



County of Brunswick

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020



brunswickcountync.gov

**COUNTY OF BRUNSWICK
NORTH CAROLINA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended
June 30, 2020**

Prepared by Brunswick County Finance

COUNTY OF BRUNSWICK, NORTH CAROLINA
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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County of Brunswick

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October 30, 2020

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, 2020.

This report consists of management's representations concerning the finances of Brunswick County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, 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.

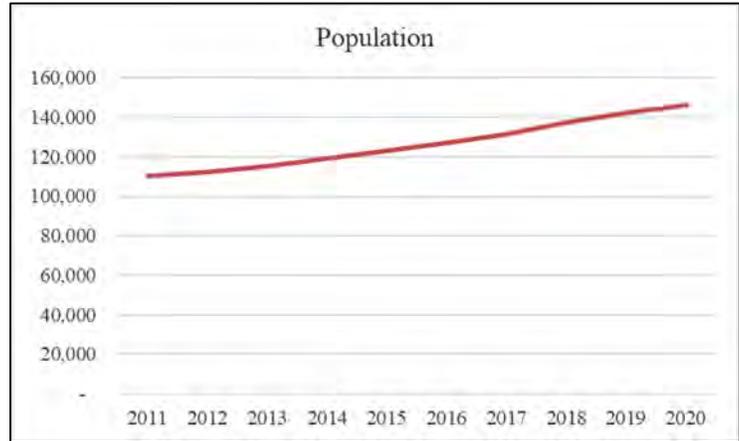
Martin Starnes & Associates, CPA's, P.A., a firm of licensed certified public accountants, has independently audited Brunswick County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Brunswick County for the fiscal year ended June 30, 2020, 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, 2020, 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 146,135, which is an increase of approximately 33% since 2011. 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.

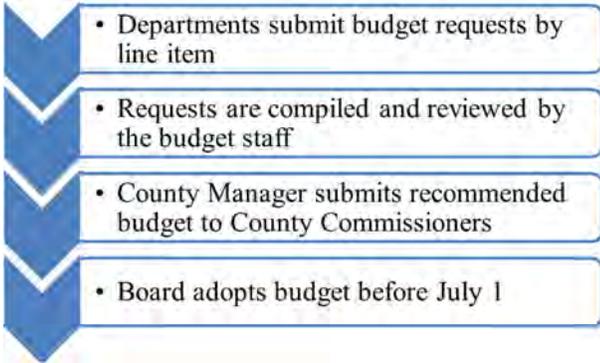
Brunswick County, like most counties in the State, has a Commissioner/Manager form of government. The manager is appointed by the Board and serves at its pleasure.

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



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 21 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 102. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e., capital project funds).

In addition, Brunswick County was given the GFOA’s Distinguished Budget Presentation Award for its annual budget document for Fiscal Year 2019-2020. This is the fourteenth consecutive year the County has received this award. This program was established to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA’s best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

Factors Affecting Financial Condition

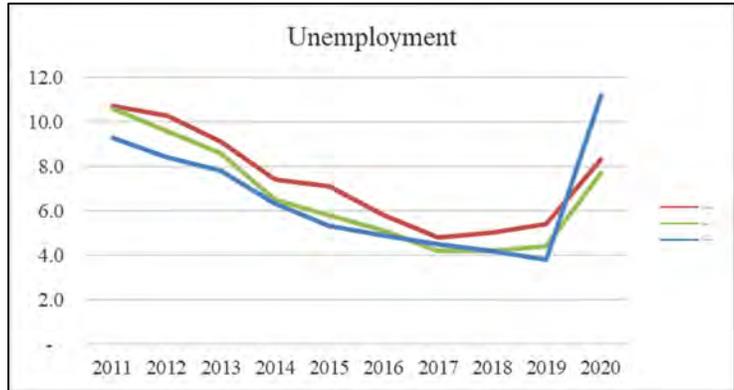
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Brunswick County operates.

The current worldwide financial downturn that began in March 2020 due to the COVID-19 pandemic affected our regional economy with a decline in consumer spending due to a lack of tourism, business closures and stay at home orders. Recovery from this downturn have begun and will continue but are dependent on several key factors, including public health and the public’s confidence in the safety of resuming normal activities.

