting of internal activities except for interfund services provided and used which are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The County reports the following major governmental funds:

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

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

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

The County reports the following major enterprise funds:

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

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

The County reports the following internal service funds:

**Workers’ Compensation Internal Service Fund** – This fund is used to account for risk management operations of the County for the financing of workers’ compensation self-insurance costs incurred.

**Health Insurance Internal Service Fund** – This fund is used to account for health operations of the County for the financing of employees’ medical and dental costs incurred.

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

The County maintains five Agency Funds: the Social Services Fund which accounts for monies deposited with the Social Services Department for the benefit of certain individuals; the Smithville Township Fund which accounts for the Township hospital district ad Valorem taxes collected, payment of bond debt service and payments to Doshier Hospital; the Intergovernmental Collections Fund which accounts for the proceeds of the motor vehicle and other ad Valorem taxes that are collected by the County on behalf of the municipalities within the County, fire fee collections remitted to district fire departments to furnish fire protection services in their district, and fines and forfeitures collected and remitted to Brunswick County Schools, but are not revenues to the County; the Sheriff Department Trust Fund which accounts for the proceeds of court ordered property sales necessary to satisfy a debt; and the Inmate Trust Fund which accounts for personal funds of the inmates in the detention center.

**Non-Major Funds** – The County maintains three legally budgeted funds. The Emergency Telephone System Fund, the Grant Project Fund, and the Register of Deeds-Technology Enhancement Fund are reported as non-major special revenue funds.

**Measurement Focus and Basis of Accounting** – In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

**Government-wide, Proprietary, and Fiduciary Fund Financial Statements** – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus, and the accrual basis of accounting. Revenues are recorded when earned

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Property tax revenue is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, donations and similar items is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad Valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with the change in the law, the State of North Carolina is responsible for billing and collection the property taxes on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure driven grants are recognized as revenue if cash is received within 60 days of year-end. Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, they are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

#### **Budgetary Data**

The County's budgets are adopted as required by North Carolina General Statutes. An annual budget is adopted for the General, the Special Revenue (excluding the grant projects) and the Enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for all capital project funds. All budgets are prepared using the modified accrual basis of accounting which is consistent with the accounting system used to record transactions. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Expenditures may not legally exceed appropriations at the departmental level for the General Fund, Special Revenue, Enterprise Funds, and Capital Projects Funds. The County budget officer is authorized by the budget ordinance to transfer appropriations between departmental areas within a fund up to \$5,000; however, any revisions that alter total expenditures of any fund or that change departmental appropriations by more than \$5,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary. As a result, appropriated fund balance increased in the General Fund by \$9,065,665 which was largely the result of prior year commitments to the current fiscal year, the transfer of funds to the County Capital Reserve for designation in the Smithville, Waccamaw, and Ocean Isle Beach Parks, Sheriff Firing Range, and C&D Landfill Closure.

#### **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) external investment pool.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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 NCCMT Cash Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, 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. Funds in debt service accounts are classified as restricted assets because their use is restricted to future payments of principal and interest as designated by the trustee in the General Trust and Series Indentures. Housing Assistance Payments Net Restricted Assets held by the County are restricted by the U.S. Department of Housing and Urban Development. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. The amount budgeted by the Board of Commissioners for revaluation included in the General Fund Balance-Committed is restricted assets per North Carolina General Statute 153A-150.

**Brunswick County Restricted Cash**

<hr/>			
Governmental Activities			
General Fund	Tax Revaluation	\$	214,566
	Section 8 Expenditures		10,616
	Reserve for Debt Service		1,264
Education Capital Project Fund	Unexpended Debt Proceeds		<u>1,921,723</u>
	Total Governmental Activities	\$	<u>2,148,169</u>
Business-Type Activities			
Water Fund	Unexpended Debt Proceeds	\$	675,018
	Reserve for Debt Service		444,614
	Customer Deposits		1,714,053
Sewer Fund	Reserve for Debt Service		<u>2,121,841</u>
	Total Business-type Activities	\$	<u>4,955,526</u>
Total Restricted Cash		\$	<u><u>7,103,695</u></u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Ad Valorem Taxes Receivable**

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

**Allowances for Doubtful Accounts**

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

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

Amounts reported at June 30, 2016 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, operating plants, land improvements, water tanks, water and wastewater lines, wells, taps, pumping stations, equipment and vehicles, are reported in the County's government-wide and proprietary financial statements. The County's capitalization threshold for capital outlay items is \$5,000.

Capital assets of the County are recorded at original cost at the time of acquisition. Certain items acquired before July 1, 1970 are recorded at an estimated original cost. Donated assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value.

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

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

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

Building, Operating Plants and improvements	20-40 years
Enterprise Distribution and Collection Systems	40-60 years
Equipment and vehicles	4-15 years

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Deferred Outflows/Inflows of Resources**

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

**Long-Term Debt**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bond issuance cost, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

For governmental fund types, bond issuance costs, bond premiums and discounts, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The County's long-term debt for water and wastewater purposes is carried in the Water and Wastewater Funds. The debt service requirements for the water and wastewater debt are being met by water and wastewater revenues. However, the taxing power was pledged to make general obligation payments in the water fund if water revenues were not sufficient. At the end of the fiscal year, there was \$3,280,000 water general obligation debt outstanding.

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

	<u>General</u>	<u>Capital</u>	<u>Special</u>	
	<u>Fund</u>	<u>Projects</u>	<u>Revenue</u>	<u>Total</u>
Nonspendable - Prepaids - portion of fund balance that is not an available resource because it represents the year-end balance of ending prepaids, which are not spendable resources.	\$ 64,000	\$ -	\$ -	\$ 64,000

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
Restricted for Stabilization of State Statute-portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].	\$ 7,489,535	\$ -	\$ 143,918	\$ 7,633,453
Restricted for Public Housing-portion of fund balance that is restricted by revenue source for section 8 expenditures.	\$ 10,616	\$ -	\$ -	\$ 10,616
Restricted for Human Services Health Program-portion of fund balance that is restricted by revenue source for health expenditures.	2,207,021	-	-	2,207,021
Restricted for Public Safety-portion of fund balance that is restricted by revenue source for E911 expenditures.	-	-	730,854	730,854
Restricted for Register of Deeds-portion of fund balance that is restricted by revenue source for technology for the Register of Deeds office.	-	-	811,177	811,177
Restricted for Education-portion of fund balance that is restricted by revenue source or unspent debt proceeds for Public School and Community College Capital needs.*	-	1,921,723	-	1,921,723
Total restricted fund balance (Exhibit C)	<u>\$ 2,217,637</u>	<u>\$ 1,921,723</u>	<u>\$ 1,542,031</u>	<u>\$ 5,681,391</u>

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

	<u>General</u>	<u>Capital</u>	<u>Special</u>	
	<u>Fund</u>	<u>Projects</u>	<u>Revenue</u>	<u>Total</u>
Committed for General Government-portion of fund balance that can only be used for general government	\$ -	\$ 68,612	\$ -	\$ 68,612
Committed for General Government-portion of fund balance that is restricted for a legally budgeted Tax Revaluation	214,566	-	-	214,566
Committed for Public Safety-portion of fund balance that can only be used for environmental protection	-	1,935,587	-	1,935,587
Committed for Environmental Protection-portion of fund balance that can only be used for environmental protection	-	5,957,671	-	5,957,671
Committed for Economic Development-portion of fund balance that can only be used for economic development	-	1,659,184	-	1,659,184
Committed for Culture & Recreation-portion of fund balance that can only be used for culture and recreation	-	8,368,985	-	8,368,985
Committed for Transportation-portion of fund balance that can only be used for transportation	-	270,874	-	270,874
Committed for Education-portion of fund balance that can only be used for education	-	11,351,050	-	11,351,050
Total committed fund balance	<u>\$ 214,566</u>	<u>\$ 29,611,963</u>	<u>\$ -</u>	<u>\$ 29,826,529</u>

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

	<u>General</u>	<u>Capital</u>	<u>Special</u>	
	<u>Fund</u>	<u>Projects</u>	<u>Revenue</u>	<u>Total</u>
Subsequent year's expenditures-portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.	<u>\$ 1,444,986</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,444,986</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
Unassigned portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds	\$60,934,148	\$ -	\$ (81,924)	\$ 60,852,224

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

Total fund balance-General Fund	\$72,364,872
Less:	
Nonspendable	(64,000)
Stabilization by State Statute	(7,489,535)
Restricted	(2,217,637)
Committed	(214,566)
Assigned	<u>(1,444,986)</u>
Fund balance remaining	<u>\$60,934,148</u>

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

**Defined Benefit Pension Plans**

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

**Inter-fund Transfers**

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Other Resources**

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

**Compensated Absences**

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

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

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are: allowance for doubtful accounts and depreciation lives.

**2. Cash, Cash Equivalents and Investments**

Cash, cash equivalents and investments of the County as of June 30, 2016 include the following:

	Reported at Fair Value
Cash on Hand	\$ 6,000
Deposits - NOW, SuperNOW, MMDA and Certificates of Deposit	133,537,833
Investments: North Carolina Capital Management Trust	<u>32,793,697</u>
Total	<u>\$ 166,337,530</u>

**A. Deposits**

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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Since the State Treasurer is acting in a fiduciary capacity for the depositor, these deposits are considered to be held by their agents in each of the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County and its component units or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County and its component units under the Pooling Method, the potential exists for under collateralization and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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

At June 30, 2016 the deposits of the County had a reported value of \$133,537,833 and bank balances of \$133,510,187. Of the bank balances, \$13,054,985 was covered by federal depository insurance and \$120,455,202 was covered by collateral held under the Pooling Method. Cash on hand at June 30, 2016 was \$6,000.

**B. Investments**

As of June 30, 2016 the County had the following investments and maturities:

Investment Type	Valuation Measurement Method	Fair Value	Less Than		
			6 Months	6 - 12 Months	1 - 3 Years
North Carolina Capital Management Trust:					
Cash Portfolio	Amortized Cost	\$ 29,405,075	n/a	n/a	n/a
Term Portfolio*	Fair Value-Level 1	<u>3,388,622</u>	<u>3,388,622</u>	<u>n/a</u>	<u>n/a</u>
Total		<u>\$ 32,793,697</u>	<u>\$ 3,388,622</u>	<u>\$ -</u>	<u>\$ -</u>

\*Because the NC Capital Management Trust Term Portfolio had a duration of 0.14 years, it was presented as an investment with a maturity of less than 6 months.

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

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

*Credit Risk.* The County’s investment policy limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County’s investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor’s as of June 30, 2016. 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.

*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 the prior month.

**3. Accounts Receivable**

**Disaggregate Information**

<b>Type of Receivable</b>	<b>Amount (Net of Allowance)</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Customer Billings	\$ 960,722	\$ 4,454,153	\$ 5,414,875
Assessments	-	6,112,327	6,112,327
Deposits receivable	200,300	-	200,300
Miscellaneous	956,244	-	956,244
	<u>\$ 2,117,266</u>	<u>\$ 10,566,480</u>	<u>\$ 12,683,746</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

The County's accounts receivable as of June 30, 2016 are presented net of allowance for doubtful accounts as follows:

	<b>Allowance for Doubtful Accounts</b>		
	<b>General Fund</b>	<b>Water Fund</b>	<b>Wastewater Fund</b>
Taxes Receivable	\$ 6,872,935	\$ -	\$ -
EMS Fees	364,753	-	-
Health Fees	221,942	-	-
Assessments	-	-	200,000
User Charges	-	110,000	30,000
	<u>\$ 7,459,630</u>	<u>\$ 110,000</u>	<u>\$ 230,000</u>

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	Local option sales tax	\$ 3,677,337	\$ -
Sales tax refunds	750,459	536,690	1,287,149
NC Department of Transportation grant reimbursements	829,934	42,488	872,422
Due from federal government for grant assistance	763,286	-	763,286
Due from State of North Carolina for grant assistance	1,894,031	-	1,894,031
Emergency telephone system	54,953	-	54,953
Lower Cape Fear Water & Sewer Authority reimbursement	-	57,737	57,737
Town of Navassa reimbursement	-	38,907	38,907
Total	<u>\$ 7,970,000</u>	<u>\$ 675,822</u>	<u>\$ 8,645,822</u>

**Property Tax – Use Value Assessment on Certain Lands**

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

Year Levied	Tax	Interest	Total
2012	\$ 3,297,567	\$ 1,079,953	\$ 4,377,520
2013	3,333,274	791,652	4,124,926
2014	3,431,429	506,136	3,937,565
2015	2,370,676	136,314	2,506,990
Total	<u>\$ 12,432,946</u>	<u>\$ 2,514,055</u>	<u>\$ 14,947,001</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**4. Capital Assets**

Governmental capital assets at June 30, 2016 are summarized as follows:

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

	<u>June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</u>
<b>Non-Depreciable Assets:</b>				
Land	\$ 16,299,029	\$ 135,550	\$ 149,675	\$ 16,284,904
Construction in Progress	<u>5,041,759</u>	<u>12,804,775</u>	<u>53,736</u>	<u>17,792,798</u>
Total non-depreciable assets	<u>21,340,788</u>	<u>12,940,325</u>	<u>203,411</u>	<u>34,077,702</u>
<b>Depreciable Assets</b>				
Buildings and improvements	144,110,025	1,069,153	26,150	145,153,028
Equipment and vehicles	<u>33,730,600</u>	<u>1,793,094</u>	<u>949,880</u>	<u>34,573,814</u>
Total depreciable assets	<u>177,840,625</u>	<u>2,862,247</u>	<u>976,030</u>	<u>179,726,842</u>
<b>Less accumulated depreciation</b>				
Buildings and improvements	43,109,363	4,367,073	17,653	47,458,783
Equipment and vehicles	<u>27,947,388</u>	<u>2,282,107</u>	<u>903,530</u>	<u>29,325,965</u>
Total accumulated depreciation	<u>71,056,751</u>	<u>6,649,180</u>	<u>921,183</u>	<u>76,784,748</u>
 Total depreciable assets, net	 <u>106,783,874</u>	 <u>(3,786,933)</u>	 <u>54,847</u>	 <u>102,942,094</u>
 Total Capital Assets	 <u>\$ 128,124,662</u>	 <u>\$ 9,153,392</u>	 <u>\$ 258,258</u>	 <u>\$ 137,019,796</u>

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

<u>Function</u>	<u>Depreciation Expense</u>
General government	\$ 698,553
Public safety	2,828,415
Central services	469,384
Human services	162,476
Environmental protection	224,625
Economic and physical development	107,521
Cultural and recreation	1,273,308
Education	<u>884,898</u>
Total	<u>\$ 6,649,180</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

Enterprise fund capital assets at June 30, 2016 are summarized as follows:

<b>Water Fund</b>	<b>June 30, 2015</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2016</b>
<b>Non-Depreciable Assets:</b>				
Land	\$ 760,138	\$ -	\$ -	\$ 760,138
Construction in Progress	<u>12,109,939</u>	<u>12,428,689</u>	<u>1,066,496</u>	<u>23,472,132</u>
Total non-depreciable assets	<u>12,870,077</u>	<u>12,428,689</u>	<u>1,066,496</u>	<u>24,232,270</u>
<b>Depreciable Assets</b>				
Operating Plants, buildings and improvements	34,773,707	11,480	-	34,785,187
Distribution system	139,172,695	3,272,478	-	142,445,173
Equipment and vehicles	<u>17,406,063</u>	<u>1,237,804</u>	<u>248,154</u>	<u>18,395,713</u>
Total depreciable assets	<u>191,352,465</u>	<u>4,521,762</u>	<u>248,154</u>	<u>195,626,073</u>
<b>Less accumulated depreciation</b>				
Operating Plants, buildings and improvements	18,549,615	849,577	-	19,399,192
Distribution system	36,257,159	2,779,048	-	39,036,207
Equipment and vehicles	<u>6,840,844</u>	<u>1,136,222</u>	<u>229,316</u>	<u>7,747,750</u>
Total accumulated depreciation	<u>61,647,618</u>	<u>4,764,847</u>	<u>229,316</u>	<u>66,183,149</u>
Total depreciable assets, net	<u>129,704,847</u>	<u>(243,085)</u>	<u>18,838</u>	<u>129,442,924</u>
Total capital Assets	<u>\$ 142,574,924</u>	<u>\$12,185,604</u>	<u>\$ 1,085,334</u>	<u>\$ 153,675,194</u>
<b>Wastewater Fund</b>	<b>June 30, 2015</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2016</b>
<b>Non-Depreciable Assets:</b>				
Land	\$ 2,070,471	\$ 20,840	\$ -	\$ 2,091,311
Construction in Progress	<u>4,006,846</u>	<u>454,319</u>	<u>4,274,387</u>	<u>186,778</u>
Total non-depreciable assets	<u>6,077,317</u>	<u>475,159</u>	<u>4,274,387</u>	<u>2,278,089</u>
<b>Depreciable Assets</b>				
Operating Plants, buildings and improvements	154,695,663	4,519,971	-	159,215,634
Collection system	103,292,789	3,560,900	-	106,853,689
Equipment and vehicles	<u>2,506,550</u>	<u>296,348</u>	<u>27,820</u>	<u>2,775,078</u>
Total depreciable assets	<u>260,495,002</u>	<u>8,377,219</u>	<u>27,820</u>	<u>268,844,401</u>
<b>Less accumulated depreciation</b>				
Operating Plants, buildings and improvements	26,493,134	4,441,834	-	30,934,968
Collection system	10,974,129	2,110,353	-	13,084,482
Equipment and vehicles	<u>1,696,433</u>	<u>256,306</u>	<u>27,820</u>	<u>1,924,919</u>
Total accumulated depreciation	<u>39,163,696</u>	<u>6,808,493</u>	<u>27,820</u>	<u>45,944,369</u>
Total depreciable assets, net	<u>221,331,306</u>	<u>1,568,726</u>	<u>-</u>	<u>222,900,032</u>
Total capital Assets	<u>\$ 227,408,623</u>	<u>\$ 2,043,885</u>	<u>\$ 4,274,387</u>	<u>\$ 225,178,121</u>
Total Enterprise Fund Assets, Net	<u>\$ 369,983,547</u>			<u>\$ 378,853,315</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

**Accounts Payable Disaggregate Information**

<b>Type of Payable</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Trade Payables	\$ 3,246,960	\$ 1,109,914	\$ 4,356,874
Construction Costs Payable	2,651,116	1,859,899	4,511,015
Accrued Salaries Fringe Benefits	1,532,717	243,953	1,776,670
Future claims for workers' compensation and employee health benefits	1,374,023	-	1,374,023
Other Payables	127,361	-	127,361
<b>Total</b>	<b>\$ 8,932,177</b>	<b>\$ 3,213,766</b>	<b>\$ 12,145,943</b>

**Inter-fund Receivables / Payables**

The County's Interfund balances as of June 20, 2016 are \$885,841 which represents amounts due to the Education Capital Project Fund from the General Fund for local option sales tax receivable at fiscal year-end.

**Inter-fund Transfers**

The County's General Fund transferred funds during fiscal year 2016 to fund County and education capital improvements, grant projects and reimbursement of expenditures in the Emergency Telephone System Fund. Amounts returned to the General Fund were for grant administration fees or unexpended capital project funds.

	<b>To:</b>	County Capital Project Fund	Education Capital Project Fund	Non Major Governmental Fund	Total Governmental Funds
<b>From:</b>					
General		\$ 8,623,712	\$ 5,748,725	\$ 31,763	\$ 14,404,200

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

The balance in deferred outflows and inflows of resources at June 30, 2016 is composed of the following elements:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Advance payment on refunding debt	\$ 2,641,349	\$ -
Pensions - Difference between expected and actual experience		
LGERS	-	875,719
Register of Deeds	2,380	-
Pensions - net difference between projected and actual investment earnings	24,140	1,050,897
Pensions - Change in proportion and difference between employer contributions and proportionate share of contributions	195,552	53,547
County contributions subsequent to the measurement date	3,164,747	-
Prepaid Taxes, not yet earned (General Fund)	-	121,945
Taxes Receivable (General Fund)	-	4,082,695
EMS Receivable (General Fund)	-	170,218
Health Department Receivable (General Fund)	-	109,634
	<u>\$ 6,028,168</u>	<u>\$ 6,464,655</u>

**7. Long-Term Obligations**

**A. General Obligation Bonds**

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

The County's General Obligation Bonds consisted of the following at June 30, 2016:

Original Issue		Payment Information		Outstanding Balance	
Date	Rate	Period	Amount	Governmental Activities	Business-Type Activities
2007	4.00% - 5.00%	Annual	\$160,000 - \$280,000	\$ 280,000	\$ -
2007	4.00% - 5.00%	Annual	\$1,270,000 - \$2,260,000	4,510,000	-
2009	3.00% - 5.00%	Annual	\$60,000 - \$2,465,000	11,340,000	-
2012	3.00%	Annual	\$1,660,000 - \$2,750,000	11,315,000	-
2012	2.00% - 4.00%	Annual	\$30,000 - \$285,000	-	3,280,000
2013	0.33% - 4.00%	Annual	\$80,000 - \$3,475,000	15,370,000	-
Total General Obligation Bonds				<u>\$ 42,815,000</u>	<u>\$ 3,280,000</u>

The County issued General Obligation Bonds for which the County does not hold title to the capital assets. The bonds were issued for public school and community college construction and renovation projects. The amount of outstanding debt at June 30, 2016 for which the County

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

held no collateral totaled \$41,162,567 and was comprised of the following issues: Series 2009 (2001) school refunding \$11,340,000, community college series 2007 \$4,510,000, series 2012 school refunding of 2003 and 2004 \$11,315,000 and series 2013A school and community college refunding \$13,997,567.