Local economy. Brunswick County in recent years has experienced significant growth in its permanent population. Current year growth in the County of 4.5% and ranked number 1 in the state and number 7 in the country for growth in 2019. The permanent population grew at an average rate of approximately 3.1 percent annually over the last ten years. Even with the current pandemic, the County’s growth rate continues to increase mainly due to many people moving to Brunswick County for its quality of life. Residential and commercial development has shown growth annually over last five years.

The County and State’s unemployment rates at June 2020 were 8.3 and 7.7 percent, respectively. The State’s seasonally adjusted unemployment rate at June 2020 is 7.5. With respect to employment growth, Brunswick County had seen continued growth in the labor force as well as total employment prior to the COVID-19 pandemic. Total employment in June 2018 was 53,341. Total employment in June 2019

increased by 602 jobs, or 1.1% from the 2018 benchmark. With the pandemic stay at home orders, business closure, and a decrease in tourism the total employment in June 2020 the total employment decreased to 47,881 representing a 6,062 reduction in jobs or a 11.2% decrease from the previous year.



Brunswick County continues to see strong, consistent growth with respect to economic growth and development. From 2019 to 2020, Brunswick County’s business investment increased by \$135,829,302 representing a 5.35% increase. There has been 1 new industry to announce its decision to locate in Brunswick County during 2019 to include Pacon Manufacturing Corporation. A \$700,000 grant will support the reuse of a 336,435-square-foot building in Navassa. The company produces a wide range of custom products for wet and dry applications, including baby wipes, make-up removal wipes and cleaning wipes. Pacon estimates their investment to be around \$37,600,000 and 238 new jobs within 2 years following start-up. Start-up is anticipated to occur during 2020.

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. The Mid Atlantic Industrial Rail Park also has sewer and water service and can provide natural gas. CSX transportation serves the park with rail and has recognized the Mid Atlantic Industrial Park as one of twenty-three sites designated as a “CSX Select Site” in their system. In February 2019 both the International Logistics Park and Mid Atlantic Industrial Rail Park were recertified by North Carolina as Certified Industrial Sites. Both sites have also been added to the Economic Development Partnership of North Carolina’s Mega-Sites webpage.

Brunswick County has submitted buildings and sites to 15 potential new companies representing approximately \$1 billion in new investment and 2,993 jobs. In addition, there are 7 existing companies considering expansion representing an additional \$11 million in new investment and 217 new jobs. Pre COVID-19, Brunswick County has also experienced an increase in Labor Force from 50,766 in December 2018 to 53,741 in December 2019, representing an approximate increase of 6%.

The County’s diversified economy is based primarily upon tourism, manufacturing, retail, and construction. Our existing industries continue to look for ways to expand adding many new jobs to the County. Tourism contributions include permanent, as well as secondary housing development, increased retail sales, increased employment opportunities and increased demand for potable water and wastewater collection and treatment services. Retail development has continued to pick up with new shopping centers completed and planned near St. James, Supply, Shallotte and Leland and the infill of stores within centers in the southern part of the County. In the past year, residential construction has increased with hundreds of new homes now under construction.

Retail trade is the largest employment sector in Brunswick County, accounting for 17% of employment, while accommodation and food services represent 15%, health care and social assistance 13%, government 10%, educational services 8%, construction 7%, administrative and waste services 6%, arts, entertainment 4%, manufacturing 4%, utilities 3%, transportation 3%, professional 3%, and real estate 2%. Various other employment sectors make up the remaining 5%.

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



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

BRUNSWICK **COMMUNITY COLLEGE**

Marine Biotechnology. Other programs include Arts & Sciences, Nursing and Allied Health, High School and Academic Support, Professional and Technical, and Continuing Education. Sustainability is also a focus of the college. It maintains a 66 plus acre site designated as a NC Birding Trail that is made of forests, wetlands, and walking trails. Through a partnership with the Golden LEAF Foundation and the

U.S. Economic Development Administration, the Community College also participates in the Brunswick Business and Industry Incubator. It provides the new and growing businesses with the tools necessary for success through an array of business support resources and services.