**B. Revenue Bonds**

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

The County's Revenue Bonds consisted of the following at June 30, 2016:

<b>Original Issue</b>		<b>Payment Information</b>		<b>Outstanding Balance</b>
<b>Date</b>	<b>Rate</b>	<b>Period</b>	<b>Amount</b>	<b>Business-Type Activities</b>
2004	4.25%	Monthly	\$19,188 - \$50,143	\$ 4,160,754
2008	3.50% - 5.00%	Monthly	\$1,395,000 - \$3,630,000	3,905,000
2012	2.00% - 5.00%	Annual	\$80,000 - \$2,050,000	20,670,000
2015	2.00% - 5.00%	Annual	\$735,000 - \$4,575,000	64,825,000
Total Revenue Bonds				<u>\$ 93,560,754</u>

The County has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$39.7 million in water and wastewater system revenue bonds issued in 2004, \$52.8 million in wastewater system revenue bonds issued in 2008, \$14.75 million in wastewater Build America revenue bonds issued in 2009, \$23.15 million in wastewater 2004A refunding revenue bonds in 2012 and \$9.68 million series 2012B wastewater revenue bonds in 2012, and \$6.33 million in 2012C revenue bonds in 2012, and \$50.55 million in water and wastewater refunding revenue bonds series 2008A and 2010 RZEDB and \$15.93 million in water and wastewater revenue bonds in 2015. Proceeds from the bonds provided financing for the West Brunswick Regional Water Reclamation Plant Phases 1 and 2 and associated transmission lines, the Sea Trail Wastewater Treatment Plant, Northwest Water Plant expansion, Ocean Isle Beach Wastewater Treatment Plant improvements, Sunset Beach Wastewater Collection System and utility service lines. Annual principal and interest payments on the bonds are expected to require less than 10 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$152,823,404. Principal and interest paid for the current year and total operating revenues were \$12,787,266 and \$47,284,926, respectively.

The County issued combined system enterprise revenue bonds for water and wastewater system improvements pursuant to a General Trust Indenture dated May 1, 2004, as amended effective August 20, 2013, and a series indenture, Number 3, dated January 1, 2008 between the County and First-Citizens Bank & Trust Company, as trustee. The indentures authorize and secure all outstanding revenue bonds of the County's water and wastewater system and contain several financial and operating covenants governing such matters as rates, additional bonds, reserve funds, annual budgets, maintenance of the system and insurance. The County was in compliance with all such covenants during the fiscal year ended June 30, 2016.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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, 2016 is as follows:

Operating revenues and investment earnings	\$ 50,123,035
Operating expense excluding OPEB (net of depreciation)	<u>22,122,056</u>
Net revenue available for debt service *	28,000,979
Add: 20% surplus account (expendable net position)	<u>10,054,493</u>
Adjusted net revenues	<u><u>\$ 38,055,472</u></u>
Senior debt service	\$ 12,787,267
Subordinate debt service	<u>2,750,156</u>
Total debt service	15,537,423
Add: 20% senior debt service	<u>2,557,453</u>
Adjusted debt service	<u><u>\$ 18,094,876</u></u>
Coverage Test 1	
Adjusted net revenues/adjusted debt service	<u><u>2.10</u></u>
Coverage Test 2	
Net revenues/total debt service	<u><u>1.80</u></u>

\* In accordance with the rate covenants, assessment revenues of \$2,744,862 are used to offset the associated debt service. Certain agreements have allowed for the collection of these assessment revenues over a period of 10 years. Therefore, the amortized annual portion of these certain assessments are included in the calculation of net revenues and not the gross assessment in the year assessed.

**C. Limited Obligation Bonds**

The County's Limited Obligation Bonds consisted of the following at June 30, 2016:

<u>Payment Information</u>			<u>Balance</u>		<u>Purpose and Collateral</u>
<u>Issued</u>	<u>Period</u>	<u>Amount</u>	<u>Rate</u>	<u>Governmental Activities</u>	
		\$1,680,000 -			Law Enforcement
2012	Annual	\$2,110,000	2.00% - 5.00%	\$ 23,275,000	Center Refund 2008 IP Schools
		\$520,000-			School Projects; Refund
2015	Annual	\$1,485,000	2.00% - 5.00%	<u>13,625,000</u>	2005B Schools
				<u><u>\$ 36,900,000</u></u>	

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

The County's Installment Purchase notes payable consisted of the following at June 30, 2016:

<b>Issued</b>	<b>Payment Information</b>			<b>Outstanding Balance</b>		<b>Collateral</b>
	<b>Period</b>	<b>Amount</b>	<b>Rate</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
2009	Annual	\$1,152,000 - \$1,846,000	5.38%	\$ -	\$ 8,336,000	Wastewater System
2010	Annual	\$70,000 - \$75,000	5.18%	280,000	-	Library
2010	Annual	\$100,000	0.00%	-	1,500,000	Wastewater System
2012	Annual	\$875,988 - \$1,065,008	2.18%	-	6,057,038	Wastewater System
2012	Annual	\$247,250 - \$687,250	1.840%	-	4,881,620	Wastewater System
				<u>\$ 280,000</u>	<u>\$ 20,774,658</u>	

The County's State Revolving Fund Loans payable consisted of the following at June 30, 2016:

<b>Issued</b>	<b>Payment Information</b>			<b>Outstanding Balance</b>		<b>Collateral</b>
	<b>Period</b>	<b>Amount</b>	<b>Rate</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
1997	Annual	\$75,160	3.04%	\$ -	\$ 150,320	Wastewater System
2003	Annual	\$375,000	2.55%	-	1,915,918	Wastewater System
2006	Annual	\$511,525 - \$790,275	2.21%	-	5,000,000	Wastewater System
2005	Annual	\$806,645 - \$1,220,552	2.21%	-	11,086,218	Wastewater System
2011	Annual	\$75,000	0.00%	-	1,125,000	Wastewater System
				<u>\$ -</u>	<u>\$ 19,277,456</u>	
		Total Installment Purchase & SRF Loans		<u>\$ 280,000</u>	<u>\$ 40,052,114</u>	

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

The following is a summary of changes in governmental long-term debt for the year ended June 30, 2016 for the County:

<b>Governmental Activities</b>	<b>June 30, 2015</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2016</b>	<b>Current Maturities</b>
General obligation bonds	\$ 50,615,000	\$ -	\$ 7,800,000	\$ 42,815,000	\$ 7,675,000
Limited obligation bonds	40,500,000	-	3,600,000	36,900,000	3,550,000
Bond premiums	1,504,922	-	101,350	1,403,572	101,350
Installment purchases	350,000	-	70,000	280,000	70,000
Compensated absences	3,487,900	3,533,863	3,516,941	3,504,822	275,000
Net pension obligation (LGERS)	-	3,395,339	-	3,395,339	-
Net pension obligation (LEO)	1,679,408	238,992	-	1,918,400	-
Other post-employment benefits	34,034,616	4,454,790	-	38,489,406	-
Landfill closure & post-closure	8,578,834	-	75,933	8,502,901	231,760
<b>Total</b>	<b>\$ 140,750,680</b>	<b>\$ 11,622,984</b>	<b>\$ 15,164,224</b>	<b>\$ 137,209,440</b>	<b>\$ 11,903,110</b>

Note: The general fund is typically used to liquidate other long-term liabilities including OPEB liability, landfill closure and postclosure liability, and the compensated absences and pension liabilities recorded in the governmental funds. The total of other debt not issued for capital is \$55,810,868 which is comprised of compensated absences of \$3,504,822, pension benefit obligation of \$5,313,739, other post-employment benefits of \$38,489,406 and landfill closure and post-closure of \$8,502,901.

The following is a summary of changes in business-type long-term debt for the year ended June 30, 2016 for the County:

<b>Business-Type Activities</b>	<b>June 30, 2015</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2016</b>	<b>Current Maturities</b>
Revenue bonds	\$ 98,667,778	\$ -	\$ 5,107,024	\$ 93,560,754	\$ 5,445,762
Bond premiums	8,315,899	-	538,488	7,777,411	538,488
General obligation bonds	3,445,000	-	165,000	3,280,000	170,000
Installment purchases	23,836,566	-	3,061,908	20,774,658	3,168,028
State Revolving Fund Loans	19,982,694	1,200,000	1,905,238	19,277,456	1,926,876
Compensated absences	502,961	617,513	573,153	547,321	32,000
Net pension obligation (LGERS)	-	295,942	-	295,942	-
Other post-employment benefits	4,807,555	701,614	-	5,509,169	-
<b>Total</b>	<b>\$ 159,558,453</b>	<b>\$ 2,815,069</b>	<b>\$ 11,350,811</b>	<b>\$ 151,022,711</b>	<b>\$ 11,281,154</b>

Note: On November 3, 2015, the Executive Committee of the N.C. Local Government Commission approved the requests to the assumption of \$1,200,000 of debt on an existing State Revolving Loan from the Town of Caswell Beach to the County of Brunswick. The total of other debt not issued for capital is \$6,352,432 which is comprised of compensated absences of \$547,321, pension benefit obligation of \$295,942 and other post-employment benefits of \$5,509,169.

The LGERS plan had a net pension liability as of June 30, 2016; however, the plan had a net pension asset at the beginning of the fiscal year.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

The annual requirements to retire all debt outstanding, other than compensated absences, pension benefit obligation, and landfill closure costs, at June 30, 2016, including interest, are as follows:

**Governmental Activities**

	General Obligation Bonds		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
2017	\$ 7,675,000	\$ 1,559,707	\$ 3,550,000	\$ 1,440,394
2018	7,615,000	1,270,074	3,525,000	1,317,494
2019	7,515,000	1,008,365	3,485,000	1,191,794
2020	7,445,000	757,125	3,445,000	1,064,994
2021	7,240,000	493,450	2,560,000	951,394
2022-2026	5,325,000	258,100	12,230,000	2,973,619
2027-2031	-	-	6,015,000	906,719
2032-2036	-	-	2,090,000	167,675
<b>Totals</b>	<b>\$ 42,815,000</b>	<b>\$ 5,346,821</b>	<b>\$ 36,900,000</b>	<b>\$ 10,014,083</b>

**Installment Purchases**

	Principal	Interest
	2017	\$ 70,000
2018	70,000	10,878
2019	70,000	7,252
2020	70,000	3,626
<b>Totals</b>	<b>\$ 280,000</b>	<b>\$ 36,260</b>

**Business-Type Activities**

	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2017	\$ 170,000	\$ 125,900	\$ 5,445,762	\$ 4,236,819
2018	175,000	120,150	5,614,324	4,058,357
2019	180,000	115,450	5,759,014	3,837,517
2020	185,000	108,650	6,019,359	3,578,622
2021	190,000	102,550	6,301,153	3,294,328
2022-2026	1,075,000	398,750	30,086,142	12,079,684
2027-2031	1,305,000	165,250	26,520,000	5,028,344
2032-2036	-	-	3,995,000	1,277,219
2037-2041	-	-	3,820,000	389,200
<b>Totals</b>	<b>\$ 3,280,000</b>	<b>\$ 1,136,700</b>	<b>\$ 93,560,754</b>	<b>\$ 37,780,090</b>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

	State Revolving Loans		Installment Purchases	
	Principal	Interest	Principal	Interest
2017	\$ 1,926,876	\$ 408,119	\$ 3,168,028	\$ 664,856
2018	1,948,993	365,717	3,281,378	552,031
2019	1,896,437	322,828	3,399,898	434,179
2020	1,919,540	281,721	3,522,668	311,059
2021	1,943,152	240,104	3,651,658	182,452
2022-2026	9,267,458	578,584	3,251,028	63,327
2027-2031	375,000	-	500,000	-
Totals	<u>\$ 19,277,456</u>	<u>\$ 2,197,073</u>	<u>\$ 20,774,658</u>	<u>\$ 2,207,904</u>

**G. Net Investment in Capital Assets**

The total Net Investment in Capital Assets at June 30, 2016 is composed of the following elements:

	Governmental	Business-type	Total
Total capital assets (net of depreciation)	<u>\$ 137,019,796</u>	<u>\$ 378,853,315</u>	<u>\$ 515,873,111</u>
Total debt, gross	137,209,440	151,022,711	288,232,151
Less:			
Capital related deferred outflows of resources	-	2,641,349	2,641,349
Education debt for which the County does not hold title	41,162,567	-	41,162,567
Other debt not issued for capital	55,810,868	6,352,432	62,163,300
Unexpended proceeds*	<u>1,749,760</u>	<u>675,018</u>	<u>2,424,778</u>
Total capital debt	<u>38,486,245</u>	<u>141,353,912</u>	<u>179,840,157</u>
Net Investment in Capital Assets	<u>\$ 98,533,551</u>	<u>\$ 237,499,403</u>	<u>\$ 336,032,954</u>

\*Unexpended debt proceeds related to education debt in the amount of \$171,963 is not included in the calculation of governmental Net Investment in Capital Assets

**H. Other Debt Disclosures**

At June 30, 2016, the County had a legal debt margin of \$1.80 billion.

**Advanced Refundings**

On April 18, 2013, the County issued \$12,680,000 series 2013A general obligation advance refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of providing general resources for all future debt service payments of \$14,890,792 of general obligation bonds. As a result, the refunded bonds are considered to be defeased. The liabilities for the debt were removed from the governmental activities column of the statement of net position in the fiscal year ending June 30, 2013. The reacquisition price was higher than the net carrying amount of the old debt by \$20,000. The amount was netted against the net debt and amortized over the life of the refunded debt, which is same as the life of the new issue. The advance refunding was undertaken to reduce total debt service payments over the next eight years by \$429,084 in a net economic gain of \$387,450. At June 30, 2016, \$9,020,000 of defeased bonds remain outstanding.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

On April 18, 2013, the County issued \$3,940,000 series 2013B general obligation advance refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of providing general resources for all future debt service payments of \$3,976,500 of general obligation bonds. As a result, the refunded bonds are considered to be defeased. The liabilities for the debt were removed from the governmental activities column of the statement of net position in the fiscal year ending June 30, 2013. The reacquisition price was higher than the net carrying amount of the old debt by \$325,000. The amount was netted against the net debt and amortized over the life of the refunded debt, which is same as the life of the new issue. The advance refunding was undertaken to reduce total debt service payments over the next four years by \$72,815 in a net economic gain of \$67,517. At June 30, 2016, \$1,390,000 of defeased bonds remain outstanding.

On May 27, 2015, the County issued \$35,050,000 series 2015 enterprise revenue advance refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of providing general resources for all future debt service payments of \$41,370,594 of enterprise revenue bonds. As a result, the refunded bonds are considered to be defeased. The liabilities for the debt were removed from the governmental activities column of the statement of net position in the fiscal year ending June 30, 2015. The reacquisition price was higher than the net carrying amount of the old debt by \$3,962,024. The amount was netted against the net debt and amortized over the life of the refunded debt, which is same as the life of the new issue. The advance refunding was undertaken to reduce total debt service payments over the next fifteen years by \$1,837,944 in a net economic gain of \$1,416,616. At June 30, 2016, \$36,140,000 of defeased bonds remain outstanding.

**Current Refundings**

On April 29, 2015, the County issued \$4,620,000 series 2015B limited obligation refunding bonds to refund current debt service payments of \$4,765,697 of certificates of participation. As a result, the refunded bonds are considered to be defeased. The liabilities for the debt were removed from the governmental activities column of the statement of net position in the fiscal year ending June 30, 2015. The reacquisition price was lower than the net carrying amount of the old debt by \$50,000. The amount was netted against the net debt and amortized over the life of the refunded debt, which is same as the life of the new issue. The refunding was undertaken to reduce total debt service payments over the next four years by \$240,288 in a net economic gain of \$220,995.

On May 27, 2015, the County issued \$15,500,000 series 2015 enterprise revenue refunding bonds to refund current debt service payments of \$20,026,847 of enterprise revenue bonds. As a result, the refunded bonds are considered to be defeased. The liabilities for the debt were removed from the governmental activities column of the statement of net position in the fiscal year ending June 30, 2015. The reacquisition price was lower than the net carrying amount of the old debt by \$4,325,000. The amount was netted against the net debt and amortized over the life of the refunded debt, which is two years more than the life of the new issue. The refunding was undertaken to reduce total debt service payments over the next fourteen years by \$882,096 in a net economic gain of \$712,190.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Debt Related to Capital Activities**

Of the total Governmental Activities debt listed only \$40,236,005 relates to assets the County hold title. Unspent restricted cash related to this debt amounts to \$1,749,760.

**8. Conduit Debt Obligations**

Brunswick County Industrial Facility and Pollution Control Authority issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2016, there are no industrial revenue bonds outstanding.

**9. Pension Plan and Other Postemployment Obligations**

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

**Plan Description**

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

**Benefits Provided**

LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

#### **Contributions.**

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2016, was 7.15% of compensation for law enforcement officers and 6.75% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$3,147,279 for the year ended June 30, 2016.

#### **Refunds of Contributions**

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

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

At June 30, 2016, the County reported a liability of \$3,691,281 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2015, the County's proportion was .803%, which was a decrease of .010% from its proportion measured as of June 30, 2014.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

For the year ended June 30, 2016, the County recognized pension expense of \$2,047,509. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 867,661
Net difference between projected and actual investment earnings	-	1,050,897
Change in proportion and difference between employer contributions and proportionate share of contributions	195,552	45,305
County contributions subsequent to the measurement date	<u>3,147,279</u>	<u>-</u>
	<u>\$3,342,831</u>	<u>\$ 1,963,863</u>

\$3,147,279 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2017	(1,174,699)
2018	(1,174,699)
2019	(1,173,849)
2020	1,754,936
2021	-
Thereafter	-

**Actuarial Assumptions**

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	<u>6.0%</u>	3.4%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

**Discount rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
County's proportionate share of the net pension liability (asset)	\$ 25,739,845	\$ 3,691,281	\$ (14,884,138)

**Pension plan fiduciary net position**

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

**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. A separate report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Active plan member	<u>171</u>
Total	<u><u>175</u></u>

**Summary of Significant Accounting Policies**

**Basis of Accounting**

The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- Contributions to the pension plan and earnings on those contributions are irrevocable
- Pension plan assets are dedicated to providing benefits to plan members

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

- Pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members

**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, 2014 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 5.0% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.0%. The assumptions did not include post-retirement 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, 2014 was 16 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	\$ 352,388
Interest on net pension obligation	83,970
Adjustment to annual required contribution	<u>(147,580)</u>
Annual pension cost	288,778
Contributions made	<u>(49,786)</u>
Increase in net pension, obligation	238,992
Net pension obligation, beginning of year	<u>1,679,408</u>
Net pension obligation, end of year	<u><u>\$ 1,918,400</u></u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Funded Status and Funding Progress**

<b>Three Year Trend Information</b>			
Fiscal Year	Annual Pension	% of APC	Net Pension
Ended	Cost (APC)	Contributed	Obligation
2014	\$ 203,289	24.19%	\$ 1,452,923
2015	273,674	17.24%	1,679,408
2016	288,778	17.24%	1,918,400

As of December 31, 2015, 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 \$3,583,212. The covered payroll (annual payroll of active employees covered by the plan) was \$9,791,266, and the ratio of the UAAL to the covered payroll was 36.60%. 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 is 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, 2016 were \$616,958 which consisted of \$446,594 from the County and \$170,364 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, 2016 were \$2,687,515 which consisted of \$1,859,758 from the County and \$827,757 from the employees.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

**Plan Description**

Brunswick County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the 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, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided**

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

**Contributions**

Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$17,468 for the year ended June 30, 2016.

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

At June 30, 2016, the County reported an asset of \$486,760 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2015, the County's proportion was 2.100%, which was an increase of 0.001% from its proportion measured as of June 30, 2014.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

For the year ended June 30, 2016, the County recognized pension expense of \$34,823. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,380	\$ 8,058
Net difference between projected and actual investment earnings	24,140	-
Change in proportion and difference between employer contributions and proportionate share of contributions	-	8,242
County contributions subsequent to the measurement date	<u>17,468</u>	<u>-</u>
	<u>\$ 43,988</u>	<u>\$ 16,300</u>

\$17,468 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2017	(2,633)
2018	1,207
2019	5,133
2020	6,513
2021	-
Thereafter	-

**Actuarial Assumptions**

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.2%:

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

**Discount rate**

The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(4.75%)</u>	<u>(5.75%)</u>	<u>(6.75%)</u>
County's proportionate share of the net pension liability (asset)	\$ (439,154)	\$ (486,760)	\$ (527,707)

**Pension plan fiduciary net position**

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**F. Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to his/her death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payrolls, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants.

For the fiscal year ended June 30, 2016, the County made contributions to the State for death benefits of \$273,358. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.80% and 0.14% of covered payroll, respectively.

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

**Plan Description**

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

Membership of the plan consisted of the following at December 31, 2014, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>	<u>Firefighters</u>
Retirees and dependents receiving benefits	240	n/a	n/a
Active plan members	<u>678</u>	<u>158</u>	<u>74</u>
Total	<u><u>918</u></u>	<u><u>158</u></u>	<u><u>74</u></u>

**Funding Policy**

The Board of Commissioners established the contribution requirements of plan members which may be amended by the Board. The County has chosen to fund the health care benefits on a pay-as-you-go basis.

The current Annual Required Contribution rate is 17.17% of annual covered payroll. For the current fiscal year, the County contributed \$2,517,723 or 5.69% of annual covered payroll for retiree health premiums. The County is self-insured for pre-65 retirees and fully insured

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

through a private Medicare and prescription supplement insurer for those retirees age 65 and above. There were no contributions made by retired employees, except for pre-65 retirees electing dependent coverage in the amount of \$115,912. The County's obligation to contribute to the Plan is established and may be amended by the County Board.

**Summary of Significant Accounting Policies**

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

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

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

Annual required contribution	\$ 7,604,694
Interest on net pension obligation	1,553,687
Adjustment to annual required contribution	<u>(1,484,254)</u>
Annual pension cost	7,674,127
Contributions made	<u>(2,517,723)</u>
Increase in net pension, obligation	5,156,404
Net pension obligation, beginning of year	<u>38,842,171</u>
Net pension obligation, end of year	<u><u>\$ 43,998,575</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 were as follows:

**Three Year Trend Information**

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 6,679,704	19.9%	\$ 33,720,746
2015	6,888,140	25.6%	38,842,171
2016	7,674,127	32.8%	43,998,575

**Fund Status and Funding Progress**

As of December 31, 2014, 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 \$78,248,387. The covered payroll (annual payroll of active employees covered by the plan) was \$44,278,610, and the ratio of the UAAL to the covered payroll was 176.7%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and health care trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about the actuarial value of plan assets and the actuarially 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, 2014 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 pre-Medicare medical cost trend increase of 7.50 to 5.00 percent annually and an annual post-Medicare medical cost trend increase of 5.50 to 5.00 percent annually. The rate included a 3.0 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2014, was 30 years.

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

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

##### **Municipal Solid Waste Landfill**

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

##### **Construction and Demolition Debris Landfill**

The County operates a multi-phase construction and demolition debris landfill. The North Carolina Department of Environmental Quality ("NCDEQ") has issued permits for 6 separate phases with a permit that extends to March 28, 2019. The final phases of the landfill, Phases 6A, 6B, and 6C, were permitted for 588,000 CY. It is estimated that approximately 79% of Phase 6 has been used.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

The total permitted capacity of the C&D debris landfill is 1,146,000 cubic yards (CY). As of June 30, 2016, the volume utilized has not exceeded the permitted capacity.

Using the results of the annual survey it is estimated that approximately 181,000 cubic yards of useable airspace remain in the C&D debris landfill. The tonnage of C&D debris received at the landfill during FY 2015-2016 increased approximately 19% from FY 2014-2015. The tonnage of C&D debris disposed in the landfill during FY 2015-2016 increased approximately 46% from FY 2014-2015. The increase in C&D debris received represents an increase for the third consecutive year, although the County continues to divert a portion of the C&D debris waste stream through the MSW Transfer Station. The County diverted approximately 3% less C&D debris during FY 2015-2016 than in FY 2014-2015. It is anticipated that the life of the C&D debris landfill will extend to at least FY 2017-2018 based on a tonnage of 25,000 tons/year, a flat growth rate, and no diversion of C&D debris.

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

**Closure and Post-closure Care Cost**

The C&D debris landfill closure and post closure costs have been prepared as each phase of the C&D debris landfill developed. The post closure costs for the MSW landfill were developed at the time the MSW landfill was closed. It is important to note the MSW landfill post closure costs carry forward until the C&D debris landfill closure occurs. After the C&D debris landfill closure occurs, the 30-year post closure period will start anew for the MSW and C&D debris landfill. If the C&D debris landfill closure occurs prior to the MSW landfill post closure period ending, the County may not be required to expend the total MSW post closure costs remaining. This will continue to be monitored as the C&D debris landfill reaches ultimate capacity.

The closure and post-closure care liability is computed based on the cumulative, estimated capacity of the landfill utilized as of June 30, 2016 which is 79%. It is estimated that closure of the C&D debris landfill will not occur until sometime during FY 2017-2018. The MSW landfill was closed in 1997. At June 30, 2016, the post-closure care cost for the MSW landfill is expected to be approximately \$110,000 annually. The post-closure care cost for the C&D debris landfill is expected to be approximately \$160,000 annually after closure. At June 30, 2016, the combined closure and post-closure care costs for both landfills are expected to total \$8,502,901 based on an escalation factor of 2%. Of that amount, \$8,502,901 has been accrued at June 30, 2016 and is included in the Long-Term Debt reported on the statement of net position.

Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has elected to establish a reserve fund to accumulate resources for the payment of closure and post-closure care costs. A reserve for landfill closure and post-closure care costs is included in the County Capital Project Fund in the amount of \$5,957,671. The County expects to budget annual transfers from the General Fund to the County Capital Reserve Fund based on the projected cost of closure and post-closure care costs. Future inflation costs are expected to be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate, additional costs may be covered by future user charges or tax revenues.

The last addition of closure costs occurred during the 2007 permitting action for the C&D debris landfill permit amendment. During this permitting action, a modified Phase 6C area was added to the C&D debris landfill closure costs. The modified Phase 6 area was associated with the final grades of

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Area 6C being permitted to gain additional airspace. The modified Phase 6 area has a higher closure cost per acre than the other phases. This is due to geotechnical considerations where Area 6C will tie back to existing grades of the existing C&D debris landfill.

#### 11. Risk Management

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

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

The County has chosen not to purchase flood insurance based on a determination that the assets located in flood prone areas consist mainly of underground utility piping and pump stations designed for the environment. There were no significant changes to the insurance coverage from the previous year and settled claims have not exceeded limits in any line of coverage with the Pool during the past five fiscal years.

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

Worker's compensation insurance is self-funded by the County with retention of \$600,000 per occurrence for law enforcement and 500,000 per occurrence for all other employees. Specific excess and aggregate coverage up to the statutory limits is brokered through Wells Fargo Insurance Services with Safety National Casualty Corporation. The County contracts with a third party administrator to adjudicate claims and manage cost containment of medical billing.

The County is self-funded for employee health insurance and contracted with Blue Cross and Blue Shield as a third party administrator to adjudicate claims and manage cost containment. To safeguard against catastrophic claims, the County has specific stop-loss coverage that occurs after \$150,000 in claims per member. The specific stop loss is brokered through Blue Cross and Blue Shield.

The Director of Fiscal Operations, Tax administrator, Sheriff and Register of Deeds are each individually bonded for \$250,000, \$500,000, \$25,000 and \$10,000 respectively. In accordance with G.S. 159-29, the County adopted a system of \$250,000 blanket faithful performance bonding as an alternative to individual bonds for all other employees that have access to funds.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR's.)

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

	<b>Workers' Compensation</b>	
	<b>2015</b>	<b>2016</b>
Unpaid claims, beginning	\$ 228,715	\$ 944,617
Incurred claims	2,062,002	50,033
Claim payments	(1,346,100)	(497,961)
Unpaid claims, ending	<u>\$ 944,617</u>	<u>\$ 496,689</u>

Changes in the balances in claims for employee and dependent health insurance during the last fiscal year are as follows:

	<b>Employee Health</b>	
	<b>2015</b>	<b>2016</b>
Unpaid claims, beginning	\$ 787,841	\$ 1,208,199
Incurred claims	12,550,579	9,135,042
Claim payments	(12,130,221)	(9,529,354)
Unpaid claims, ending	<u>\$ 1,208,199</u>	<u>\$ 813,887</u>

The County carries commercial coverage for all other risks of loss, including property and liability for emergency service vehicles. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

**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, 2016, the amount of general obligation

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

bonds issued for this purpose that was still outstanding was \$15,637,567. The County made total debt service payments related to the bonds of \$3,117,788 during the fiscal year. Of that total, \$2,397,982 was for principal and \$719,806 was for interest. In addition, the County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$3,648,737 to the Community College for operating purposes during the fiscal year ended June 30, 2016.

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, 2016. Complete financial statements for the Brunswick County Community College may be obtained from the Community College's administrative offices at U.S. Hwy. 17 N., Supply, North Carolina.

**Trillium Health Resources**

The County participates with 24 other counties in Eastern North Carolina in a joint venture to operate the Trillium Health Resources ("Center"), which is located in New Hanover County. The Trillium Health Resources Board is a political subdivision of the State of North Carolina. Brunswick County contributed \$250,443 for operating purposes during the year ended June 30, 2016. The participating counties do not have any equity interest in the joint venture. Complete financial statements for Trillium Health Resources may be obtained from the Center's administrative offices at 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 \$30,438 to the Council during the fiscal year ended June 30, 2016.

**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, 2016 was \$1,151,187.

In addition, the Authority made payments to the County during the fiscal year totaling \$240,734 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, H2GO, City of Northwest, and the County have entered into wastewater service agreements for a portion of the treatment capacity in the plant. The County has recently completed an expansion of the plant of 825,000 gpd to bring capacity to 2.475 mgd due to increased needs of the participants.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Each participant is charged capacity service fees based on their share of the capacity in the plant. The County's share of capacity and related debt service is funded by the retail revenue of the County's customers. The participant capacity service fees are combined with the County's retail revenue to service the debt associated with the plant. Participants are also charged treatment service fees based on the metered flow they send to the plant. The participant fees and the costs allocation to the County for their customer flow are combined so that the operating and maintenance costs of the plant are recovered by County retail revenues and participant service fees on a proportional and break-even basis. The agreement and policies and regulations provide for an oversight committee to make budget and operating recommendations to the County Commissioners.

#### **West Brunswick Regional Water Reclamation Facility**

The Facility is owned, operated and maintained by the County. The Town of Holden Beach, Town of Oak Island, Town of Shallotte and the County have entered into wastewater service agreements for a portion of the 6.0 mgd treatment capacity in the plant. As part of the West Brunswick Regional Area, the Shallotte Water Reclamation Facility was acquired from the Town of Shallotte through a Sewer Service Agreement. The Shallotte Facility has a permitted treatment capacity of 0.500 mgd and effluent from the facility is sprayed on a 200 acre site adjacent to the plant. The County currently leases a portion of its allocated capacity to the City of Southport for treatment of wastewater generated within the City of Southport Service area. The City of Southport requested and the County has provided a proposal for the City of Southport to purchase capacity in the West Brunswick Regional Wastewater System. If the proposal is accepted by the City of Southport, the County would expand the West Brunswick Regional Wastewater System from 6.5 to 7.0 mgd. Each participant is charged capacity service fees based on their share of the capacity in the plant. The County's share of capacity and related debt service is funded by the retail revenue of the County's customers. The participant capacity service fees are combined with the County's retail revenue to service the debt associated with the plant. Participants are also charged treatment service fees based on the metered flow they send to the plant. The participant fees and the costs allocation to the County for their customer flow are combined so that the operating and maintenance costs of the plant are recovered by County retail revenues and participant service fees on a proportional and breakeven basis. The wastewater service agreement and policies and regulations provide for an oversight committee to make budget and operating recommendations to the County Commissioners.

#### **Ocean Isle Beach Water Reclamation Facility**

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

#### **15. Benefit Payments issued by the State**

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**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, 2016. The projects are accounted for in the Government Capital Projects fund and Enterprise Capital Project Funds and are mainly funded by debt proceeds:

Project	Balance of Contracts
Northwest Water Plant Expansion	\$ 265,856
FY15 Top 6 Water Mains	312,143
Middle River and Smith Roads	128,455
17 South and Avalon Water Mains	111,988
Waccamaw Elementary School Addition	421,303
North Brunswick High School Addition	356,196
Airport Grant Projects	79,060
Avalon	1,362,953
Waccamaw Parks Improvements	269,339
Sheriff's Office Firing Range	1,814,623
Leland Senior Center	1,216,480
Total	<u>\$ 6,338,396</u>

**Grants**

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. At June 30, 2016, 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.

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## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- 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
- Schedule of Proportionate Share of Net Pension Liability (Asset) for the Local Government Employee's Retirement System
- Schedule of County Contributions for the Local Government Employee's Retirement System
- Schedule of Proportionate Share of Net Pension Liability (Asset) for the Register of Deeds Supplemental Pension Fund
- Schedule of County Contributions for the Register of Deeds Supplemental Pension Fund

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COUNTY OF BRUNSWICK, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE YEAR ENDED JUNE 30, 2016

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
12/31/2015	\$ -	\$ 3,583,212	\$ 3,583,212	0.00%	\$ 9,791,266	36.60%
12/31/2014	-	2,120,795	2,120,795	0.00%	8,760,114	24.21%
12/31/2013	-	1,979,238	1,979,238	0.00%	8,514,062	23.25%
12/31/2012	-	1,713,666	1,713,666	0.00%	7,141,765	23.99%
12/31/2011	-	1,635,125	1,635,125	0.00%	7,029,630	23.26%
12/31/2010	-	1,495,262	1,495,262	0.00%	6,654,662	22.47%

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	12/31/2015	
Actuarial cost method	Entry Age Normal	
Amortization method	Level dollar closed	
Remaining amortization period	15 years	
Asset valuation method	Market value	
<b>Actuarial Assumptions:</b>		
Investment rate of return *	3.57%	* Includes inflation at 3.0%
Projected salary increases *	3.50-7.35%	
Cost of living adjustments	N/A	

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**OTHER POST EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2016**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets A</b>	<b>Actuarial Accrued Liability (AAL) -Projected Unit Credit B</b>	<b>Unfunded AAL (UAAL) B - A</b>	<b>Funded Ratio A / B</b>	<b>Covered Payroll C</b>	<b>UAAL as a Percentage Covered Payroll (B - A) / C</b>
12/31/2014	-	\$ 78,248,387	\$ 78,248,387	0.00%	\$ 44,278,610	176.7%
12/31/2012	-	66,633,440	66,633,440	0.00%	40,456,870	164.7%
12/31/2010	-	62,955,399	62,955,399	0.00%	43,062,825	146.2%
12/31/2008	-	51,697,990	51,697,990	0.00%	33,371,151	154.9%
12/31/2006	-	49,458,857	49,458,857	0.00%	24,093,567	205.3%

**Schedule of Employer Contributions**

<b>Year Ended June 30</b>	<b>Annual Required Contribution (ARC)</b>	<b>Amount Contributed</b>	<b>Percentage of ARC Contributed</b>
2016	\$ 7,604,694	\$ 2,517,723	33.1%
2015	6,827,861	1,766,715	25.9%
2014	6,628,993	1,327,037	20.0%
2013	6,628,993	1,205,552	18.2%
2012	5,859,894	1,222,794	20.9%
2011	5,859,894	1,319,804	22.5%

**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	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	4.00%
Medical cost trend rate	
Pre-Medicare trend rate	7.50%-5.00%
Post-Medicare trend rate	5.50%-5.00%
Year of ultimate trend rate	2020

\*Includes inflation at 3.00%

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

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

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

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,147,279	\$ 3,283,781	\$ 3,175,088
Contributions in relation to the contractually required contribution	<u>3,147,279</u>	<u>3,283,781</u>	<u>3,175,088</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County of Brunswick's covered-employee payroll	\$ 46,196,679	\$ 46,166,707	\$ 44,833,198
Contributions as a percentage of covered-employee payroll	6.81%	7.11%	7.08%

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
County of Brunswick's proportion of the net pension liability (asset) (%)	2.10041%	2.09977%	1.99812%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$ (486,760)	\$ (475,927)	\$ (426,798)
County of Brunswick's covered-employee payroll	\$ 83,940	\$ 81,101	\$ 79,254
County of Brunswick's proportionate share of the net pension liability	(579.89%)	(586.83%)	(538.52%)
Plan fiduciary net position as a percentage of the total pension liability	197.29%	193.88%	190.50%