Cape Fear Regional Jetport also known as “Howie Franklin Field” is located in Oak Island, NC drawing both business and recreation planes. The ideal location with 47 miles of beach, historical seaport

villages, exclusive island getaways, more than 30 golf courses, fantastic inshore and offshore fishing, world famous seafood and spectacular weather year round combined with the airport itself boasting 15 businesses including two aircraft maintenance shops, the largest flight school on the coast, helicopter flight school, bait and tackle shop, an avionics shop and an aircraft charter shop just to name a few.



The airport is 4th in General Aviation Airport economic engines in the State of North Carolina out of 72 other airports.

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

Cultural and Recreation

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

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



Parks and Community: Brunswick County provides many parks and facilities that can be used for golf, athletics, special populations programs, community events and more. The parks and recreation department maintains 12 parks and 4 community centers including an amphitheater, multiple fields and picnic shelters, 36 tennis courts, and 10 pickle ball courts. The Brunswick Nature Park is 911 acres of undeveloped wilderness with hiking and biking trails and a kayak/canoe launch site.

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

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

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

Long-term Financial Planning

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

General Government

The County's total operating budget for the fiscal year ending June 30, 2021 totals \$209,851,877 with no increase in the property tax rate of .4850 per \$100 of assessed value, based on a total valuation of \$29.75 billion and the estimated value of one cent is \$2.92 million. The fiscal Year 2020-2021 budget conservatively projected revenues with a reduction in sales tax-based revenues and should the growth continue as it has in previous economic downturns, this allows for the financial flexibility to endure the Pandemic crisis without a negative impact on the program operations of the County.

In November 2016, voters approved a \$152 million bond referendum as requested by the Board of Education for the schools district wide deferred maintenance and improvement, technology infrastructure, the need for new and replacement



schools, and the addition of an early college and career technical educational building. The County issued the first of three issues in June 2018 of \$52.95 million with additional planned debt issues in July 2020 of \$47.55 million and July 2022 of \$51.50 million.

The Five-Year Capital Improvement Plan for general government in FY 2021 totals \$6.7 million. This is made up of a general government project for the courthouse renovations at a cost of \$1.6 million to address courthouse space needs, a \$5.0 million environmental protection project for the construction of a transfer station at the existing landfill, and \$0.2 million for landfill closure . The planned funding source is \$6.7 million in capital reserves.

Water

The number of customers connected to the County's water system continues to increase at a rate of 3% to 3.5% per year to 44,583 as of June 30, 2020. Due to the growth and the increase in irrigation demand, additional transmission system improvements are planned in the next five years. A pipeline from the Northwest Water Treatment Plant to the Bell Swamp ground storage tank will supply additional potable water to the south end of the county. Completion of the Highway 74/76 Water Main project is needed to supply service to the County Industrial Parks with the purpose to attract new industry and may provide an emergency interconnection with the Columbus County water system.

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

Wastewater

The County currently operates six wastewater treatment plants with a combined permitted wastewater treatment capacity of 10.855 mgd. County customers connected to the system grew 5.4% as of the end of the fiscal year 2020 to 19,825 customers.

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



The County operates the Northeast Brunswick Regional Water Reclamation Facility with a capacity of 2.475 mgd. This facility serves the Town of Leland, Town of Navassa, and H2GO as participants in the facility and is fully supported by user charges. Due to the rapid growth in the northern section of the County, the County has begun construction to expand the Northeast Brunswick Regional Wastewater System capacity by 2.5 mgd. Increasing its capacity to 4.975 mgd. The county issued revenue

bonds in November 2019 for a project cost of \$51.9 million adding approximately \$3.4 million in debt

service. July 1, 2020 the county acquired the Town of Navassa's sewer system and the county will be responsible for 20.58% or \$0.7 million of the 2.5 mgd expansion.