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

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

## MAJOR GOVERNMENTAL FUNDS

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

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

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

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COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Current year taxes		\$ 110,487,764		\$ 107,604,727
Prior year taxes		4,498,641		4,406,880
Penalties and interest		1,194,329		1,169,035
	<u>\$ 111,525,397</u>	<u>116,180,734</u>	<u>\$ 4,655,337</u>	<u>113,180,642</u>
<b>Local Option Sales Taxes:</b>				
Article 39 and 44 (1%)		8,728,498		8,260,987
Article 40 (1/2%)		6,319,219		5,898,786
Article 42 (1/2%)		5,896,609		5,538,538
	<u>19,591,196</u>	<u>20,944,326</u>	<u>1,353,130</u>	<u>19,698,311</u>
<b>Other Taxes and Licenses:</b>				
Scrap tire disposal fee		170,116		161,351
Deed stamp excise tax		3,272,417		2,634,061
Solid waste tax		47,721		46,868
White goods disposal tax		59,775		37,040
1% Occupancy Tax		1,406,224		1,209,423
	<u>4,732,780</u>	<u>4,956,253</u>	<u>223,473</u>	<u>4,088,743</u>
<b>Unrestricted Intergovernmental:</b>				
Medicaid hold harmless		1,948,487		2,360,272
Beer and wine tax		269,014		287,908
Jail fees		191,941		296,698
	<u>1,086,000</u>	<u>2,409,442</u>	<u>1,323,442</u>	<u>2,944,878</u>
<b>Restricted Intergovernmental:</b>				
State and federal grant		20,076,739		20,162,646
ARRA federal grant		7,583		9,188
Court facility fees		160,007		154,399
Payments in lieu of taxes		4,209		3,536
ABC education requirement		6,687		7,212
ABC law enforcement services		4,776		5,151
State drug tax		60,217		19,697
	<u>20,708,768</u>	<u>20,320,218</u>	<u>(388,550)</u>	<u>20,361,829</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Permits and Fees:</b>				
Building permits		1,944,352		1,863,824
Recording Fees		710,747		684,107
Inspection fees		7,364		6,740
Concealed handgun permit		197,451		135,405
Other permit and fees		<u>1,004,742</u>		<u>934,616</u>
	<u>3,698,904</u>	<u>3,864,656</u>	<u>165,752</u>	<u>3,624,692</u>
<b>Sales and Services:</b>				
Solid waste fees		2,162,436		1,889,451
School resource officer reimbursement		1,160,000		1,178,000
Rents		15,582		61,961
EMS Charges		3,675,570		3,950,659
Public health user fees		781,807		797,683
Sheriff animal protective services fees		89,192		87,871
Social services fees		67,967		66,474
Public housing fees		40,382		101,639
Tax collection fees		228,678		223,544
Other sales and services		1,509,688		979,904
Register of deeds		303,968		283,064
Marriage licenses		52,767		54,480
Recreation services		<u>292,772</u>		<u>279,147</u>
	<u>9,032,939</u>	<u>10,380,809</u>	<u>1,347,870</u>	<u>9,953,877</u>
<b>Investment earnings</b>	<u>85,000</u>	<u>102,528</u>	<u>17,528</u>	<u>86,976</u>
<b>Other:</b>				
Tax refunds - sales and gas tax		2,582		1,109
ABC bottles taxes		55,353		52,995
County Board of Alcohol Control		24,000		24,000
Contributions		59,999		45,854
Other revenues		<u>2,162,535</u>		<u>2,275,882</u>
	<u>2,053,979</u>	<u>2,304,469</u>	<u>250,490</u>	<u>2,399,840</u>
Total revenues	<u>172,514,963</u>	<u>181,463,435</u>	<u>8,948,472</u>	<u>176,339,788</u>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Body:</b>				
Salaries		184,016		220,041
Fringe benefits		30,645		50,787
Operating costs		<u>54,409</u>		<u>51,988</u>
	<u>306,405</u>	<u>269,070</u>	<u>37,335</u>	<u>322,816</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>County Administration:</b>				
Salaries		413,338		385,066
Fringe benefits		111,201		121,078
Operating costs		<u>15,911</u>		<u>22,934</u>
	<u>550,790</u>	<u>540,450</u>	10,340	<u>529,078</u>
<b>Human Resources:</b>				
Salaries		385,177		323,402
Fringe benefits		138,862		124,993
Operating costs		<u>7,716</u>		<u>17,768</u>
	<u>548,103</u>	<u>531,755</u>	16,348	<u>466,163</u>
<b>Finance:</b>				
Salaries		741,539		654,837
Fringe benefits		236,880		234,128
Operating costs		<u>459,833</u>		<u>370,285</u>
	<u>1,493,608</u>	<u>1,438,252</u>	55,356	<u>1,259,250</u>
<b>Tax Administration:</b>				
Salaries		2,089,550		1,997,824
Fringe benefits		791,341		889,378
Operating costs		646,075		797,035
Capital outlay		<u>44,502</u>		<u>-</u>
	<u>3,882,358</u>	<u>3,571,468</u>	310,890	<u>3,684,237</u>
<b>County Attorney:</b>				
Salaries		281,448		336,716
Fringe benefits		83,675		105,135
Operating costs		<u>125,390</u>		<u>206,100</u>
	<u>650,590</u>	<u>490,513</u>	160,077	<u>647,951</u>
<b>Court Facilities:</b>				
Fringe benefits		-		2,187
Operating costs		<u>228,572</u>		<u>279,036</u>
	<u>308,592</u>	<u>228,572</u>	80,020	<u>281,223</u>
<b>Board of Elections:</b>				
Salaries		449,424		349,588
Fringe benefits		94,250		102,288
Operating costs		<u>281,535</u>		<u>149,139</u>
	<u>957,685</u>	<u>825,209</u>	132,476	<u>601,015</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Register of Deeds:</b>				
Salaries		622,708		605,668
Fringe benefits		274,210		304,411
Operating costs		<u>1,965,130</u>		<u>1,645,754</u>
	<u>2,875,207</u>	<u>2,862,048</u>	<u>13,159</u>	<u>2,555,833</u>
Total general government	<u>11,573,338</u>	<u>10,757,337</u>	<u>816,001</u>	<u>10,347,566</u>
<b>Central Services:</b>				
<b>Management Information Systems:</b>				
Salaries		881,749		846,247
Fringe benefits		290,989		302,856
Operating costs		932,008		1,037,116
Capital outlay		<u>469,507</u>		<u>35,121</u>
	<u>2,725,857</u>	<u>2,574,253</u>	<u>151,604</u>	<u>2,221,340</u>
<b>Service Center:</b>				
Salaries		588,759		610,757
Fringe benefits		225,120		266,845
Operating costs		275,836		294,256
Capital outlay		<u>33,864</u>		<u>23,885</u>
	<u>1,198,563</u>	<u>1,123,579</u>	<u>74,984</u>	<u>1,195,743</u>
<b>Engineering:</b>				
Salaries		337,801		335,390
Fringe benefits		107,907		118,094
Operating costs		83,378		24,647
Capital outlay		<u>53,573</u>		<u>-</u>
	<u>629,423</u>	<u>582,659</u>	<u>46,764</u>	<u>478,131</u>
<b>Operation Services:</b>				
Salaries		1,995,161		1,991,979
Fringe benefits		838,201		964,204
Operating costs		3,383,026		2,951,521
Capital outlay		<u>190,155</u>		<u>309,911</u>
	<u>7,071,060</u>	<u>6,406,543</u>	<u>664,517</u>	<u>6,217,615</u>
<b>Non-departmental:</b>				
Fringe benefits		2,428,341		2,016,930
Operating costs		<u>904,144</u>		<u>404,727</u>
	<u>3,685,220</u>	<u>3,332,485</u>	<u>352,735</u>	<u>2,421,657</u>
Total central services	<u>15,310,123</u>	<u>14,019,519</u>	<u>1,290,604</u>	<u>12,534,486</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Public Safety:</b>				
<b>District Attorney:</b>				
Operating costs		123,559		116,376
	<u>123,600</u>	<u>123,559</u>	41	<u>116,376</u>
<b>Sheriff:</b>				
Salaries		7,778,156		7,794,620
Fringe benefits		2,793,020		2,999,071
Operating costs		2,038,889		2,264,666
Capital outlay		511,214		453,368
	<u>13,278,914</u>	<u>13,121,279</u>	157,635	<u>13,511,725</u>
<b>Detention Center:</b>				
Salaries		3,971,538		3,906,504
Fringe benefits		1,501,472		1,629,643
Operating costs		2,038,950		2,125,419
Capital outlay		17,486		49,539
	<u>7,748,117</u>	<u>7,529,446</u>	218,671	<u>7,711,105</u>
<b>Emergency Medical:</b>				
Salaries		4,430,868		4,623,322
Fringe benefits		1,467,620		1,676,826
Operating costs		1,208,169		1,283,531
Capital outlay		267,021		715,548
	<u>7,493,900</u>	<u>7,373,678</u>	120,222	<u>8,299,227</u>
<b>Emergency Management:</b>				
Salaries		351,977		405,919
Fringe benefits		113,277		138,499
Operating costs		265,633		235,552
Capital outlay		3,863		36,906
	<u>1,049,057</u>	<u>734,750</u>	314,307	<u>816,876</u>
<b>Other Agencies:</b>				
Fire districts		594,726		548,100
Rescue Squads		426,811		384,964
	<u>1,029,093</u>	<u>1,021,537</u>	7,556	<u>933,064</u>
<b>Code Administration:</b>				
Salaries		991,537		887,653
Fringe benefits		348,213		351,990
Operating costs		92,546		93,745
Capital outlay		18,838		-
	<u>1,534,749</u>	<u>1,451,134</u>	83,615	<u>1,333,388</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Central Communications:</b>				
Salaries		1,350,481		1,347,340
Fringe benefits		521,260		592,163
Operating costs		181,574		145,321
Capital outlay		304,645		75,876
	<u>2,490,163</u>	<u>2,357,960</u>	<u>132,203</u>	<u>2,160,700</u>
<b>Animal Protective Services:</b>				
Salaries		582,288		532,440
Fringe benefits		224,499		235,102
Operating costs		244,552		249,984
	<u>1,083,992</u>	<u>1,051,339</u>	<u>32,653</u>	<u>1,017,526</u>
Total public safety	<u>35,831,585</u>	<u>34,764,682</u>	<u>1,066,903</u>	<u>35,899,987</u>
<b>Transportation:</b>				
Cape Fear Regional Jetport		97,000		97,000
Odell Williamson Municipal Airport		27,500		27,500
Cape Fear Transportation Authority		29,350		33,663
Brunswick Transit System		186,354		169,157
Total transportation	<u>362,725</u>	<u>340,204</u>	<u>22,521</u>	<u>327,320</u>
<b>Environmental Protection:</b>				
<b>Solid Waste:</b>				
Salaries		293,605		300,944
Fringe benefits		116,502		131,805
Operating costs		13,554,215		13,197,057
Capital outlay		-		7,810
	<u>14,088,691</u>	<u>13,964,322</u>	<u>124,369</u>	<u>13,637,616</u>
<b>Other:</b>				
Forestry services		197,897		188,072
Brunswick County Beach Consortium		-		13,500
	<u>222,569</u>	<u>197,897</u>	<u>24,672</u>	<u>201,572</u>
Total environmental protection	<u>14,311,260</u>	<u>14,162,219</u>	<u>149,041</u>	<u>13,839,188</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Economic Development:</b>				
<b>Planning</b>				
Salaries		375,961		452,971
Fringe benefits		123,048		184,792
Operating costs		83,395		180,130
	<u>641,935</u>	<u>582,404</u>	<u>59,531</u>	<u>817,893</u>
<b>Cooperative Extension:</b>				
Salaries		290,542		303,118
Fringe benefits		102,947		109,704
Operating costs		105,660		137,534
	<u>578,752</u>	<u>499,149</u>	<u>79,603</u>	<u>550,356</u>
<b>Soil and Water Conservation:</b>				
Salaries		137,071		140,510
Fringe benefits		52,300		59,567
Operating costs		13,506		14,479
	<u>212,028</u>	<u>202,877</u>	<u>9,151</u>	<u>214,556</u>
<b>Public Housing Section 8:</b>				
Salaries		183,890		198,493
Fringe benefits		65,541		81,400
Operating costs		2,113,249		2,216,089
	<u>2,459,790</u>	<u>2,362,680</u>	<u>97,110</u>	<u>2,495,982</u>
<b>Economic Development:</b>				
Salaries		111,584		208,434
Fringe benefits		38,933		72,805
Operating costs		63,988		138,500
Capital outlay		48,857		-
	<u>473,206</u>	<u>263,362</u>	<u>209,844</u>	<u>419,739</u>
<b>1% Occupancy Tax:</b>				
Operating costs	<u>1,410,000</u>	<u>1,406,224</u>	<u>3,776</u>	<u>1,209,423</u>
<b>Other Economic Development:</b>				
Oak Island Beach abatement and renourishment		166,666		166,666
Lockwood Folly River aquatic restoration		101,828		-
Reserve for shoreline protection		50,000		-
	<u>408,494</u>	<u>318,494</u>	<u>90,000</u>	<u>166,666</u>
Total economic development	<u>6,184,205</u>	<u>5,635,190</u>	<u>549,015</u>	<u>5,874,615</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Human Services:</b>				
<b>Health:</b>				
<b>Administration:</b>				
Salaries		2,260,460		2,246,505
Fringe benefits		1,054,504		945,548
Operating costs		174,556		207,720
	<u>3,865,591</u>	<u>3,489,520</u>	<u>376,071</u>	<u>3,399,773</u>
<b>Communicable Diseases:</b>				
Operating costs	<u>379,622</u>	<u>287,787</u>	<u>91,835</u>	<u>249,995</u>
<b>Adult Health Maintenance:</b>				
Salaries		-		625
Fringe benefits		-		48
Operating costs		140,299		169,781
	<u>168,813</u>	<u>140,299</u>	<u>28,514</u>	<u>170,454</u>
<b>Senior Health</b>				
Salaries		48,214		212,743
Fringe benefits		19,293		82,954
Operating costs		3,452		194,062
	<u>72,795</u>	<u>70,959</u>	<u>1,836</u>	<u>489,759</u>
<b>Maternal and Child Health:</b>				
Salaries		364,923		384,038
Fringe benefits		154,473		181,231
Operating costs		506,292		519,922
Capital outlay		-		8,403
	<u>1,166,585</u>	<u>1,025,688</u>	<u>140,897</u>	<u>1,093,594</u>
<b>Environmental Health:</b>				
Salaries		783,556		834,719
Fringe benefits		270,923		311,009
Operating costs		293,997		179,147
Capital outlay		43,227		6,991
	<u>1,545,081</u>	<u>1,391,703</u>	<u>153,378</u>	<u>1,331,866</u>
<b>Employee Wellness:</b>				
Salaries		-		119,507
Fringe benefits		-		45,018
Operating costs		-		81,349
	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,874</u>
Total health	<u>7,198,487</u>	<u>6,405,956</u>	<u>792,531</u>	<u>6,981,315</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Veterans' Services:</b>				
Salaries		125,079		121,331
Fringe benefits		49,769		55,433
Operating costs		10,292		9,166
Total veterans' services	<u>187,296</u>	<u>185,140</u>	<u>2,156</u>	<u>185,930</u>
<b>Social Services:</b>				
<b>Administration:</b>				
Salaries		6,017,102		6,017,337
Fringe benefits		3,034,988		2,573,176
Operating costs		3,264,203		2,915,722
Capital outlay		-		48,767
	<u>13,797,687</u>	<u>12,316,293</u>	<u>1,481,394</u>	<u>11,555,002</u>
<b>Other Operating Costs:</b>				
Medical assistance		3,508		11,083
Aid to the blind		5,039		4,933
Adoption assistance		223,792		245,010
Foster care		614,438		763,733
State foster home		201,885		338,089
Special assistance		441,045		410,317
Day care		4,045,601		5,280,538
Special child adoption assistance		38,347		7,056
	<u>6,135,683</u>	<u>5,573,655</u>	<u>562,028</u>	<u>7,060,759</u>
Total social services	<u>19,933,370</u>	<u>17,889,948</u>	<u>2,043,422</u>	<u>18,615,761</u>
<b>Other Human Services:</b>				
Trillium Health Resources		250,443		710,207
Brunswick Senior Resources, Inc.		1,594,208		1,565,000
Other human services		205,994		171,737
	<u>2,051,925</u>	<u>2,050,645</u>	<u>1,280</u>	<u>2,446,944</u>
Total human services	<u>29,371,078</u>	<u>26,531,689</u>	<u>2,839,389</u>	<u>28,229,950</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Education:</b>				
Public schools		33,790,863		33,335,477
Public schools - capital outlay		708,899		699,346
Community college		3,598,737		3,699,447
Community college - capital outlay		<u>50,000</u>		<u>50,000</u>
Total education	<u>38,148,499</u>	<u>38,148,499</u>	-	<u>37,784,270</u>
<b>Culture and Recreation:</b>				
<b>Parks and Recreation:</b>				
<b>Administration:</b>				
Salaries		564,337		545,847
Fringe benefits		170,561		188,794
Operating costs		501,728		415,438
Capital outlay		<u>30,065</u>		<u>3,515,427</u>
	<u>1,369,658</u>	<u>1,266,691</u>	102,967	<u>4,665,506</u>
<b>Maintenance:</b>				
Salaries		662,502		635,632
Fringe benefits		235,975		255,732
Operating costs		396,591		460,359
Capital outlay		<u>75,150</u>		<u>207,690</u>
	<u>1,444,635</u>	<u>1,370,218</u>	74,417	<u>1,559,413</u>
Total Parks and Recreation	<u>2,814,293</u>	<u>2,636,909</u>	177,384	<u>6,224,919</u>
<b>Brunswick County Library:</b>				
Salaries		684,964		678,186
Fringe benefits		277,363		311,619
Operating costs		<u>242,905</u>		<u>242,275</u>
	<u>1,254,472</u>	<u>1,205,232</u>	49,240	<u>1,232,080</u>
Total culture and recreation	<u>4,068,765</u>	<u>3,842,141</u>	226,624	<u>7,456,999</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Debt Service:</b>				
Principal retirement	11,470,000	11,470,000	-	10,440,000
Interest and fees	3,411,873	3,410,271	1,602	3,489,128
Total debt service	<u>14,881,873</u>	<u>14,880,271</u>	<u>1,602</u>	<u>13,929,128</u>
<b>Contingency:</b>				
Operating costs	106,047	-	106,047	-
Total expenditures	<u>170,149,498</u>	<u>163,081,751</u>	<u>7,067,747</u>	<u>166,223,509</u>
<b>Revenues over (under) expenditures</b>	<u>2,365,465</u>	<u>18,381,684</u>	<u>16,016,219</u>	<u>10,116,279</u>
<b>Other Financing Sources (Uses):</b>				
Issuance of long-term debt	-	-	-	4,620,000
Premiums on bonds	-	-	-	157,137
Payment to escrow agent for refunded debt	-	-	-	(4,670,000)
Sale of capital assets	-	11,640	11,640	-
	<u>-</u>	<u>11,640</u>	<u>11,640</u>	<u>107,137</u>
<b>Transfers From Other Funds:</b>				
Transfer from county capital project fund	-	-	-	88,000
Transfer from special revenue fund	-	-	-	13,682
	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,682</u>
<b>Transfers To Other Funds:</b>				
Transfer to county capital project fund	(8,623,712)	(8,623,712)	-	(3,500,000)
Transfer to grant project funds	(20,000)	(20,000)	-	(24,116)
Transfer to emergency telephone system fund	(11,793)	(11,763)	30	(3,888)
Transfer to school capital project funds	(5,748,725)	(5,748,725)	-	(4,720,425)
	<u>(14,404,230)</u>	<u>(14,404,200)</u>	<u>30</u>	<u>(8,248,429)</u>
<b>Budgetary Financing Sources (Uses):</b>				
Appropriated fund balance	12,038,765	-	(12,038,765)	-
Total other financing sources (uses)	<u>(2,365,465)</u>	<u>(14,392,560)</u>	<u>(12,027,095)</u>	<u>(8,039,610)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>3,989,124</u>	<u>3,989,124</u>	<u>2,076,669</u>
<b>Fund balance, beginning of year</b>		<u>68,375,748</u>		<u>66,299,079</u>
<b>Fund balance, end of year</b>		<u>\$ 72,364,872</u>		<u>\$ 68,375,748</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - COUNTY CAPITAL PROJECTS FUND  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Budget	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
<b>Restricted Intergovernmental:</b>				
NC Department of Transportation	\$ 16,519,304	\$ 15,040,352	\$ 1,454,556	\$ 16,494,908
NC Parks & Recreation Trust Fund	859,354	500,000	-	500,000
	<u>17,378,658</u>	<u>15,540,352</u>	<u>1,454,556</u>	<u>16,994,908</u>
<b>Investment earnings</b>	<u>144,268</u>	<u>156,798</u>	<u>21,207</u>	<u>178,005</u>
<b>Other:</b>				
Performance bonds	4,213,721	4,213,721	-	4,213,721
Other revenues	701,716	254,507	372,840	627,347
	<u>4,915,437</u>	<u>4,468,228</u>	<u>372,840</u>	<u>4,841,068</u>
Total revenues	<u>22,438,363</u>	<u>20,165,378</u>	<u>1,848,603</u>	<u>22,013,981</u>
<b>Expenditures:</b>				
<b>Capital Improvements:</b>				
<b>Public Safety:</b>				
Sheriff's Firing Range	2,594,200	242,611	393,946	636,557
<b>Environmental protection:</b>				
Future capital projects	<u>5,957,671</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Economic Development:</b>				
Avalon	3,922,845	2,518,783	19,463	2,538,246
Springlake at Maritime Shores	274,585	-	-	-
	<u>4,197,430</u>	<u>2,518,783</u>	<u>19,463</u>	<u>2,538,246</u>
<b>Cultural and recreation:</b>				
Ocean Isle Beach Park Improvements	57,000	-	50,334	50,334
Town Creek Park Improvements	5,323,178	5,058,900	53,737	5,112,637
Waccamaw Park Improvements	3,700,717	3,082,837	313,610	3,396,447
Smithville Park Improvements	752,500	39,000	547,070	586,070
Leland Senior Center	2,908,000	202,833	1,447,033	1,649,866
District 1 Senior Center	835,000	-	717,998	717,998
Future capital projects	6,319,112	-	-	-
	<u>19,895,507</u>	<u>8,383,570</u>	<u>3,129,782</u>	<u>11,513,352</u>
<b>Transportation:</b>				
Airport Improvements	<u>18,822,732</u>	<u>17,093,672</u>	<u>1,019,286</u>	<u>18,112,958</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - COUNTY CAPITAL PROJECTS FUND  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Project Budget</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Total expenditures	<u>51,467,540</u>	<u>28,238,636</u>	<u>4,562,477</u>	<u>32,801,113</u>
<b>Revenues over (under) expenditures</b>	(29,029,177)	(8,073,258)	(2,713,874)	(10,787,132)
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	8,470,593	-	-	-
Transfer from general fund	22,548,023	13,924,313	8,623,712	22,548,025
Transfer to general fund	<u>(1,989,439)</u>	<u>(1,989,439)</u>	-	<u>(1,989,439)</u>
Total other financing sources (uses)	<u>29,029,177</u>	<u>11,934,874</u>	<u>8,623,712</u>	<u>20,558,586</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 3,861,616</u>	5,909,838	<u>\$ 9,771,454</u>
<b>Fund balance, beginning of year</b>			<u>12,351,075</u>	
<b>Fund balance, end of year</b>			<u>\$ 18,260,913</u>	

## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - EDUCATION CAPITAL PROJECTS FUND  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Budget	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
NC Public Education Lottery	\$ 7,082,039	\$ 7,092,796	\$ -	\$ 7,092,796
Investment earnings	1,199,342	1,322,925	9,651	1,332,576
Investment earnings-debt proceeds	-	3,417	19,595	23,012
Total revenues	<u>8,281,381</u>	<u>8,419,138</u>	<u>29,246</u>	<u>8,448,384</u>
<b>Expenditures:</b>				
Brunswick County Schools	65,269,067	38,890,770	13,429,533	52,320,303
Brunswick Community College	31,665,911	31,456,654	62,159	31,518,813
Total expenditures	<u>96,934,978</u>	<u>70,347,424</u>	<u>13,491,692</u>	<u>83,839,116</u>
<b>Revenues over (under) expenditures</b>	(88,653,597)	(61,928,286)	(13,462,446)	(75,390,732)
<b>Other Financing Sources (Uses):</b>				
Transfer from general fund	40,035,168	34,286,442	5,748,725	40,035,167
Transfer to general fund	(314,013)	(314,013)	-	(314,013)
Premium on bonds issued	1,874,936	1,874,936	-	1,874,936
Debt financing issued	40,515,000	40,515,000	-	40,515,000
Appropriated fund balance	6,542,506	-	-	-
Total other financing sources (uses)	<u>88,653,597</u>	<u>76,362,365</u>	<u>5,748,725</u>	<u>82,111,090</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 14,434,079</u>	(7,713,721)	<u>\$ 6,720,358</u>
<b>Fund balance, beginning of year</b>			<u>20,986,494</u>	
<b>Fund balance, end of year</b>			<u>\$ 13,272,773</u>	

## **NON MAJOR GOVERNMENTAL FUNDS**

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**EMERGENCY TELEPHONE SYSTEM FUND** - This fund accounts for the 911 revenues received by the State 911 Board to enhance the State's 911 system.

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

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

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## COUNTY OF BRUNSWICK, NORTH CAROLINA

## COMBINING BALANCE SHEET - NON MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

JUNE 30, 2016

	<b>Emergency Telephone System Fund</b>	<b>Grant Project</b>	<b>ROD- Technology Enhancement Fund</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents/investments	\$ 770,577	\$ 32,740	\$ 847,734	\$ 1,651,051
Interest receivable	253	-	223	476
Other governmental agencies	<u>54,953</u>	<u>88,489</u>	<u>-</u>	<u>143,442</u>
Total assets	<u>\$ 825,783</u>	<u>\$ 121,229</u>	<u>\$ 847,957</u>	<u>\$ 1,794,969</u>
<b>Liabilities:</b>				
Accounts payable and other liabilities	<u>39,723</u>	<u>114,664</u>	<u>36,557</u>	<u>190,944</u>
<b>Fund Balance:</b>				
Stabilization by State Statute	55,206	88,489	223	143,918
Restricted - other	730,854	-	811,177	1,542,031
Unassigned	<u>-</u>	<u>(81,924)</u>	<u>-</u>	<u>(81,924)</u>
Total fund balances	<u>786,060</u>	<u>6,565</u>	<u>811,400</u>	<u>1,604,025</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 825,783</u>	<u>\$ 121,229</u>	<u>\$ 847,957</u>	<u>\$ 1,794,969</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NON MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	<b>Emergency Telephone System Fund</b>	<b>Grant Project</b>	<b>ROD- Technology Enhancement Fund</b>	<b>Total</b>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 848,622	\$ 641,259	\$ -	\$ 1,489,881
Permits and fees	-	-	140,518	140,518
Investment earnings	633	64	1,078	1,775
Total revenues	<u>849,255</u>	<u>641,323</u>	<u>141,596</u>	<u>1,632,174</u>
<b>Expenditures:</b>				
General government	-	213,660	123,539	337,199
Public safety	1,188,836	123,583	-	1,312,419
Economic and physical development	-	343,774	-	343,774
Total expenditures	<u>1,188,836</u>	<u>681,017</u>	<u>123,539</u>	<u>1,993,392</u>
<b>Revenues over (under) expenditures</b>	(339,581)	(39,694)	18,057	(361,218)
<b>Other Financing Sources:</b>				
Transfers from general fund	<u>11,763</u>	<u>20,000</u>	<u>-</u>	<u>31,763</u>
<b>Net change in fund balances</b>	(327,818)	(19,694)	18,057	(329,455)
<b>Fund balance, beginning of year</b>	<u>1,113,878</u>	<u>26,259</u>	<u>793,343</u>	<u>1,933,480</u>
<b>Fund balance, end of year</b>	<u>\$ 786,060</u>	<u>\$ 6,565</u>	<u>\$ 811,400</u>	<u>\$ 1,604,025</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
 ACTUAL AND CHANGES IN FUND BALANCE - EMERGENCY TELEPHONE SYSTEM FUND  
 FOR THE YEAR ENDED JUNE 30, 2016  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 659,435	\$ 659,435	\$ -	\$ 1,006,952
911 Center Consolidation Grant	209,636	189,187	(20,449)	1,719,569
Other revenue	-	-	-	280,356
Investment earnings	-	633	633	1,495
Total revenues	<u>869,071</u>	<u>849,255</u>	<u>(19,816)</u>	<u>3,008,372</u>
<b>Expenditures:</b>				
Telephone and furniture	824,895	661,484	163,411	656,426
Computer software	191,085	58,788	132,297	70,712
Computer hardware	217,365	197,406	19,959	683,118
Staff training	8,000	3,147	4,853	6,322
Implemental functions	79,242	79,242	-	67,516
Capital Outlay 911 Center	209,636	188,769	20,867	1,715,047
Total expenditures	<u>1,530,223</u>	<u>1,188,836</u>	<u>341,387</u>	<u>3,199,141</u>
<b>Revenues over (under) expenditures</b>	(661,152)	(339,581)	321,571	(190,769)
<b>Other Financing Sources (Uses):</b>				
Transfers from general fund	11,793	11,763	(30)	3,888
Appropriated fund balance	649,359	-	(649,359)	-
Total other financing sources (uses)	<u>661,152</u>	<u>11,763</u>	<u>(649,389)</u>	<u>3,888</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(327,818)</u>	<u>\$ (327,818)</u>	<u>(186,881)</u>
<b>Fund balance, beginning of year</b>		<u>1,113,878</u>		<u>1,300,759</u>
<b>Fund balance, end of year</b>		<u>\$ 786,060</u>		<u>\$ 1,113,878</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - GRANT PROJECT FUND  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
<b>Restricted Intergovernmental:</b>				
Urgent Repair 2014	\$ 100,000	\$ 50,000	\$ 50,000	\$ 100,000
Urgent Repair 2015	100,000	-	100,000	100,000
Single Family Rehab 2014	170,000	-	155,120	155,120
Sheriff's	676,484	665,160	11,324	676,484
Emergency Services Grants	1,907,906	1,895,120	12,784	1,907,904
SAMHSA	325,000	-	213,660	213,660
Adult Drug Court	200,000	39,646	98,371	138,017
Other sales and services	1,615	1,615	-	1,615
Investment earnings	42	16	64	80
Total revenues	<u>3,481,047</u>	<u>2,651,557</u>	<u>641,323</u>	<u>3,292,880</u>
<b>Expenditures:</b>				
Urgent Repair - 2014	120,042	31,351	88,691	120,042
Urgent Repair - 2015	120,000	-	93,698	93,698
Single Family Rehabilitation - 2014	170,000	3,863	161,385	165,248
Sheriff's Department	680,472	669,147	11,324	680,471
Emergency Services - Public Safety	1,899,955	1,886,067	13,888	1,899,955
SAMHSA	325,000	-	213,660	213,660
Adult Drug Court	<u>200,000</u>	<u>39,646</u>	<u>98,371</u>	<u>138,017</u>
Total expenditures	<u>3,515,469</u>	<u>2,630,074</u>	<u>681,017</u>	<u>3,311,091</u>
<b>Revenues over (under) expenditures</b>	(34,422)	21,483	(39,694)	(18,211)
<b>Other Financing Sources (Uses):</b>				
Transfers from general fund	48,104	28,104	20,000	48,104
Transfers to general fund	<u>(13,682)</u>	<u>(13,682)</u>	<u>-</u>	<u>(13,682)</u>
Total other financing sources (uses)	<u>34,422</u>	<u>14,422</u>	<u>20,000</u>	<u>34,422</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 35,905</u>	(19,694)	<u>\$ 16,211</u>
<b>Fund balance, beginning of year</b>			<u>26,259</u>	
<b>Fund balance, end of year</b>			<u>\$ 6,565</u>	

## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
 ACTUAL AND CHANGES IN FUND BALANCE -  
 REGISTER OF DEEDS TECHNOLOGY ENHANCEMENT FUND  
 FOR THE YEAR ENDED JUNE 30, 2016  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Revenues:</b>				
Permits and fees	\$ 137,000	\$ 140,518	\$ 3,518	\$ 134,139
Investment earnings	1,000	1,078	78	891
Total revenues	<u>138,000</u>	<u>141,596</u>	<u>3,596</u>	<u>135,030</u>
<b>Expenditures:</b>				
General government	190,299	123,539	66,760	114,689
Capital outlay	<u>15,000</u>	-	<u>15,000</u>	-
Total expenditures	<u>205,299</u>	<u>123,539</u>	<u>81,760</u>	<u>114,689</u>
<b>Revenues over (under) expenditures</b>	(67,299)	18,057	85,356	20,341
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>67,299</u>	-	<u>(67,299)</u>	-
<b>Net change in fund balance</b>	<u>\$ -</u>	18,057	<u>\$ 18,057</u>	20,341
<b>Fund balance, beginning of year</b>		<u>793,343</u>		<u>773,002</u>
<b>Fund balance, end of year</b>		<u>\$ 811,400</u>		<u>\$ 793,343</u>

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## **ENTERPRISE FUNDS**

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

### **MAJOR ENTERPRISE FUNDS:**

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

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

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

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

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## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WATER FUND (NON-GAAP)  
JUNE 30, 2016

	<u>Water Fund</u>	<u>Water Capital Projects</u>	<u>Total</u>
<b>Current Assets:</b>			
Cash, cash equivalents and investments	\$ 22,962,577	\$ 6,439,459	\$ 29,402,036
Restricted cash	2,158,667	675,018	2,833,685
Interest receivable	6,087	1,896	7,983
Receivables and special assessments, net	2,726,501	-	2,726,501
Due from other governmental agencies	249,034	176,633	425,667
Inventories	2,031,688	-	2,031,688
Total current assets	<u>30,134,554</u>	<u>7,293,006</u>	<u>37,427,560</u>
<b>Current Liabilities:</b>			
Accounts payable and other liabilities	906,913	1,834,974	2,741,887
Customer deposits	1,714,053	-	1,714,053
Interest payable	281,796	-	281,796
Current portion of debt	1,292,105	-	1,292,105
Total current liabilities	<u>4,194,867</u>	<u>1,834,974</u>	<u>6,029,841</u>
<b>Expendable net position</b>	<b>25,939,687</b>	<b>5,458,032</b>	<b>31,397,719</b>
<b>Noncurrent Items:</b>			
Non-depreciable capital assets	24,232,270	-	24,232,270
Depreciable capital assets, net	129,442,924	-	129,442,924
Deferred outflow	272,996	-	272,996
Pension liability	(200,218)	-	(200,218)
Compensated absences	(352,431)	-	(352,431)
Other post-employment benefits	(3,747,478)	-	(3,747,478)
Non-current portion of debt	(24,750,909)	-	(24,750,909)
Deferred inflow	(283,505)	-	(283,505)
Total net position	<u>\$ 150,553,336</u>	<u>\$ 5,458,032</u>	<u>\$ 156,011,368</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - WATER SYSTEM  
OPERATING FUND (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Revenues:</b>				
User charges	\$ 20,699,107	\$ 21,748,171	\$ 1,049,064	\$ 20,520,042
ARRA interest subsidy	-	-	-	297,931
Investment earnings	40,000	32,493	(7,507)	23,904
Other	468,551	440,327	(28,224)	428,603
Total revenues	<u>21,207,658</u>	<u>22,220,991</u>	<u>1,013,333</u>	<u>21,270,480</u>
<b>Expenditures:</b>				
Salaries	4,297,043	4,169,327	127,716	4,009,948
Fringe benefits	1,783,132	1,669,718	113,414	1,699,300
Operating expenditures	7,081,758	6,440,588	641,170	6,028,524
Repairs and maintenance	1,586,522	1,357,906	228,616	935,511
Capital outlay	2,073,127	1,959,673	113,454	2,679,172
<b>Debt Service:</b>				
Principal	2,311,248	1,039,032	1,272,216	910,009
Interest	982,616	982,242	374	1,024,502
Total expenditures	<u>20,115,446</u>	<u>17,618,486</u>	<u>2,496,960</u>	<u>17,286,966</u>
<b>Revenues over (under) expenditures</b>	1,092,212	4,602,505	3,510,293	3,983,514
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	-	-	-	8,410,367
Premiums on debt issued	-	-	-	1,097,680
Payments to escrow agent for refunded bonds	-	-	-	(11,625,000)
Transfer to water capital project fund	(1,450,000)	(1,450,000)	-	(3,650,000)
Transfer from water capital project fund	-	-	-	111,000
Appropriated net position	357,788	-	(357,788)	-
Total other financing sources (uses)	<u>(1,092,212)</u>	<u>(1,450,000)</u>	<u>(357,788)</u>	<u>(5,655,953)</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>3,152,505</u>	<u>\$ 3,152,505</u>	<u>\$ (1,672,439)</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - WATER SYSTEM  
OPERATING FUND (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Reconciliation From Budgetary Basis</b>				
<b>To Full Accrual Basis:</b>				
<b>Capital Project Related Items:</b>				
Revenues from water capital projects		362,551		
Transfer from water fund to water capital project fund		1,450,000		
Capital project expenditures		(12,428,689)		
<b>Other Reconciling Items:</b>				
Contributions made to the pension plan in the current fiscal year		(10,296)		
CIP additions from capital projects		12,428,689		
Capitalized capital outlay and CIP adjustment		1,959,673		
Change in interest accrued		(137,085)		
Change in vacation accrual		(32,593)		
Change in other post-employment benefits		(456,291)		
Change in inventory		(29,991)		
Pension expense		88,865		
Retirement of long-term debt		1,039,032		
Amortization of bond premium		120,930		
Contributed capital assets-Deeds of Dedication		1,495,593		
Depreciation		(4,764,847)		
Change in net position - GAAP basis		<u>\$ 4,219,208</u>		

## COUNTY OF BRUNSWICK, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL -  
WATER CAPITAL PROJECT FUNDS (NON-GAAP)  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	Project Budget	Actual		Total to Date
		Prior Year	Current Year	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 401,590	\$ -	\$ 337,575	\$ 337,575
Investment earnings	192	74,696	8,699	83,395
Investment earnings-debt proceeds	-	511	16,202	16,713
Assessments	-	39,495	-	39,495
Penalties and interest assessments	-	13,154	75	13,229
Other	500,000	-	-	-
Total revenues	901,782	127,856	362,551	490,407
<b>Expenditures:</b>				
Northwest Water Plant expansion	20,483,168	11,496,829	8,579,217	20,076,046
Southeast Water Tank	65,000	50,550	-	50,550
Water Mains FY 14	1,123,050	445,818	570,306	1,016,124
Danford Road	4,012,386	3,969,656	42,731	4,012,387
BPS 8 and 9 improvements	1,461,440	1,453,798	7,641	1,461,439
Water Mains FY 15	1,274,126	32,725	879,732	912,457
Middle River and Smith Roads	1,105,000	67,467	881,667	949,134
17 So and Avalon Water Mains	477,915	16,550	320,278	336,828
NCDOT Hwy 211 Expansion	401,590	-	337,575	337,575
Aquifer storage recovery project	488,114	-	456,012	456,012
FY16 Water Mains Top 7 and Apollo	340,000	-	164,150	164,150
211 Water Plant Expansion	200,000	-	120,465	120,465
Middleton Road Water Main	138,700	-	68,915	68,915
US 74/76 Fire Protection	600,000	-	-	-
Total expenditures	32,170,489	17,533,393	12,428,689	29,962,082
<b>Revenues over (under) expenditures</b>	(31,268,707)	(17,405,537)	(12,066,138)	(29,471,675)
<b>Other Financing Sources (Uses):</b>				
Long term debt issued	23,146,392	23,146,392	-	23,146,392
Bond Premium	912,329	912,329	-	912,329
Transfers from water fund	9,896,274	8,446,277	1,450,000	9,896,277
Transfers to water fund	(812,770)	(812,770)	-	(812,770)
Contingency for future projects	(3,657,015)	-	-	-
Appropriated fund balance	1,783,497	-	-	-
Total other financing sources (uses)	31,268,707	31,692,228	1,450,000	33,142,228
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	\$ -	\$ 14,286,691	\$ (10,616,138)	\$ 3,670,553

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WASTEWATER FUND (NON-GAAP)  
JUNE 30, 2016

	Wastewater Fund	Wastewater Capital Projects	Total
<b>Current Assets:</b>			
Cash and cash equivalents/investments	\$ 16,375,618	\$ 6,592,290	\$ 22,967,908
Restricted cash	2,121,841	-	2,121,841
Interest receivable	3,984	1,643	5,627
Receivables and special assessments, net	7,835,201	4,778	7,839,979
Due from other governmental agencies	224,393	25,762	250,155
Inventories	332,668	-	332,668
Total current assets	<u>26,893,705</u>	<u>6,624,473</u>	<u>33,518,178</u>
<b>Current Liabilities:</b>			
Accounts payable and other liabilities	446,954	24,925	471,879
Interest payable	1,030,950	-	1,030,950
Prepaid fees	1,305,181	-	1,305,181
Current portion of debt	9,989,049	-	9,989,049
Total current liabilities	<u>12,772,134</u>	<u>24,925</u>	<u>12,797,059</u>
<b>Expendable net position</b>	<b>14,121,571</b>	<b>6,599,548</b>	<b>20,721,119</b>
<b>Noncurrent Items:</b>			
Non-depreciable capital assets	2,278,089	-	2,278,089
Depreciable capital assets, net	222,900,032	-	222,900,032
Deferred outflow	2,799,845	-	2,799,845
Pension liability	(95,724)	-	(95,724)
Compensated absences	(162,890)	-	(162,890)
Other post-employment benefits	(1,761,691)	-	(1,761,691)
Non-current portion of debt	(108,670,216)	-	(108,670,216)
Deferred inflow	(187,506)	-	(187,506)
Total net position	<u>\$ 131,221,510</u>	<u>\$ 6,599,548</u>	<u>\$ 137,821,058</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL - WASTEWATER FUND (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Revenues:</b>				
User charges	\$ 20,304,201	\$ 23,823,488	\$ 3,519,287	\$ 21,191,266
ARRA interest subsidy	170,312	170,772	460	392,237
Special assessments	40,000	275,125	235,125	230,257
Investment earnings	30,000	23,140	(6,860)	16,065
Other	119,107	487,705	368,598	65,541
Total revenues	<u>20,663,620</u>	<u>24,780,230</u>	<u>4,116,610</u>	<u>21,895,366</u>
<b>Expenditures:</b>				
Salaries	2,312,591	2,248,379	64,212	2,156,843
Fringe benefits	964,523	896,778	67,745	913,158
Operating expenditures	4,345,579	3,801,766	543,813	2,895,238
Repairs and maintenance	2,045,580	1,693,738	351,842	1,377,752
Capital outlay	1,900,325	1,370,905	529,420	840,910
<b>Debt Service:</b>				
Principal	9,200,140	9,200,138	2	8,987,043
Interest	4,345,321	4,345,298	23	5,616,823
Total expenditures	<u>25,114,059</u>	<u>23,557,002</u>	<u>1,557,057</u>	<u>22,787,767</u>
<b>Revenues over (under) expenditures</b>	(4,450,439)	1,223,228	5,673,667	(892,401)
<b>Other Financing Sources (Uses):</b>				
Issuance of long-term debt	-	-	-	42,139,633
Premiums on bonds issued	-	-	-	6,275,888
Payments to escrow agent for refunded bonds	-	-	-	(48,302,024)
Transfer to wastewater capital project fund	(2,171,385)	(2,171,385)	-	(430,696)
Transfer from wastewater capital project fund	1,372,152	1,342,152	(30,000)	478,979
Appropriated net position	5,249,672	-	(5,249,672)	-
Total other financing sources (uses)	<u>4,450,439</u>	<u>(829,233)</u>	<u>(5,279,672)</u>	<u>161,780</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>393,995</u>	<u>\$ 393,995</u>	<u>\$ (730,621)</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL - WASTEWATER FUND (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Reconciliation From Budgetary Basis</b>				
<b>To Full Accrual Basis:</b>				
<b>Capital Project Activities:</b>				
Revenues from wastewater capital projects		14,401		
Transfer from wastewater fund to wastewater capital projects		2,171,385		
Transfer from wastewater capital projects to wastewater fund		(1,342,152)		
Capital project expenditures		(454,319)		
<b>Other Reconciling Items:</b>				
Contributions made to the pension plan in the current fiscal year		(5,616)		
CIP additions from capital projects		454,319		
Capitalized capital outlay and CIP adjustment		1,370,905		
Change in interest accrued		(252,982)		
Change in vacation accrual		(11,767)		
Change in other post-employment benefits		(245,323)		
Contributed assets-Deeds of Dedication		1,552,767		
Change in inventory		127,908		
Pension expense		48,472		
Retirement of long-term debt		9,200,138		
Amortization of bond premium		417,558		
Unamortized outflow of resources related to refunding of debt		(1,320,675)		
Depreciation		(6,808,493)		
Change in net position - GAAP basis		<u>\$ 5,310,521</u>		

## COUNTY OF BRUNSWICK, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
WASTEWATER CAPITAL PROJECT FUNDS (NON-GAAP)  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Project Budget</b>	<b>Actual</b>		<b>Total to Date</b>
		<b>Prior Years</b>	<b>Current Year</b>	
<b>Revenues:</b>				
Assessments	\$ 557,053	\$ 557,052	\$ -	\$ 557,052
SAD interest and penalties	99,017	99,017	1,688	100,705
Investment earnings	13,988	66,418	12,542	78,960
Investment earnings-debt proceeds	-	1,089	171	1,260
Total revenues	<u>670,058</u>	<u>723,576</u>	<u>14,401</u>	<u>737,977</u>
<b>Expenditures:</b>				
Ocean Isle Beach wastewater plant improvements	4,274,387	4,006,848	267,541	4,274,389
Carolina Shores N. Sewer SAD	230,000	-	151,588	151,588
Palm Cove SAD 30	30,000	-	13,145	13,145
2016 Enterprise Funded Main Extension	100,000	-	22,045	22,045
Total expenditures	<u>4,634,387</u>	<u>4,006,848</u>	<u>454,319</u>	<u>4,461,167</u>
<b>Revenues over (under) expenditures</b>	(3,964,329)	(3,283,272)	(439,918)	(3,723,190)
<b>Other Financing Sources (Uses):</b>				
Long term debt issued	3,930,000	3,930,000	-	3,930,000
Bond premium	299,246	299,246	-	299,246
Transfer from wastewater fund	4,555,823	2,384,440	2,171,385	4,555,825
Transfer to wastewater fund	(2,573,998)	(1,646,506)	(1,342,152)	(2,988,658)
Contingency for future projects	(6,427,338)	-	-	-
Appropriated fund balance	4,180,596	-	-	-
Total other financing sources (uses)	<u>3,964,329</u>	<u>4,967,180</u>	<u>829,233</u>	<u>5,796,413</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 1,683,908</u>	<u>\$ 389,315</u>	<u>\$ 2,073,223</u>

## INTERNAL SERVICE FUNDS

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Internal service funds are used to account for the County's activities which are similar to those often found in the private sector. The measurement focus is on the flow of economic resources.

**WORKERS' COMPENSATION INTERNAL SERVICE FUND** - This fund is used to account for risk management operations of the County and for the financing of workers' compensation self-insurance costs incurred.

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

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## COUNTY OF BRUNSWICK, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES - FINANCIAL PLAN AND ACTUAL AND  
 CHANGES IN NET POSITION - WORKERS' COMPENSATION INTERNAL SERVICE FUND (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2016  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Financial Plan</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>2015</b>
<b>Revenues:</b>				
Charges for services	\$ 600,000	\$ 617,496	\$ 17,496	\$ 600,000
Investment earnings	-	3,511	3,511	3,354
Total revenues	<u>600,000</u>	<u>621,007</u>	<u>21,007</u>	<u>603,354</u>
<b>Expenditures:</b>				
Premiums	<u>1,100,000</u>	<u>497,961</u>	<u>602,039</u>	<u>1,346,100</u>
<b>Revenues over (under) expenditures</b>	<u>(500,000)</u>	<u>123,046</u>	<u>623,046</u>	<u>(742,746)</u>
<b>Other financing sources (uses):</b>				
Appropriated net position	<u>500,000</u>	-	<u>(500,000)</u>	-
<b>Increase (decrease) in net position</b>	<u>\$ -</u>	<u>123,046</u>	<u>\$ 123,046</u>	<u>(742,746)</u>
<b>Net position, beginning of year</b>		<u>1,986,360</u>		<u>2,729,106</u>
<b>Net position, end of year</b>		<u>\$ 2,109,406</u>		<u>\$ 1,986,360</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**SCHEDULE OF REVENUES AND EXPENDITURES - FINANCIAL PLAN AND  
ACTUAL AND CHANGES IN NET POSITION - HEALTH INTERNAL SERVICE FUND (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015</u>
<b>Revenues:</b>				
Charges for services	\$ 11,075,000	\$ 11,437,404	\$ 362,404	\$ 13,170,561
Investment earnings	-	1,600	1,600	1,344
Total revenues	<u>11,075,000</u>	<u>11,439,004</u>	<u>364,004</u>	<u>13,171,905</u>
<b>Expenditures:</b>				
Premiums	9,909,516	9,529,354	380,162	12,130,221
Administration fees	<u>1,415,484</u>	<u>1,396,139</u>	<u>19,345</u>	<u>1,450,772</u>
Total expenditures	<u>11,325,000</u>	<u>10,925,493</u>	<u>399,507</u>	<u>13,580,993</u>
<b>Revenues over (under) expenditures</b>	<u>(250,000)</u>	<u>513,511</u>	<u>763,511</u>	<u>(409,088)</u>
<b>Other financing sources (uses):</b>				
Appropriated net position	<u>250,000</u>	-	<u>(250,000)</u>	-
<b>Increase (decrease) in net position</b>	<u>\$ -</u>	<u>513,511</u>	<u>\$ 513,511</u>	<u>(409,088)</u>
<b>Net position, beginning of year</b>		<u>616,568</u>		<u>1,025,656</u>
<b>Net position, end of year</b>		<u>\$ 1,130,079</u>		<u>\$ 616,568</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS  
JUNE 30, 2016