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

The County plans to continue 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, 2019. This is the eighteenth (18th) 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 Aaron Smith, CPA, Deputy Finance Officer and the other members of the finance staff for their dedication and ongoing efforts in the preparation of the 2020 CAFR:

Yvette Glenn	Bill Noland	Ventzie Penev
Christina Kennedy	Ingrid Oliver	Cathy Roeder
Tammy Miller	Debra Ormand	Tiffany Rogers
Melissa Modafferi		

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,

A handwritten signature in black ink that reads 'Julie A. Miller'.

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, 2019

Christopher P. Morrill

Executive Director/CEO

**Brunswick County
Board of County Commissioners**



Frank Williams
Chairman
District 5



Randy Thompson
Vice-Chairman
District 1



J. Martin Cooke
District 2



Pat Sykes
District 3



Mike Forte
District 4

County Officials

Randell Woodruff	County Manager
Robert V. Shaver	County Attorney
Andrea White	Clerk to the Board
Julie A. Miller	Director of Fiscal Operations

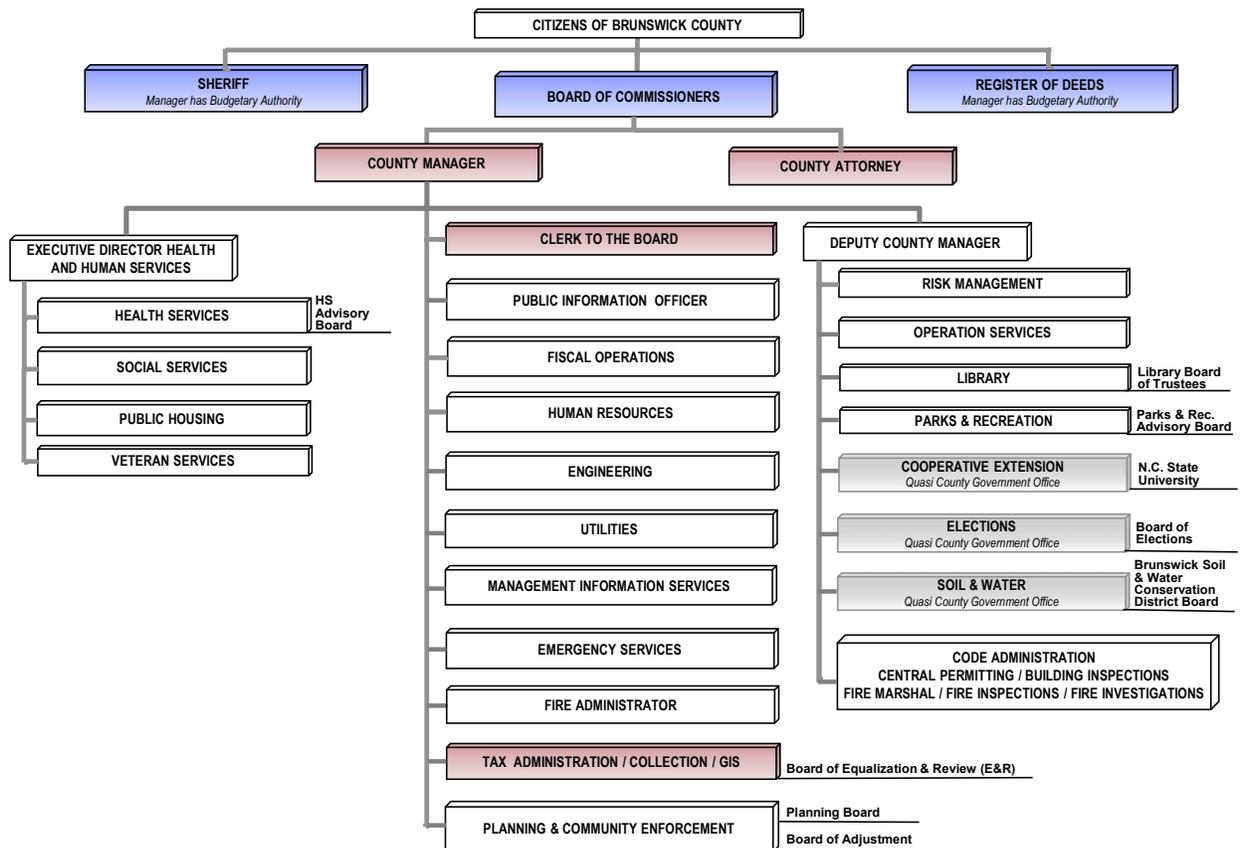
Other Elected Officials

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



Brunswick County

Organizational Chart



LEGEND

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

Approved 6-15-2020



MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Independent Auditor's Report