	<u>Workers' Compensation</u>	<u>Health Insurance</u>	<u>Total</u>
<b>Current Assets:</b>			
Cash, cash equivalents and investments	\$ 2,668,747	\$ 1,743,325	\$ 4,412,072
Deposit receivable	-	200,300	200,300
Interest receivable	795	341	1,136
Total current assets	<u>2,669,542</u>	<u>1,943,966</u>	<u>4,613,508</u>
<b>Current Liabilities:</b>			
Accounts payable and other liabilities	<u>560,136</u>	<u>813,887</u>	<u>1,374,023</u>
<b>Net position:</b>			
Unrestricted	<u>2,109,406</u>	<u>1,130,079</u>	<u>3,239,485</u>
Total net position	<u>\$ 2,109,406</u>	<u>\$ 1,130,079</u>	<u>\$ 3,239,485</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
<b>Operating Revenues:</b>			
User charges	\$ 617,496	\$ 11,437,404	\$ 12,054,900
<b>Operating Expenses:</b>			
Premiums	497,961	9,529,354	10,027,315
Administration fees	-	1,396,139	1,396,139
Total operating expenses	<u>497,961</u>	<u>10,925,493</u>	<u>11,423,454</u>
Operating income (loss)	<u>119,535</u>	<u>511,911</u>	<u>631,446</u>
<b>Non-operating Revenues:</b>			
Investment earnings	<u>3,511</u>	<u>1,600</u>	<u>5,111</u>
<b>Increase (decrease) in net position</b>	123,046	513,511	636,557
<b>Net position, beginning of year</b>	<u>1,986,360</u>	<u>616,568</u>	<u>2,602,928</u>
<b>Net position, end of year</b>	<u>\$ 2,109,406</u>	<u>\$ 1,130,079</u>	<u>\$ 3,239,485</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>			
Receipts from chargers to users	\$ 617,496	\$ 11,437,404	\$ 12,054,900
Premiums	<u>(882,442)</u>	<u>(11,319,808)</u>	<u>(12,202,250)</u>
Net cash provided by (used in) operating activities	<u>(264,946)</u>	<u>117,596</u>	<u>(147,350)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest on investments	<u>4,818</u>	<u>2,225</u>	<u>7,043</u>
Net increase (decrease) in cash and cash equivalents	(260,128)	119,821	(140,307)
Cash and cash equivalents, beginning of year	<u>2,928,875</u>	<u>1,623,504</u>	<u>4,552,379</u>
Cash and cash equivalents, end of year	<u>\$ 2,668,747</u>	<u>\$ 1,743,325</u>	<u>\$ 4,412,072</u>
<b>Reconciliation of Operating Income (Loss) to</b>			
<b>Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 119,535	\$ 511,911	\$ 631,446
<b>Changes in Assets and Liabilities:</b>			
Increase (decrease) in accounts payable/accrued expenses	<u>(384,481)</u>	<u>(394,315)</u>	<u>(778,796)</u>
Net cash provided by (used in) operating activities	<u>\$ (264,946)</u>	<u>\$ 117,596</u>	<u>\$ (147,350)</u>

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## **AGENCY FUNDS**

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

**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.

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

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COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Balance 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 2016</u>
<b>SOCIAL SERVICES FUND</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 18,570	\$ 96,045	\$ 97,232	\$ 17,383
Interest receivable	18	10	22	6
Total assets	<u>\$ 18,588</u>	<u>\$ 96,055</u>	<u>\$ 97,254</u>	<u>\$ 17,389</u>
<b>Liabilities:</b>				
Other	<u>\$ 18,588</u>	<u>\$ 199,457</u>	<u>\$ 200,656</u>	<u>\$ 17,389</u>
<b>SMITHVILLE TOWNSHIP FUND</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 1,045,023	\$ 2,704,375	\$ 2,707,746	\$ 1,041,652
Interest receivable	1,378	901	1,746	533
Due from other governmental agencies	5,605	7,167	5,605	7,167
Total assets	<u>\$ 1,052,006</u>	<u>\$ 2,712,443</u>	<u>\$ 2,715,097</u>	<u>\$ 1,049,352</u>
<b>Liabilities:</b>				
Due to other governmental agencies	<u>1,052,006</u>	<u>2,019,832</u>	<u>2,022,486</u>	<u>1,049,352</u>
Total liabilities	<u>\$ 1,052,006</u>	<u>\$ 2,019,832</u>	<u>\$ 2,022,486</u>	<u>\$ 1,049,352</u>
<b>INTERGOVERNMENTAL COLLECTIONS FUND</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	145,164	\$ 32,856,495	\$ 32,980,468	\$ 21,191
Taxes receivable, net	21,645	20,230	21,645	20,230
Due from other governmental agencies	57,687	107,949	57,687	107,949
Total assets	<u>\$ 224,496</u>	<u>\$ 32,984,674</u>	<u>\$ 33,059,800</u>	<u>\$ 149,370</u>
<b>Liabilities:</b>				
Due to other governmental agencies	<u>\$ 224,496</u>	<u>\$ 33,001,406</u>	<u>\$ 33,076,532</u>	<u>\$ 149,370</u>
<b>SHERIFF DEPARTMENT TRUST FUND</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	<u>\$ 7,146</u>	<u>\$ 270,135</u>	<u>\$ 272,949</u>	<u>\$ 4,332</u>
<b>Liabilities:</b>				
Other	<u>\$ 7,146</u>	<u>\$ 270,135</u>	<u>\$ 272,949</u>	<u>\$ 4,332</u>
<b>INMATE TRUST FUND</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	<u>\$ 46,551</u>	<u>\$ 429,899</u>	<u>\$ 443,222</u>	<u>\$ 33,228</u>
<b>Liabilities:</b>				
Other	<u>\$ 46,551</u>	<u>\$ 429,899</u>	<u>\$ 443,222</u>	<u>\$ 33,228</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Balance 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 2016</u>
<b>COMBINING TOTALS</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 1,262,454	\$ 36,356,949	\$ 36,501,617	\$ 1,117,786
Interest receivable	1,396	911	1,768	539
Taxes receivable, net	21,645	20,230	21,645	20,230
Due from other governmental agencies	63,292	115,116	63,292	115,116
Total assets	<u>\$ 1,348,787</u>	<u>\$ 36,493,206</u>	<u>\$ 36,588,322</u>	<u>\$ 1,253,671</u>
<b>Liabilities:</b>				
Due to other governmental agencies	\$ 1,276,502	\$ 35,021,238	\$ 35,099,018	\$ 1,198,722
Other	72,285	899,491	916,827	54,949
Total liabilities	<u>\$ 1,348,787</u>	<u>\$ 35,920,729</u>	<u>\$ 36,015,845</u>	<u>\$ 1,253,671</u>

## **SUPPLEMENTAL FINANCIAL DATA**

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This section includes additional information on property taxes.

**Schedule of Ad Valorem Taxes Receivable - General Fund**

**Analysis of Current Tax Levy - County-Wide Levy**

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## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND  
JUNE 30, 2016

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2015</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2016</u>
2015-16	\$ -	\$ 113,979,053	\$ 110,454,040	\$ 3,525,013
2014-15	4,688,573	-	2,342,706	2,345,867
2013-14	2,701,149	-	1,254,858	1,446,291
2012-13	1,732,975	-	653,004	1,079,971
2011-12	1,207,736	-	401,087	806,649
2010-11	880,030	-	202,055	677,975
2009-10	659,292	-	167,863	491,429
2008-09	341,581	-	89,430	252,151
2007-08	184,648	-	20,628	164,020
2006-07	177,591	-	11,327	166,264
2005-06	135,788	-	135,788	-
	<u>\$ 12,709,363</u>	<u>\$ 113,979,053</u>	<u>\$ 115,732,786</u>	10,955,630
Less: Allowance for uncollected taxes receivable General Fund				<u>6,872,935</u>
Ad valorem taxes receivable (net)				<u>\$ 4,082,695</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 116,180,734
<b>Reconciling Items:</b>				
Interest collected and penalties				(1,194,329)
Releases on prior year tax				744,900
Reimbursement of prior year's taxes collected				2,366
Collection of taxes previously written off				<u>(885)</u>
Total collections and credits				<u>\$ 115,732,786</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2016**

	County-Wide			Property Excluding Registered Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Amount of Levy		
Original levy:					
Property taxed at current year's rate	\$ 23,401,263,699	0.4850	\$ 113,496,129	\$ 107,472,890	\$ 6,023,239
Penalties	-		21,070	21,070	-
Total	<u>23,401,263,699</u>		<u>113,517,199</u>	<u>107,493,960</u>	<u>6,023,239</u>
Discoveries:					
Current and prior years' taxes	57,250,582		513,659	502,767	10,892
Penalties	-		33,604	33,604	-
Total	<u>57,250,582</u>		<u>547,263</u>	<u>536,371</u>	<u>10,892</u>
Abatements	<u>(17,610,093)</u>		<u>(85,409)</u>	<u>(85,247)</u>	<u>(162)</u>
Total property valuation	<u>\$ 23,440,904,188</u>				
Net levy			113,979,053	107,945,084	6,033,969
Less uncollected taxes at June 30, 2016			<u>3,525,013</u>	<u>3,522,282</u>	<u>2,731</u>
Current year's taxes collected			<u>\$ 110,454,040</u>	<u>\$ 104,422,802</u>	<u>\$ 6,031,238</u>
Current levy collection percentage			<u>96.91%</u>	<u>96.74%</u>	<u>99.95%</u>
Prior year levy collection percentage			<u>95.81%</u>	<u>95.61%</u>	<u>99.97%</u>

## NON-MAJOR COMPONENT UNIT FINANCIAL DATA

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

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

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

**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.

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## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON-MAJOR COMPONENT UNITS  
JUNE 30, 2016

	<u>Brunswick County Board of Alcoholic Control</u>	<u>Brunswick County Airport Commission</u>	<u>Brunswick County Tourism Development Authority</u>	<u>Brunswick County Economic Development Commission</u>	<u>Totals</u>
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash, cash equivalents and investments	\$ 459,620	\$ 342,076	\$ 390,243	\$ -	\$ 1,191,939
Restricted cash and investments	-	13,915	-	-	13,915
Receivables, net	-	6,391	386,541	-	392,932
Inventory	398,015	47,970	-	-	445,985
Prepaid items	15,229	-	4,184	-	19,413
Total current assets	<u>872,864</u>	<u>410,352</u>	<u>780,968</u>	<u>-</u>	<u>2,064,184</u>
<b>Non-Current Assets:</b>					
Capital assets, net	1,373,528	22,187,644	1,750	-	23,562,922
Total non-current assets	<u>1,373,528</u>	<u>22,187,644</u>	<u>1,750</u>	<u>-</u>	<u>23,562,922</u>
Total assets	<u>\$ 2,246,392</u>	<u>\$ 22,597,996</u>	<u>\$ 782,718</u>	<u>\$ -</u>	<u>\$ 25,627,106</u>
<b>Deferred Outflows of Resources:</b>					
Contributions to pension plan	\$ 18,197	\$ -	\$ 10,464	\$ -	\$ 28,661
<b>Liabilities:</b>					
<b>Current Liabilities:</b>					
Debt obligation - current portion	\$ 60,700	\$ -	\$ 109	\$ -	\$ 60,809
Accounts payable and accrued expenses	292,405	21,972	26,969	-	341,346
Due to other governments	72,984	55,153	-	-	128,137
<b>Payable From Restricted Assets:</b>					
Security Deposits	-	13,915	-	-	13,915
Total current liabilities	<u>426,089</u>	<u>91,040</u>	<u>27,078</u>	<u>-</u>	<u>544,207</u>
<b>Noncurrent Liabilities:</b>					
Net pension liability	8,166	-	6,777	-	14,943
Compensated absences	-	-	10,962	-	10,962
Debt obligation - long-term portion	75,875	-	-	-	75,875
Total noncurrent liabilities	<u>84,041</u>	<u>-</u>	<u>17,739</u>	<u>-</u>	<u>101,780</u>
Total liabilities	<u>510,130</u>	<u>91,040</u>	<u>44,817</u>	<u>-</u>	<u>645,987</u>
<b>Deferred Inflows of Resources:</b>					
Pension deferrals	\$ 4,555	\$ -	\$ 8,692	\$ -	\$ 13,247
<b>Net position:</b>					
Net investment in capital assets	1,236,953	22,187,644	1,750	-	23,426,347
<b>Restricted:</b>					
Stabilization by State Statute	80,504	-	386,541	-	467,045
For Tourism Promotion	-	-	351,382	-	351,382
Unrestricted	432,447	319,312	-	-	751,759
Total net position	<u>\$ 1,749,904</u>	<u>\$ 22,506,956</u>	<u>\$ 739,673</u>	<u>\$ -</u>	<u>\$ 24,996,533</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
NON-MAJOR COMPONENT UNITS  
FOR THE YEAR ENDED JUNE 30, 2016

	<b>Brunswick County Board of Alcoholic Control</b>	<b>Brunswick County Airport Commission</b>	<b>Brunswick County Tourism Development Authority</b>	<b>Brunswick County Economic Development Commission</b>	<b>Totals</b>
<b>Operating Revenues:</b>					
Sales and services	\$ 2,178,211	\$ 836,734	\$ 18,375	\$ -	\$ 3,033,320
Room occupancy taxes	-	-	1,372,055	-	1,372,055
Unrestricted intergovernmental	-	97,000	-	-	97,000
Other revenue	-	25,764	11,001	-	36,765
Investment earnings	747	340	1,595	-	2,682
Total revenues	<u>2,178,958</u>	<u>959,838</u>	<u>1,403,026</u>	<u>-</u>	<u>4,541,822</u>
<b>Operating Expenses:</b>					
Operating expenses	<u>1,917,827</u>	<u>1,208,156</u>	<u>1,286,807</u>	<u>146,589</u>	<u>4,559,379</u>
<b>Non-operating Revenues (Expenses):</b>					
Interest and Penalties	-	(296)	-	-	(296)
Income before capital contributions	261,131	(248,614)	116,219	(146,589)	(17,853)
Capital contributions	-	200,710	-	(125,923)	74,787
<b>Change in net position</b>	261,131	(47,904)	116,219	(272,512)	56,934
<b>Net position, beginning of year</b>	<u>1,488,773</u>	<u>22,554,860</u>	<u>623,454</u>	<u>272,512</u>	<u>24,939,599</u>
<b>Net position, end of year</b>	<u>\$ 1,749,904</u>	<u>\$ 22,506,956</u>	<u>\$ 739,673</u>	<u>\$ -</u>	<u>\$ 24,996,533</u>

## STATISTICAL SECTION

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

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

- Net Position by Components (unaudited)
- Changes in Net Position (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 Position by Component  
(accrual basis of accounting)**

Last Ten Fiscal Years

	<b>Fiscal Year</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Governmental activities				
Net investment in capital assets	\$ 67,118,730	\$ 37,377,510	\$ 80,832,411	\$ 84,644,800
Restricted	-	-	-	-
Unrestricted	<u>12,669,940</u>	<u>31,112,731</u>	<u>(19,213,539)</u>	<u>(21,304,189)</u>
Total governmental activities net position	<u>\$ 79,788,670</u>	<u>\$ 68,490,241</u>	<u>\$ 61,618,872</u>	<u>\$ 63,340,611</u>
Business-type activities				
Net investment in capital assets	\$ 114,088,014	\$ 104,963,579	\$ 161,945,932	\$ 187,205,988
Restricted	-	-	-	-
Unrestricted	<u>28,311,927</u>	<u>65,985,290</u>	<u>34,144,461</u>	<u>24,907,050</u>
Total business-type activities net position	<u>\$ 142,399,941</u>	<u>\$ 170,948,869</u>	<u>\$ 196,090,393</u>	<u>\$ 212,113,038</u>
Primary Government				
Net investment in capital assets	\$ 181,206,744	\$ 142,341,089	\$ 242,778,343	\$ 271,850,788
Restricted	-	-	-	-
Unrestricted	<u>40,981,867</u>	<u>97,098,021</u>	<u>14,930,922</u>	<u>3,602,861</u>
Total primary government net position	<u>\$ 222,188,611</u>	<u>\$ 239,439,110</u>	<u>\$ 257,709,265</u>	<u>\$ 275,453,649</u>

**Table 1**

<b>Fiscal Year</b>					
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$ 87,280,988	\$ 83,875,530	\$ 82,982,620	\$ 85,033,340	\$ 94,573,843	\$ 98,533,551
8,043,571	14,349,327	12,788,396	13,683,095	13,757,595	11,393,121
<u>(14,326,518)</u>	<u>(18,195,225)</u>	<u>(7,358,632)</u>	<u>(7,117,818)</u>	<u>(11,489,319)</u>	<u>4,291,984</u>
<u>\$ 80,998,041</u>	<u>\$ 80,029,632</u>	<u>\$ 88,412,384</u>	<u>\$ 91,598,617</u>	<u>\$ 96,842,119</u>	<u>\$ 114,218,656</u>
\$ 195,778,306	\$ 207,222,012	\$ 215,460,422	\$ 220,347,412	\$ 229,251,045	\$ 237,499,403
-	-	-	-	-	-
<u>32,047,202</u>	<u>32,388,427</u>	<u>55,390,170</u>	<u>57,003,023</u>	<u>55,051,652</u>	<u>56,333,023</u>
<u>\$ 227,825,508</u>	<u>\$ 239,610,439</u>	<u>\$ 270,850,592</u>	<u>\$ 277,350,435</u>	<u>\$ 284,302,697</u>	<u>\$ 293,832,426</u>
\$ 283,059,294	\$ 291,097,542	\$ 298,443,042	\$ 305,380,752	\$ 323,824,888	\$ 336,032,954
8,043,571	14,349,327	12,788,396	13,683,095	13,757,595	11,393,121
<u>17,720,684</u>	<u>14,193,202</u>	<u>48,031,538</u>	<u>49,885,205</u>	<u>43,562,333</u>	<u>60,625,007</u>
<u>\$ 308,823,549</u>	<u>\$ 319,640,071</u>	<u>\$ 359,262,976</u>	<u>\$ 368,949,052</u>	<u>\$ 381,144,816</u>	<u>\$ 408,051,082</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

Last Ten Fiscal Years

	<b>Fiscal Year</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 14,898,739	\$ 25,786,285	\$ 10,824,875	\$ 10,891,485
Public safety	23,757,912	28,704,704	32,475,041	32,431,363
Central services	11,661,193	12,491,337	12,874,270	12,032,434
Human services	26,746,227	30,203,435	29,448,343	31,201,132
Transportation	1,005,751	2,258,368	2,315,776	4,292,392
Environmental protection	11,272,811	12,551,871	14,390,242	7,362,499
Cultural and recreation	1,060,589	4,449,488	4,578,694	1,908,173
Economic and physical development	6,879,523	7,213,679	6,844,987	7,614,811
Education	38,167,647	47,784,629	50,907,860	42,391,583
Interest on long-term debt	4,255,116	4,294,959	6,439,614	6,372,620
Total governmental activities	<u>139,705,508</u>	<u>175,738,755</u>	<u>171,099,702</u>	<u>156,498,492</u>
Business-type activities:				
Water	13,871,031	16,426,295	14,967,806	15,977,572
Wastewater	9,168,580	7,926,725	9,775,273	11,656,776
Total business-type activities	<u>23,039,611</u>	<u>24,353,020</u>	<u>24,743,079</u>	<u>27,634,348</u>
Total primary government expenses	<u>\$ 162,745,119</u>	<u>\$ 200,091,775</u>	<u>\$ 195,842,781</u>	<u>\$ 184,132,840</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services:				
General government	\$ 4,726,587	\$ 1,480,767	\$ 1,832,978	\$ 1,387,017
Public safety	4,034,126	5,309,134	5,228,230	5,635,307
Central services	1,320,217	2,163,366	2,139,967	1,535,716
Human services	2,770,323	1,124,272	918,087	1,335,443
Environmental protection	-	1,928,085	1,546,722	1,275,381
Cultural and recreation	2,631,302	224,367	194,681	188,117
Economic and physical development	8,397	1,224,383	1,147,627	1,254,385
Education	-	76,459	-	-
Operating grants and contributions:				
General government	-	-	-	775,551
Public safety	-	710,170	1,405,174	1,088,201
Central services	-	-	-	-
Human services	17,047,108	17,158,192	18,693,712	19,082,231
Transportation	-	-	-	217,571
Environmental protection	-	-	-	17,721
Cultural and recreation	-	1,228	-	131,243
Economic and physical development	-	139,731	1,530,140	946,912
Education	-	2,146	4,833	3,610

Table 2

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 10,525,533	\$ 10,998,376	\$ 10,934,466	\$ 12,254,383	\$ 11,457,688	\$ 12,394,690
33,465,622	34,715,586	35,303,805	39,375,729	38,962,019	38,664,204
4,316,359	13,455,405	12,644,064	14,123,067	15,525,612	13,337,319
26,128,245	26,325,541	26,348,700	28,293,768	28,935,510	27,603,012
3,742,434	3,736,588	2,616,195	2,006,314	471,838	1,359,490
13,812,863	13,876,612	13,394,236	16,242,909	14,029,464	14,346,834
4,214,605	4,169,218	3,951,742	4,084,737	3,937,844	4,019,127
6,913,420	7,653,903	7,616,623	7,270,311	9,799,191	7,367,883
39,853,517	39,852,618	42,982,116	44,441,846	44,955,498	43,174,118
28,264	1,894,630	4,616,769	4,510,795	3,487,733	3,293,032
<u>143,000,862</u>	<u>156,678,477</u>	<u>160,408,716</u>	<u>172,603,859</u>	<u>171,562,397</u>	<u>165,559,709</u>
16,289,895	15,995,637	17,581,607	18,819,605	17,679,797	19,859,927
<u>4,145,162</u>	<u>14,741,649</u>	<u>16,822,230</u>	<u>19,863,644</u>	<u>19,163,000</u>	<u>21,036,877</u>
<u>20,435,057</u>	<u>30,737,286</u>	<u>34,403,837</u>	<u>38,683,249</u>	<u>36,842,797</u>	<u>40,896,804</u>
<u>\$ 163,435,919</u>	<u>\$ 187,415,763</u>	<u>\$ 194,812,553</u>	<u>\$ 211,287,108</u>	<u>\$ 208,405,194</u>	<u>\$ 206,456,513</u>
\$ 1,475,142	\$ 1,481,028	\$ 1,771,496	\$ 1,912,777	\$ 1,532,631	\$ 1,456,894
6,702,142	6,707,376	8,077,465	9,155,944	9,956,633	10,157,712
444,294	444,294	-	-	-	-
1,060,041	2,670,338	2,351,986	2,386,613	2,467,380	735,106
2,044,307	2,044,804	2,682,035	2,655,010	2,869,355	3,672,124
220,402	220,402	200,813	230,952	279,147	292,772
1,108,423	1,108,903	1,058,732	1,066,665	1,036,255	1,045,124
-	-	-	-	-	-
937,273	1,077,537	713,544	775,551	2,383,738	3,224,530
365,583	743,632	1,579,854	2,403,013	4,522,352	1,589,862
-	-	-	225,469	221,081	140,213
17,471,434	18,392,791	14,187,069	15,115,863	16,639,756	15,605,953
-	-	235,060	217,571	169,157	186,354
-	-	6,961	17,721	7,212	14,696
-	51,829	147,278	131,243	131,776	149,460
-	-	2,428,282	2,365,158	2,212,062	2,691,449
3,716	3,716	-	-	-	-