Board of Commissioners
Brunswick County
Bolivia, North Carolina

Report On the 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, 2020, 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 Control, which represents 11%, 9%, and 39%, 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 has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Brunswick County Board of Alcoholic Control, is based solely on the report of the other auditors. 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 from material misstatement. The financial statements of the Brunswick County Board of Alcoholic Control, the Brunswick County Airport Commission, and the Brunswick County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

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 on 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, 2020, 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 schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Other Post-Employment Benefits schedules of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, and the Register of Deed's Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Supplementary and 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, budgetary schedules, other schedules, and statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Financial Data Schedule is presented for purposes of additional analysis as required by

the U.S. Department of Housing and Urban Development and is not a required part of the basic financial statements.

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

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 an 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 30, 2020, on our consideration of Brunswick County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Brunswick County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brunswick County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 30, 2020



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, 2020. 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

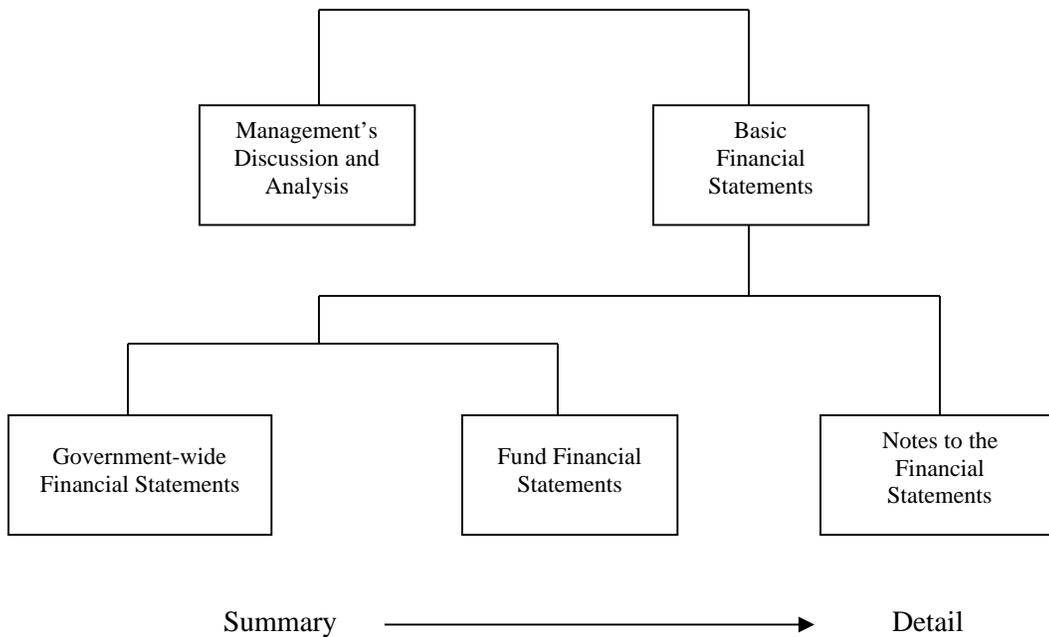
- The assets and deferred outflows of resources of Brunswick County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$62.3 million (*net position*). The County's net position is impacted considerably by the general obligation 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 \$61.9 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 54 further explains the effect of education debt on net position.
- The County's net position of governmental activities increased by \$11.4 million mainly due to revenues of \$5.6 million related to the CARES Act to assist with the COVID-19 pandemic and \$6.4 million of FEMA revenue from prior year's hurricane events. Management also maintains a focus on monitoring spending and increased revenue collections in the General Fund such as an increase in Ad Valorem tax collections of \$14.3 million due to a recent revaluation and growth in the County. This is partially offset by education capital projects expenditures not included in capital assets.
- As of the close of the 2020 fiscal year, the County's general fund reported amounts restricted for Stabilization by State statute of \$13.8 million, restrictions for public housing section 8 beneficiaries of less than \$0.1 million, \$1.4 million restricted for the Interlocal Agreement with Holden Beach, and \$3.0 million restricted for health and wellness programs totaling \$4.4 million. The unrestricted fund balance totals \$78.8 million of which \$0.2 million is committed for revaluation purposes, \$0.1 million is nonspendable for prepaids, and \$2.3 million is assigned for carryover expenditures into the next fiscal year leaving \$76.2 million available for spending.
- Moody's Investor Services ratings are Aa1 for general obligation bonds, Aa2 for limited obligation bonds and Aa3 for revenue bonds. S & P Global Services ratings are AAA for general obligation bonds, AA+ for limited obligation bonds, and the rating for revenue bonds remains AA-. The County bond ratings with Fitch are AA+ for general obligation bonds, AA for limited obligation bonds, and AA- for revenue bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis 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 fund, 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 an internal service fund for the County's self-insured workers' compensation program.

The government-wide financial statements include not only Brunswick County itself (known as the primary government), but also the Brunswick County ABC Board, Airport Commission, and Tourism Development Authority. Although legally separate from the County, these boards, commissions and authorities are important to the County because the County exercises control over 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 Fund* is used to report the activities for the financing of workers' compensation self-insurance cost incurred.

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 27-76 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 77-87 of this report.

Brunswick County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 168,693,065	\$ 170,912,095	\$ 308,003,346	\$ 70,700,614	\$ 476,696,411	\$ 241,612,709
Capital asset (net)	<u>144,799,708</u>	<u>144,310,226</u>	<u>410,962,084</u>	<u>384,932,612</u>	<u>555,761,792</u>	<u>529,242,838</u>
Total assets	<u>313,492,773</u>	<u>315,222,321</u>	<u>718,965,430</u>	<u>455,633,226</u>	<u>1,032,458,203</u>	<u>770,855,547</u>
Deferred Outflows of Resources:	<u>23,171,269</u>	<u>16,795,642</u>	<u>4,131,238</u>	<u>2,152,755</u>	<u>27,302,507</u>	<u>18,948,397</u>
Noncurrent liabilities	234,532,534	227,704,570	353,886,515	116,979,174	588,419,049	344,683,744
Other liabilities	<u>24,331,865</u>	<u>34,904,651</u>	<u>29,058,453</u>	<u>18,818,065</u>	<u>53,390,318</u>	<u>53,722,716</u>
Total Liabilities	<u>258,864,399</u>	<u>262,609,221</u>	<u>382,944,968</u>	<u>135,797,239</u>	<u>641,809,367</u>	<u>398,406,460</u>
Deferred Inflows of Resources:	<u>15,464,520</u>	<u>18,464,196</u>	<u>2,561,372</u>	<u>3,030,695</u>	<u>18,025,892</u>	<u>21,494,891</u>
Net position:						
Net investment in capital assets	120,163,924	115,617,349	284,015,403	274,843,506	404,179,327	390,460,855
Restricted	21,291,880	18,668,825	-	-	21,291,880	18,668,825
Unrestricted	<u>(79,120,681)</u>	<u>(83,341,628)</u>	<u>53,574,925</u>	<u>44,114,541</u>	<u>(25,545,756)</u>	<u>(39,227,087)</u>
Total net position	<u>\$ 62,335,123</u>	<u>\$ 50,944,546</u>	<u>\$ 337,590,328</u>	<u>\$ 318,958,047</u>	<u>\$ 399,925,451</u>	<u>\$ 369,902,593</u>