Continued on next page

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

Last Ten Fiscal Years

	<b>Fiscal Year</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Capital grants and contributions:				
General government	1,337	-	-	-
Public safety	-	-	-	-
Transportation	-	1,568,395	2,362,035	3,400,594
Cultural and recreation	100,000	(55,153)	713,193	-
Economic and physical development	-	574,128	416,223	-
Education	-	-	-	189,138
Total governmental activities program revenues	<u>32,639,397</u>	<u>33,629,670</u>	<u>38,133,602</u>	<u>38,464,138</u>
Business-type activities:				
Charges for services:				
Water	18,085,844	19,502,863	18,692,965	17,591,342
Wastewater	13,187,399	12,161,118	10,914,375	12,044,395
Capital grants and contributions:				
Water	3,056,007	9,101,531	4,890,763	3,448,505
Wastewater	7,963,239	9,994,682	13,980,711	10,217,775
Total business-type activities program revenues	<u>42,292,489</u>	<u>50,760,194</u>	<u>48,478,814</u>	<u>43,302,017</u>
Total primary government program revenues	<u>\$ 74,931,886</u>	<u>\$ 84,389,864</u>	<u>\$ 86,612,416</u>	<u>\$ 81,766,155</u>
Net (expense)/revenue				
Governmental activities	\$(107,066,111)	\$(142,109,085)	\$(132,966,100)	\$(118,034,354)
Business-type activities	<u>19,252,878</u>	<u>26,407,174</u>	<u>23,735,735</u>	<u>15,667,669</u>
Total primary government net (expense)/revenue	<u>\$ (87,813,233)</u>	<u>\$ (115,701,911)</u>	<u>\$ (109,230,365)</u>	<u>\$ (102,366,685)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Ad Valorem taxes	\$ 84,223,342	\$ 97,218,426	\$ 101,088,129	\$ 101,876,707
Local option taxes	23,256,105	23,061,392	19,741,137	15,061,747
Other taxes	6,340,890	4,942,000	3,054,525	3,249,224
Investment earnings	5,200,749	5,155,748	2,210,940	713,501
Disposal of capital assets	-	489,997	-	-
Transfers	451,795	(56,907)	-	(1)
Total governmental activities	<u>119,472,881</u>	<u>130,810,656</u>	<u>126,094,731</u>	<u>120,901,178</u>
Business-type activities:				
Investment earnings	1,718,088	2,084,847	1,405,789	354,975
Transfers	(451,795)	56,907	-	-
Total business-type activities	<u>1,266,293</u>	<u>2,141,754</u>	<u>1,405,789</u>	<u>354,975</u>
Total primary government	<u>\$ 120,739,174</u>	<u>\$ 132,952,410</u>	<u>\$ 127,500,520</u>	<u>\$ 121,256,153</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 12,406,770	\$ (11,298,429)	\$ (6,871,369)	\$ 2,866,824
Business-type activities	<u>20,519,171</u>	<u>28,548,928</u>	<u>25,141,524</u>	<u>16,022,644</u>
Total primary government	<u>\$ 32,925,941</u>	<u>\$ 17,250,499</u>	<u>\$ 18,270,155</u>	<u>\$ 18,889,468</u>

**Table 2 (Continued)**

<b>Fiscal Year</b>					
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
-	-	-	-	-	-
-	-	28,309	-	28,309	189,187
2,881,715	3,127,909	1,998,505	1,870,448	619,861	1,454,556
-	-	-	-	-	-
-	-	-	-	-	-
<u>727,475</u>	<u>727,475</u>	<u>1,386,898</u>	<u>1,440,936</u>	<u>1,043,025</u>	<u>-</u>
<u>35,441,947</u>	<u>38,802,034</u>	<u>38,854,287</u>	<u>41,970,934</u>	<u>46,119,730</u>	<u>42,605,992</u>
20,233,912	20,024,998	20,622,239	20,418,106	21,246,815	22,526,148
17,332,864	18,192,801	41,665,426	23,488,533	21,887,017	24,758,778
2,026,810	1,135,642	1,339,740	512,097	888,007	1,495,593
1,995,448	3,066,745	1,181,493	691,966	554,683	1,552,767
<u>41,589,034</u>	<u>42,420,186</u>	<u>64,808,898</u>	<u>45,110,702</u>	<u>44,576,522</u>	<u>50,333,286</u>
<u>\$ 77,030,981</u>	<u>\$ 81,222,220</u>	<u>\$ 103,663,185</u>	<u>\$ 87,081,636</u>	<u>\$ 90,696,252</u>	<u>\$ 92,939,278</u>
\$(107,558,915)	\$(117,876,443)	\$(121,554,429)	\$(130,632,925)	\$(125,442,667)	\$(122,953,717)
<u>21,153,977</u>	<u>11,682,900</u>	<u>30,405,061</u>	<u>6,427,453</u>	<u>7,733,725</u>	<u>9,436,482</u>
<u>\$ (86,404,938)</u>	<u>\$ (106,193,543)</u>	<u>\$ (91,149,368)</u>	<u>\$ (124,205,472)</u>	<u>\$ (117,708,942)</u>	<u>\$ (113,517,235)</u>
\$ 106,878,322	\$ 106,878,322	\$ 109,152,892	\$ 112,080,219	\$ 111,847,084	\$ 114,258,168
14,871,122	15,996,708	16,941,795	17,832,031	19,698,311	20,944,326
3,161,359	3,163,720	3,484,388	3,766,292	4,088,743	4,956,253
305,543	305,536	168,330	140,616	120,072	159,867
-	-	-	-	-	11,640
(1)	-	-	-	-	-
<u>125,216,345</u>	<u>126,344,286</u>	<u>129,747,405</u>	<u>133,819,158</u>	<u>135,754,210</u>	<u>140,330,254</u>
128,414	127,494	83,874	72,390	53,888	93,247
-	-	-	-	-	-
<u>128,414</u>	<u>127,494</u>	<u>83,874</u>	<u>72,390</u>	<u>53,888</u>	<u>93,247</u>
<u>\$ 125,344,759</u>	<u>\$ 126,471,780</u>	<u>\$ 129,831,279</u>	<u>\$ 133,891,548</u>	<u>\$ 135,808,098</u>	<u>\$ 140,423,501</u>
\$ 17,657,430	\$ 8,467,843	\$ 8,192,976	\$ 3,186,233	\$ 10,311,543	\$ 17,376,537
<u>21,282,391</u>	<u>11,810,394</u>	<u>30,488,935</u>	<u>6,499,843</u>	<u>7,787,613</u>	<u>9,529,729</u>
<u>\$ 38,939,821</u>	<u>\$ 20,278,237</u>	<u>\$ 38,681,911</u>	<u>\$ 9,686,076</u>	<u>\$ 18,099,156</u>	<u>\$ 26,906,266</u>

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Video Programming Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Total</u>
2007	84,422,322	23,256,105	212,941	-	241,782	108,133,150
2008	96,940,721	23,061,392	4,785	424,364	240,565	120,671,827
2009	98,948,961	19,741,137	6,768	451,989	244,224	119,393,079
2010	100,529,188	15,061,747	73,409	445,398	77,229	116,186,971
2011	100,346,765	14,291,687	-	436,749	248,907	115,324,108
2012	105,460,118	15,996,708	-	438,980	248,109	122,143,915
2013	108,945,817	16,941,795	-	426,533	234,872	126,549,017
2014	112,999,386	17,832,031	-	421,718	258,749	131,511,884
2015	113,180,642	19,698,311	-	429,720	287,908	133,596,581
2016	116,180,734	20,944,326	-	416,674	269,014	137,810,748

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

Last Ten Fiscal Years

	<b>Fiscal Year</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>General Fund</b>				
Reserved	\$ 9,238,373	\$ 10,255,753	\$ 7,460,930	\$ 7,125,195
Unreserved	55,277,531	53,893,857	47,868,262	47,021,290
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
<b>Total General fund</b>	<b><u>\$ 64,515,904</u></b>	<b><u>\$ 64,149,610</u></b>	<b><u>\$ 55,329,192</u></b>	<b><u>\$ 54,146,485</u></b>
<b>All Other Governmental Funds</b>				
Reserved	\$ 17,026,010	\$ 29,199,790	\$ 7,742,400	\$ 97,309
Unreserved, reported in:				
Special revenue funds	14,984,776	14,553,588	19,527,193	16,571,212
Capital projects, Designated for Subsequent years	584,112	584,112	14,170,398	10,277,992
Restricted in Special Revenue Funds	-	-	-	-
Restricted in Capital Project Funds	-	-	-	-
Committed in Capital Project Funds	-	-	-	-
Assigned in Special Revenue Funds	-	-	-	-
Unassigned in Special Revenue Funds	-	-	-	-
<b>Total all other governmental funds</b>	<b><u>\$ 32,594,898</u></b>	<b><u>\$ 44,337,490</u></b>	<b><u>\$ 41,439,991</u></b>	<b><u>\$ 26,946,513</u></b>

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

Four Years are presented in the format prior to the implementation of GASB 54.

Six Years after the implementation are presented on the following page.

**Table 4**

<b>Fiscal Year</b>					
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	64,000
4,365,639	10,533,677	10,707,390	11,500,851	11,840,454	9,707,172
2,440,362	897,261	649,053	1,080,269	1,900,526	1,444,986
-	214,566	214,566	214,566	214,566	214,566
51,160,940	48,066,823	55,107,448	53,503,393	54,420,202	60,934,148
<u>\$ 57,966,941</u>	<u>\$ 59,712,327</u>	<u>\$ 66,678,457</u>	<u>\$ 66,299,079</u>	<u>\$ 68,375,748</u>	<u>\$ 72,364,872</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,401,061	2,168,093	1,703,515	2,182,244	1,917,141	1,685,949
2,276,871	1,647,557	377,491	297,795	10,987,621	1,921,723
23,513,880	22,678,928	21,750,674	25,778,509	22,349,948	29,611,963
43,183	-	-	-	16,339	-
(783,568)	(1,102,442)	(350,670)	(48,106)	-	(81,924)
<u>\$ 26,451,427</u>	<u>\$ 25,392,136</u>	<u>\$ 23,481,010</u>	<u>\$ 28,210,442</u>	<u>\$ 35,271,049</u>	<u>\$ 33,137,711</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

Last Ten Fiscal Years

	<b>Fiscal Year</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Revenues</b>				
Ad Valorem taxes	\$ 84,422,322	\$ 96,940,721	\$ 98,948,961	\$ 100,529,188
Special assessments	-	-	-	-
Local option sales taxes	23,256,105	23,061,392	19,741,137	15,061,747
Other taxes and licenses	6,340,890	4,942,000	3,054,525	3,249,224
Unrestricted intergovernmental	265,782	701,489	735,680	549,711
Restricted intergovernmental	18,597,043	19,912,197	24,167,893	24,368,907
Permits and fees	7,591,795	4,127,984	3,389,913	3,261,887
Sales and services	5,217,986	8,379,989	8,133,848	7,559,876
Investment earnings	5,200,749	5,155,748	2,210,940	712,175
Other revenue	853,493	924,338	1,750,675	972,567
Total revenues	<u>151,746,165</u>	<u>164,145,858</u>	<u>162,133,572</u>	<u>156,265,282</u>
<b>Expenditures</b>				
General government	11,168,979	9,864,403	9,826,801	9,613,675
Public safety	23,070,557	27,575,360	30,369,412	29,332,960
Central services	11,276,503	11,867,248	12,100,908	11,699,222
Human services	26,466,751	28,631,664	28,070,006	26,668,707
Transportation	93,500	270,929	256,739	280,466
Environmental protection	11,069,839	12,522,556	13,326,293	12,455,131
Culture and recreation	4,363,027	5,558,766	4,033,904	3,831,067
Economic and physical development	6,802,351	6,947,615	6,479,048	6,699,963
Education	27,987,072	32,098,564	35,390,424	34,451,976
Capital Outlay	7,742,736	12,344,540	14,918,421	10,416,650
Intergovernmental expenditures	15,584,549	22,710,479	38,863,518	11,495,398
Debt Service:				
Principal retirement	6,697,377	7,975,512	9,616,456	10,041,528
Interest and fiscal charges	4,255,116	4,861,013	6,439,614	8,162,795
Total expenditures	<u>156,578,357</u>	<u>183,228,649</u>	<u>209,691,544</u>	<u>175,149,538</u>
Revenues over (under) expenditures	<u>(4,832,192)</u>	<u>(19,082,791)</u>	<u>(47,557,972)</u>	<u>(18,884,256)</u>
<b>Other Financing Sources (Uses)</b>				
Issuance of long-term debt	175,770	65,300,000	-	24,715,000
Premium on Bonds Issued	-	566,054	-	1,790,175
Discounts on Bonds Issued	-	-	-	-
Payment to escrow agent-refunded debt	-	-	-	(23,500,000)
Sale of capital assets	-	489,997	-	202,895
Transfer from other funds	24,969,412	21,600,857	17,059,900	9,653,933
Transfer to other funds	<u>(24,517,617)</u>	<u>(21,657,764)</u>	<u>(17,059,900)</u>	<u>(9,653,933)</u>
Total other financing sources (uses)	<u>627,565</u>	<u>66,299,144</u>	<u>-</u>	<u>3,208,070</u>
Net change in fund balances	<u>\$ (4,204,627)</u>	<u>\$ 47,216,353</u>	<u>\$ (47,557,972)</u>	<u>\$ (15,676,186)</u>
Debt service as a percentage of noncapital expenditure:	7.4%	7.5%	8.2%	11.1%

Table 5

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 100,346,765	\$ 105,460,118	\$ 108,945,817	\$ 112,999,386	\$ 113,180,642	\$ 116,180,734
-	-	-	-	-	-
14,291,687	15,996,708	16,941,795	17,832,031	19,698,311	20,944,326
3,130,245	3,163,720	3,484,388	3,766,292	4,088,743	4,956,253
1,536,541	1,658,455	1,133,188	1,229,149	2,944,878	2,409,442
22,912,749	23,406,593	22,164,613	23,434,166	25,211,479	23,264,655
2,940,408	3,231,061	3,316,555	3,440,498	3,758,831	4,005,174
7,263,926	7,416,017	9,275,461	10,129,821	9,953,877	10,380,809
403,061	295,910	159,171	134,017	115,374	154,756
5,602,806	1,407,154	1,627,789	1,876,791	2,684,426	2,677,309
<u>158,428,188</u>	<u>162,035,736</u>	<u>167,048,777</u>	<u>174,842,151</u>	<u>181,636,561</u>	<u>184,973,458</u>
9,302,160	9,676,687	10,215,740	9,947,052	10,462,255	11,094,536
30,056,729	32,251,931	32,451,639	36,154,948	39,131,213	36,077,101
10,697,137	12,371,883	11,664,103	11,846,684	12,534,486	14,019,519
25,077,211	25,924,881	25,051,483	27,045,142	28,229,950	26,531,689
261,930	344,699	373,450	371,421	327,320	340,204
13,087,467	13,519,057	13,420,533	13,687,085	13,839,188	14,162,219
3,860,796	3,882,693	3,654,807	3,841,553	7,456,999	3,842,141
6,827,513	6,305,436	6,419,770	6,098,694	6,349,571	5,978,964
32,951,548	35,488,626	36,675,154	37,920,810	37,784,270	38,148,499
4,453,015	3,980,519	4,998,600	5,858,111	14,446,478	15,610,192
2,371,301	4,016,191	2,886,725	4,742,686	29,024	2,443,977
10,099,775	9,949,167	9,910,000	9,215,000	10,440,000	11,470,000
5,367,812	6,487,455	6,492,027	3,762,911	3,489,128	3,410,271
<u>154,414,394</u>	<u>164,199,225</u>	<u>164,214,031</u>	<u>170,492,097</u>	<u>184,519,882</u>	<u>183,129,312</u>
<u>4,013,794</u>	<u>(2,163,489)</u>	<u>2,834,746</u>	<u>4,350,054</u>	<u>(2,883,321)</u>	<u>1,844,146</u>
-	45,795,000	16,620,000	-	15,135,000	-
-	4,789,688	1,875,258	-	1,555,597	-
-	(196,863)	-	-	-	-
-	(48,226,667)	(16,275,000)	-	(4,670,000)	-
-	-	-	-	-	11,640
5,437,904	2,491,595	4,003,845	11,176,286	8,350,111	14,404,200
<u>(5,437,904)</u>	<u>(2,491,595)</u>	<u>(4,003,845)</u>	<u>(11,176,286)</u>	<u>(8,350,111)</u>	<u>(14,404,200)</u>
<u>-</u>	<u>2,161,158</u>	<u>2,220,258</u>	<u>-</u>	<u>12,020,597</u>	<u>11,640</u>
<u>\$ 4,013,794</u>	<u>\$ (2,331)</u>	<u>\$ 5,055,004</u>	<u>\$ 4,350,054</u>	<u>\$ 9,137,276</u>	<u>\$ 1,855,786</u>
10.3%	10.3%	10.3%	7.9%	8.2%	8.9%

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

Last Ten Fiscal Years

<b>Fiscal Year Ended June 30</b>	<b>Real Property</b>		<b>Personal Property</b>	
	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Motor Vehicles</b>	<b>Other</b>
2007	10,898,562	2,315,751	899,654	1,698,714
2008	24,137,625	5,539,507	954,681	1,785,364
2009	25,171,023	6,030,188	933,239	1,958,369
2010	25,611,680	6,135,756	872,773	1,982,727
2011	25,956,004	6,088,445	877,835	1,813,228
2012	18,204,062	4,270,088	933,011	2,005,369
2013	18,317,595	4,296,720	989,099	1,885,322
2014	18,506,731	4,341,085	1,403,046	1,908,353
2015	18,773,228	4,403,597	1,164,656	1,888,653
2016	16,775,139	3,934,909	1,275,999	2,075,894

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 2015. The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.

**Table 6**

<b>Less: Tax Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
287,626	15,525,055	0.005400	24,840,088	62.50%
992,640	31,424,537	0.003050	31,649,247	99.29%
1,007,602	33,085,217	0.003050	33,736,328	98.07%
1,056,335	33,546,601	0.003050	32,911,411	101.93%
1,127,037	33,608,475	0.003050	29,587,530	113.59%
883,952	24,528,578	0.004425	25,217,002	97.27%
889,727	24,599,009	0.004425	23,857,055	103.11%
900,170	25,259,045	0.004425	23,422,705	107.84%
903,918	25,326,216	0.004425	23,574,622	107.43%
603,427	23,458,514	0.004850	23,681,116	99.06%

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
County:				
Brunswick County-wide rate	\$ 0.5400	\$ 0.3050	\$ 0.3050	\$ 0.3050
Municipality Rates:				
Village of Bald Head Island	0.4650	0.2600	0.2600	0.2700
Village of Bald Head Island MSD Zone A (4)	*	*	*	0.3100
Village of Bald Head Island MSD Zone B (4)	*	*	*	0.2900
Town of Belville	0.1500	0.0911	0.0911	0.0911
City of Boiling Spring Lakes	0.2500	0.1200	0.1200	0.1200
Town of Bolivia	0.0600	0.0500	0.0500	0.0500
Town of Calabash	0.1000	0.0700	0.0700	0.0700
Town of Carolina Shores	0.0800	0.0800	0.0800	0.0800
Town of Caswell Beach	0.2200	0.1500	0.1500	0.1300
Town of Holden Beach	0.1800	0.0690	0.0690	0.0690
Town of Leland	0.1800	0.1166	0.1166	0.1166
Town of Navassa	0.2700	0.2000	0.2000	0.2000
City of Northwest	0.2000	0.1500	0.1700	0.1700
Town of Oak Island	0.3300	0.1245	0.1400	0.1400
Town of Ocean Isle Beach	0.1400	0.0800	0.0900	0.0900
Town of Sandy Creek	0.3500	0.3000	0.3000	0.3000
Town of Shallotte	0.3200	0.2700	0.2700	0.2700
Town of St. James Plantation	0.0500	0.0500	0.0500	0.0500
City of Southport	0.2700	0.1500	0.1800	0.1800
Town of Sunset Beach	0.1450	0.1150	0.0900	0.0900
Town of Varnamtown	0.0500	0.0500	0.0500	0.0500
Other Districts: (3)				
North Brunswick Sanitary District	na	na	na	na
Southeastern Brunswick Sanitary District	0.0000	0.0000	0.0000	0.0000
Smithville Township	0.0400	0.0400	0.0225	0.0225

Notes:

- (1) Property was revalued in January 2007, January 2011 and January 2015
- (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, 2016.  
The Smithville Township is a hospital district. The levy collected is specific for debt retirement and capital improvements.
- (4) Municipal Service Districts created to fund beach re-nourishment.

Source : Brunswick County Tax Department.

**Table 7**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$	0.3050	\$ 0.4425	\$ 0.4425	\$ 0.4425	\$ 0.4425	\$ 0.4850
	0.3275	0.5910	0.5910	0.5910	0.5900	0.6663
	0.3825	0.6718	0.6718	0.6708	0.6708	0.7471
	0.3625	0.6416	0.6416	0.6406	0.6406	0.7169
	0.0683	0.0683	0.0683	0.0683	0.0683	0.0683
	0.1200	0.1700	0.1700	0.1400	0.1700	0.2100
	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
	0.0700	0.0875	0.0875	0.0875	0.0875	0.0875
	0.0800	0.1016	0.1016	0.1016	0.1016	0.1016
	0.1300	0.1700	0.1700	0.1700	0.1700	0.2200
	0.0690	0.1270	0.1270	0.1270	0.1270	0.1500
	0.1166	0.1515	0.1515	0.1515	0.1515	0.1515
	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
	0.1900	0.2100	0.2100	0.2200	0.2200	0.2400
	0.1550	0.2750	0.2750	0.2750	0.2750	0.2750
	0.0900	0.1300	0.1300	0.1550	0.1550	0.1875
	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
	0.2700	0.3500	0.3500	0.3500	0.3500	0.3500
	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
	0.1800	0.2456	0.2456	0.2456	0.2456	0.2456
	0.0900	0.1050	0.1050	0.1050	0.1050	0.1600
	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
	na	na	na	na	na	na
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0225	0.0400	0.0400	0.0400	0.0400	0.0400

**Principal Property Taxpayers**  
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2016			Fiscal Year 2007		
		2015 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2006 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy (1)	Utility	\$1,000,037,256	1	4.27%	\$ 845,471,613	1	5.46%
N.C. Eastern Municipal Power Ag.	Utility	233,039,035	2	1.00%	159,054,371	2	1.03%
Bruns. Electric Membership Corp.	Utility	176,286,786	3	0.75%	125,301,489	3	0.81%
Archer Daniels Midland Company	Industry	119,928,805	4	0.51%	92,419,355	5	0.60%
Bald Head Island Ltd	Developer	81,115,217	5	0.35%	62,696,660	7	0.40%
Funston Land & Timber LLC	Timber	75,285,420	6	0.32%	113,565,887	4	0.73%
Red Mountain Timberco LLC	Timber	71,243,130	7	0.30%	n/a	n/a	n/a
Wal-Mart Real Estate Business Trust	Retail	41,271,210	8	0.18%	23,082,900	10	0.15%
CPI USA North Carolina, LLC	Utility	41,303,508	9	0.18%	n/a	n/a	n/a
Piedmont Natural Gas Co. Inc.	Utility	28,317,368	10	0.12%	n/a	n/a	n/a
MAS Properties LLC	Developer	n/a	n/a	n/a	65,731,300	6	0.42%
Sea Trail Corporation	Developer	n/a	n/a	n/a	29,563,280	8	0.19%
Odell Williamson	Developer	n/a	n/a	n/a	29,460,930	9	0.19%
Totals		<u>\$1,867,827,735</u>		7.98%	<u>\$1,546,347,785</u>		9.99%

Notes:

(1) Formerly Progress Energy Carolinas, Inc.

Source: Brunswick County Tax Department

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

<b>Fiscal Year Ended June 30</b>	<b>Total Net Tax Levy</b>	<b>Collection Within Fiscal Year of Levy</b>	<b>Percent of Levy Collected</b>	<b>Collections in Subsequent Years</b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collections to Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Tax Levy</b>
2007	83,653,779	81,622,970	97.57%	1,866,789	83,489,759	99.8%	166,264	0.2%
2008	96,591,590	94,153,697	97.48%	2,185,742	96,339,439	99.7%	164,020	0.2%
2009	100,905,188	96,284,992	95.42%	4,128,767	100,413,759	99.5%	252,151	0.2%
2010	101,769,536	96,713,452	95.03%	4,378,109	101,091,561	99.3%	491,429	0.5%
2011	102,495,067	96,734,004	94.38%	4,954,414	101,688,418	99.2%	677,975	0.7%
2012	107,167,357	101,521,399	94.73%	4,565,987	106,087,386	99.0%	806,649	0.8%
2013	109,045,695	103,031,401	94.48%	4,568,003	107,599,404	98.7%	1,079,971	1.0%
2014	112,022,102	106,499,446	95.07%	3,176,789	109,676,235	97.9%	1,446,291	1.3%
2015	111,987,421	107,298,668	95.81%	1,163,740	107,298,668	95.8%	2,345,867	2.1%
2016	113,979,053	110,454,040	96.91%	-	110,454,040	96.9%	3,525,013	3.1%

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	Limited Obligation Bonded	Installment Loans
2007	73,080,454	19,755,000	983,650
2008	97,465,000	17,625,000	36,053,592
2009	91,020,000	16,355,000	34,152,136
2010	84,560,000	15,080,000	33,060,608
2011	77,850,000	13,685,000	31,065,833
2012	70,240,000	39,405,000	575,000
2013	63,915,000	36,240,000	500,000
2014	57,895,000	33,120,000	425,000
2015	50,615,000	40,500,000	350,000
2016	42,815,000	36,900,000	280,000

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

- (1) State Data Center; projection as of June 30, 2016; annual estimates previous nine years
- (2) Bureau of Economic Analysis; amounts are for prior calendar year

**Table 10**

<b>Business-Type Activities</b>			<b>Total Primary Government</b>	<b>(2)</b>	<b>(1) Per Capita</b>
<b>General Obligation Bonded</b>	<b>Revenue Bonds</b>	<b>SRF Debt &amp; Installment Loans</b>		<b>Ratio Debt to Personal Income</b>	
1,009,546	38,084,416	34,223,830	167,136,896	6.8%	1,696
295,000	89,757,733	32,468,604	273,664,929	8.8%	2,676
-	87,192,068	30,693,306	259,412,510	7.6%	2,465
4,342,000	84,523,497	44,131,981	265,698,086	7.9%	2,458
4,285,000	107,100,902	43,925,518	277,912,253	8.0%	2,520
3,790,000	102,529,141	50,565,728	267,104,869	7.3%	2,380
3,760,000	97,936,222	52,895,869	255,247,091	6.6%	2,267
3,605,000	93,122,808	48,586,282	236,754,090	6.0%	1,996
3,445,000	98,667,778	43,819,260	237,397,038	5.7%	1,953
3,280,000	93,560,754	40,052,114	216,887,868	n/a	1,740

**Ratio of Net General Obligation Bonded Debt to Assessed Value and  
Net General Obligation Bonded Debt per Capita**

Last Ten Fiscal Years

<b>Fiscal Year Ended June 30</b>	<b>Assessed Value (000 omitted)</b>	<b>Gross General Obligation Bonded Debt</b>	<b>Less Debt Payable from Enterprise Fund</b>	<b>Net General Obligation Bonded Debt</b>	<b>Ratio Net General Obligation Bonded Debt to Assessed Value</b>	<b>(1) Population</b>	<b>Net General Obligation Bonded Debt per Capita</b>
2007	15,525,054	74,090,000	1,009,546	73,080,454	0.5%	98,557	741.50
2008	31,424,537	97,760,000	295,000	97,465,000	0.3%	102,275	952.97
2009	33,085,217	91,020,000	-	91,020,000	0.3%	105,226	865.00
2010	33,546,600	88,902,000	4,342,000	84,560,000	0.3%	108,085	782.35
2011	33,608,476	82,135,000	4,285,000	77,850,000	0.2%	110,276	705.96
2012	24,279,583	74,030,000	3,790,000	70,240,000	0.3%	112,583	623.90
2013	24,598,580	67,675,000	3,760,000	63,915,000	0.3%	115,670	552.56
2014	25,259,280	61,500,000	3,605,000	57,895,000	0.2%	117,834	491.33
2015	25,326,216	54,060,000	3,445,000	50,615,000	0.2%	121,577	416.32
2016	23,440,904	46,095,000	3,280,000	42,815,000	0.2%	124,668	343.43

Notes:

(1) State Data Center; projection as of June 30, 2016; annual estimates previous nine years

**Direct and Underlying Governmental Activities Debt**  
**General Obligation Bonds**  
 June 30, 2016

	<b>General Obligation Bonded Debt</b>	<b>Percent Applicable To County</b>	<b>Amount Applicable To County</b>
Direct:			
Brunswick County	\$ 46,095,000	100%	\$ 46,095,000
Underlying Debt:			
Village of Bald Head Island	7,050,604	100%	7,050,604
Smithville Township	6,350,000	100%	6,350,000
Southeast Brunswick Sanitary District	887,500	100%	887,500
Total Underlying Debt	<u>14,288,104</u>		<u>14,288,104</u>
 Total Direct and Underlying Debt	 <u>\$ 60,383,104</u>		 <u>\$ 60,383,104</u>

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### Legal Debt Margin Information

Last Ten Fiscal Years

	Fiscal Year			
	2007	2008	2009	2010
Debt limit	\$ 1,242,004,397	\$ 2,513,962,929	\$ 2,646,817,341	\$ 2,683,728,040
Total net debt applicable to limit	<u>94,828,650</u>	<u>151,143,592</u>	<u>141,527,136</u>	<u>137,042,608</u>
Legal margin	<u>\$ 1,147,175,747</u>	<u>\$ 2,362,819,337</u>	<u>\$ 2,505,290,205</u>	<u>\$ 2,546,685,432</u>
Total net debt applicable to the limit as a percentage of debt limit	7.6%	6.0%	5.3%	5.1%

**Table 13**

<b>Fiscal Year</b>					
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$ 2,688,678,046	\$ 1,942,366,601	\$ 1,967,886,412	\$ 2,020,742,425	\$ 2,026,097,249	\$ 1,875,272,335
<u>126,885,833</u>	<u>114,010,000</u>	<u>104,415,000</u>	<u>95,045,000</u>	<u>94,910,000</u>	<u>83,275,000</u>
<u>\$ 2,561,792,213</u>	<u>\$ 1,828,356,601</u>	<u>\$ 1,863,471,412</u>	<u>\$ 1,925,697,425</u>	<u>\$ 1,931,187,249</u>	<u>\$ 1,791,997,335</u>
4.7%	5.9%	5.3%	4.7%	4.7%	4.4%

**Calculation of Legal Debt Margin for Fiscal Year 2016:**

Assessed value of taxable property	\$ 23,440,904,188
	x 0.08
Debt limit- 8 percent of assessed value	<u>1,875,272,335</u>
Gross debt:	
Total bonded debt	139,655,754
Total limited obligation bonds	36,900,000
Total installment purchases	<u>40,332,114</u>
Gross debt	216,887,868
Less: Water and wastewater revenue bonds & installment purchases	<u>133,612,868</u>
Total amount of debt applicable to debt limit (net debt)	<u>83,275,000</u>
Legal debt margin	<u>\$ 1,791,997,335</u>

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

**Net Coverage:**

Fiscal Year End June 30	Enterprise Funds			All Enterprise Fund Debt Service		
	Operating Revenue Plus Interest	Operating Expenses Excluding OPEB (Net of Depreciation)	Net Available Revenue	Principal	Interest	Total
2007	32,991,331	15,095,168	17,896,163	3,557,232	2,951,486	6,508,718
2008	33,748,828	15,774,804	17,974,024	3,553,881	2,657,871	6,211,752
2009	31,013,129	15,775,304	15,237,825	4,635,963	2,530,870	7,166,833
2010	29,990,712	17,063,506	12,927,206	4,644,997	4,017,764	8,662,761
2011	41,543,785	16,909,934	24,633,851	5,057,980	5,459,336	10,517,316
2012	38,345,293	17,030,681	21,314,612	6,571,550	8,601,653	15,173,203
2013	62,371,539	18,210,821	44,160,718	8,620,528	6,148,351	14,768,879
2014	43,879,271	20,009,476	23,869,795	9,278,001	6,059,305	15,337,306
2015	45,932,582	19,068,756	26,863,826	9,897,052	6,244,414	16,141,466
2016	50,123,035	22,122,056	28,000,979	10,239,170	5,327,540	15,566,710

**Required Coverage:**

Fiscal Year Ended June 30	Net Available Revenue	20% Unrestricted Net position	Total Debt Service	Parity Debt Service	20% Parity Debt Service
2007	17,896,163	4,771,794	6,508,718	2,949,674	589,935
2008	17,974,024	6,834,562	6,211,752	2,950,524	590,105
2009	15,237,825	5,427,576	7,166,833	4,348,551	869,710
2010	12,927,206	4,452,242	8,662,761	5,974,687	1,194,937
2011	24,633,851	6,347,304	10,517,316	7,851,032	1,570,206
2012	21,314,612	7,062,297	15,173,203	12,536,689	2,507,338
2013	44,160,718	10,767,443	14,768,879	12,127,116	2,425,423
2014	23,869,795	9,833,780	15,337,306	12,623,679	2,524,736
2015	26,863,826	9,800,603	16,141,466	13,446,225	2,689,245
2016	28,000,979	10,054,493	15,566,710	12,787,267	2,557,453

Notes:

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

**Table 14**

**Enterprise Fund Parity Debt Service**

<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Net Coverage</b>
1,089,903	1,859,771	2,949,674	2.75
1,126,683	1,823,841	2,950,524	2.89
2,565,666	1,782,885	4,348,551	2.13
2,668,571	3,306,116	5,974,687	1.49
3,232,594	4,618,438	7,851,032	2.34
4,683,761	7,852,928	12,536,689	1.40
6,255,074	5,444,209	11,699,283	2.99
7,234,652	5,389,027	12,623,679	1.56
7,827,988	5,618,237	13,446,225	1.66
8,068,932	4,718,335	12,787,267	1.80

**Coverage**

<b>100% Parity</b>	<b>120% Parity</b>
2.75	3.19
2.89	3.65
2.13	2.57
1.49	1.76
2.34	2.56
1.40	1.60
2.99	3.19
1.56	1.89
1.66	1.95
1.80	2.10

**Demographic Statistics**  
Last Ten Fiscal Years

<b>Fiscal Year Ended June 30</b>	<b>(1) Population</b>	<b>(2) Personal Income (in thousands)</b>	<b>(2) Per Capita Income</b>	<b>(1) Median Age</b>	<b>(3) School Enrollment</b>	<b>(4) Unemployment Rate</b>
2007	98,557	2,440,703	24,764	44.7	11,505	4.7%
2008	102,275	3,101,372	30,324	45.0	11,599	6.1%
2009	105,226	3,394,034	32,255	47.7	11,841	11.0%
2010	108,085	3,347,269	30,969	47.7	11,739	10.2%
2011	110,276	3,482,031	31,576	48.0	11,969	10.3%
2012	112,583	3,674,444	32,638	48.4	12,026	10.3%
2013	115,670	3,877,899	33,526	48.8	12,201	9.1%
2014	117,834	3,954,798	33,562	49.3	12,416	6.9%
2015	121,577	4,192,401	34,484	49.6	12,240	7.1%
2016	124,668	not available	not available	49.9	12,290	5.8%

Notes:

- (1) State Data Center; projection as of June 30, 2016; annual estimates previous nine years
- (2) Bureau of Economic Analysis; figures are for prior calendar year
- (3) Brunswick County School System (20th day ADM)
- (4) North Carolina Employment Security Commission

**Principal Employers**

Current Year and Nine Years Ago

Name of Employer	Type of Business	Fiscal Year 2016			Fiscal Year 2007		
		Employees	Rank	% Total County Employment	Employees	Rank	% Total County Employment
Brunswick County Board of Education	Education	2,013	1	3.88%	1,650	1	3.44%
County of Brunswick	Local Government	1,024	2	1.97%	903	3	1.89%
Duke Energy (Formerly Progress Energy)	Utility	937	3	1.81%	1,050	2	2.19%
Wal-Mart Associates Inc.	Retail Chain	905	4	1.74%	750	4	1.57%
Brunswick Novant Medical	Medical Care Facility	725	5	1.40%	426	5	0.89%
Food Lion LLC	Grocery Chain	647	6	1.25%	372	7	0.78%
Lowe's Food	Grocery Chain	548	7	1.06%	n/a	n/a	n/a
Brunswick Community College	Education	474	8	0.91%	n/a	n/a	n/a
Dosher Memorial Hospital	Medical Care Facility	316	9	0.61%	n/a	n/a	n/a
McAnderson's Inc.	Restaurant Chain	300	10	0.58%	n/a	n/a	n/a
DAK Americas	Dacron Poly. Fiber	n/a	n/a	n/a	377	6	0.79%
Rampage	Yacht Manufacture	n/a	n/a	n/a	357	8	0.75%
Victaulic Company of America	Pipe Fittings & Seals	n/a	n/a	n/a	343	9	0.72%
Bald Head Island LP	Developer	n/a	n/a	n/a	315	10	0.66%
Totals		<u>7,889</u>		15.20%	<u>6,543</u>		13.66%

Source: NC Employment Security Commission; total county employment

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Function:</b>										
General government	105.5	111.5	110.5	106.5	104.5	100.5	95.5	95	95	94
Public safety	275	340	340	340	336	338	339	362	361	364
Central services	88	94	94	93	91	90	78	79	84	85
Human services	244	253	244	232	230	220	218	220	213	216
Environmental protection	10	9	9	9	8	8	8	7	7	7
Cultural and recreation	45	46	46	46	42	39	39	39	39	39
Economic and physical development	37	41	41	37	34	32	32	27	27	25
Utilities	<u>98.5</u>	<u>109.5</u>	<u>109.5</u>	<u>116.5</u>	<u>115.5</u>	<u>117.5</u>	<u>118.5</u>	<u>118</u>	<u>120</u>	<u>123</u>
Total	<u>903</u>	<u>1,004</u>	<u>994</u>	<u>980</u>	<u>961</u>	<u>945</u>	<u>928</u>	<u>947</u>	<u>946</u>	<u>953</u>

Source: County Finance Department

Note: This schedule represents the number of approved permanent FTE's as of June 30, 2016.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	Fiscal Year			
	2007	2008	2009	2010
<b>General Government</b>				
Number of registered voters	65,711	69,930	74,096	75,815
Number of marriage licenses issued	975	847	824	875
Number of tax bills issued excluding motor vehicles	135,359	141,257	143,323	143,456
<b>Law enforcement:</b>				
Civil papers issued	7,761	9,312	9,921	17,570
Offenses reported	8,956	10,070	10,663	15,054
Uniform mileage	2,092,423	2,159,680	2,526,651	2,295,431
<b>Emergency Services:</b>				
<b>Fire Protection:</b>				
Number of calls answered	8,879	9,323	9,742	10,168
Number of inspections conducted	1,424	1,310	1,482	1,024
<b>Emergency Medical Services:</b>				
Number of calls answered	13,175	13,371	13,367	13,503
Number of transports	7,185	8,212	7,859	8,049
<b>Code enforcement/building permits:</b>				
Number of code violations	181	126	414	418
<b>Number of building permits:</b>				
Single-family	2,841	1,722	974	1,050
Commercial	516	463	365	260
<b>Culture and Recreation:</b>				
Number of athletic fields rented	71	8	30	34
<b>Youth recreation:</b>				
Certified coaches	705	1,001	161	242
Sports teams	61	62	69	81
Participants	975	981	2,119	2,225
<b>Adult recreation:</b>				
Sports teams	49	53	86	48
Participants	790	800	1,700	1,886
Fitness program participants	1,475	1,525	4,153	1,165
Library system total circulation	479,509	501,047	549,929	555,614
<b>Solid waste:</b>				
Waste received (tons per 1,000 population)	1,654	1,337	1,147	1,200
Ratio of recyclable to total waste received	5.5%	5.0%	4.8%	4.6%
<b>Public Utilities:</b>				
Water customers	28,270	29,955	30,675	33,215
Water average daily treatment (in gallons)	13,750,000	13,640,000	13,572,000	12,821,890
Wastewater customers	7,565	8,378	8,622	9,125
Wastewater average daily treatment (in gallons)	2,080,000	2,253,000	2,584,000	2,644,752
<b>Education:</b>				
Number of teachers	752	756	788	812
Number of students	11,505	11,599	11,841	11,739
Number of charter students	396	443	483	563

Sources: Various government departments.

Table 18

Fiscal Year					
2011	2012	2013	2014	2015	2016
77,204	79,635	81,954	85,047	84,823	91,413
927	1,014	864	903	946	916
144,614	142,666	152,792	152,075	153,744	155,864
11,552	9,040	8,863	7,646	8,380	11,301
21,630	15,315	5,476	5,122	4,686	5,390
2,227,127	2,411,854	2,131,207	1,818,162	1,948,884	2,133,688
10,879	10,761	12,364	15,107	15,131	15,428
951	854	1,009	1,336	1,715	1,643
13,595	14,489	17,214	19,520	20,361	17,338
8,068	8,678	11,269	12,952	14,093	10,689
423	421	540	440	583	613
916	1,038	1,517	1,967	2,295	2,077
340	438	226	226	419	318
115	85	61	63	134	63
245	199	205	238	275	525
98	100	103	119	126	182
2,466	3,306	3,330	6,922	3,730	3,938
63	57	55	48	50	36
1,744	3,678	3,700	3,136	2,700	720
1,500	2,141	2,201	1,536	n/a	n/a
537,085	541,305	547,559	539,487	544,822	542,239
1,106	980	864	898	899	966
5.9%	6.8%	8.0%	21.7%	22.1%	24.3%
33,770	34,394	34,984	36,028	37,112	38,760
13,487,920	13,545,000	13,385,000	13,628,000	13,558,885	14,138,190
9,647	10,475	12,142	13,841	14,514	15,847
3,146,983	3,504,000	4,250,000	5,202,500	5,764,442	5,995,560
742	758	779	795	791	784
11,969	12,026	12,201	12,416	12,240	12,290
636	688	725	769	880	1,002

## COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	Fiscal Year			
	2007	2008	2009	2010
Law enforcement:				
Sheriff stations	13	13	14	15
Deputy patrol units	44	47	51	51
Detention center capacity	196	440	440	440
Emergency services:				
Rescue stations	8	9	9	9
EMS vehicles	12	13	13	13
Culture and recreational:				
Community centers	7	7	7	7
Parks	11	12	13	13
Libraries (branches)	5	5	5	5
Public Utilities:				
Miles of water mains	727	795	839	919
Maximum daily water capacity (in gallons)	30,000,000	30,000,000	30,000,000	30,000,000
Miles of wastewater mains	299	360	403	435
Maximum daily wastewater capacity (in gallons)	6,115,000	6,115,000	6,115,000	9,080,000
(1) Education:				
Number of schools	17	17	17	19
Number of charter schools	1	1	1	1
Community colleges	1	1	1	1

Sources: Various government departments.

**Table 19**

<b>Fiscal Year</b>						
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	
15	15	15	15	13	10	
51	51	51	50	50	50	
440	440	440	440	440	440	
9	9	9	9	9	9	
13	13	15	16	21	21	
7	7	7	7	5	5	
13	13	13	13	13	13	
5	5	5	5	5	5	
949	969	980	999	1,013	1,029	
30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	
462	501	521	547	550	569	
9,180,000	9,080,000	10,130,000	10,955,000	10,855,555	10,855,555	
19	19	19	19	19	19	
1	1	1	1	2	2	
1	1	1	1	1	1	

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