The assets and deferred outflows of resources of Brunswick County governmental activities exceeded its liabilities and deferred outflows of resources by \$62.3 million as of June 30, 2020. Net position is reported as follows: net investment in capital assets of \$120.2 million, restricted for stabilization by State statute \$14.2 million, restricted for other purposes \$7.1 million and unrestricted net position of \$(79.1) 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	\$ 144.8
Less long-term debt	(82.2)
Less current maturities of long-term debt	(13.0)
Landfill closure included in long-term debt	8.4
Current portion of compensated absences	0.3
Education general obligation debt payable	<u>61.9</u>
Total net investment in capital assets	<u>\$ 120.2</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, 2020, the unrestricted resources were \$(79.1) million. Even though the debt issued has been issued to finance capital

outlay, construction and renovation for the school system and the community college, the Governmental Accounting Standards Board has determined that it is not capital debt for the County since it is not financing assets owned by the County. As a result, the education debt is reportable within the unrestricted category of the net 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	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Changes for services	\$ 21,907,038	\$ 21,511,203	\$ 61,930,800	\$ 55,097,459	\$ 83,837,838	\$ 76,608,662
Operating grants and contributions	35,874,168	24,429,511	-	-	35,874,168	24,429,511
Capital grants and contributions	5,476,325	2,585,911	3,121,364	4,569,408	8,597,689	7,155,319
General revenues:						
Ad valorem taxes	142,610,199	127,900,138	-	-	142,610,199	127,900,138
Local option sales taxes	28,320,802	26,288,973	-	-	28,320,802	26,288,973
Other taxes	6,350,878	5,774,132	-	-	6,350,878	5,774,132
Investment earnings	1,738,549	2,186,800	1,334,289	633,875	3,072,838	2,820,675
Total revenues	242,277,959	210,676,668	66,386,453	60,300,742	308,664,412	270,977,410
Expenses:						
General government	15,306,541	13,314,538	-	-	15,306,541	13,314,538
Public safety	53,594,015	49,929,898	-	-	53,594,015	49,929,898
Central services	19,216,028	24,293,860	-	-	19,216,028	24,293,860
Human services	27,802,694	25,630,231	-	-	27,802,694	25,630,231
Transportation	3,502,110	3,575,858	-	-	3,502,110	3,575,858
Environmental protection	17,969,669	17,556,933	-	-	17,969,669	17,556,933
Cultural and recreation	6,618,268	4,595,624	-	-	6,618,268	4,595,624
Economic and physical development	6,531,495	8,117,571	-	-	6,531,495	8,117,571
Education	76,387,466	78,603,400	-	-	76,387,466	78,603,400
Interest on long-term debt	3,620,295	4,115,665	-	-	3,620,295	4,115,665
Water and wastewater	-	-	48,092,973	46,396,522	48,092,973	46,396,522
Total expenses	230,548,581	229,733,578	48,092,973	46,396,522	278,641,554	276,130,100
Increase (decrease) in net position before transfers	11,729,378	(19,056,910)	18,293,480	13,904,220	30,022,858	(5,152,690)
Transfers	(338,801)	(465,981)	338,801	465,981	-	-
Increase (decrease) in net position	11,390,577	(19,522,891)	18,632,281	14,370,201	30,022,858	(5,152,690)
Net position, July 1	50,944,546	70,467,437	318,958,047	304,587,846	369,902,593	375,055,283
Net position, June 30	\$ 62,335,123	\$ 50,944,546	\$ 337,590,328	\$ 318,958,047	\$ 399,925,451	\$ 369,902,593

Governmental activities. Governmental activities accounted for \$62.3 million, which is 15.6 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 \$35.9 million of the county's governmental activities an increase from the prior year due to \$5.6 million related to the CARES Act and \$6.4 million in Federal and State Disaster funds related to prior year's hurricane events. Governmental expenses increased slightly due to operational increases in General Government, Public Safety, Human Services, and Cultural and Recreation. Governmental net position increased \$11.4 million mainly due to increased revenue collections, controlled spending and principal debt retirements associated with education facilities for which the county does not own the underlying assets

Business-type activities. Business-type activities increased the County's net position by \$18.6 million. Business-type revenues increased mainly due to the addition of customers resulting in increases in user charges. Business-type expenses increased due to increases in operations. Business-type net position increased by \$18.6 million due to the completion of capital projects. Net position is also affected by current year issuance of debt.

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 \$151.6 million, which is an increase of \$4.8 million over the prior year. Approximately \$29.3 million of the total fund balance is restricted by state stabilization or other restrictions and approximately \$122.3 million is unrestricted. Of the unrestricted fund balance of \$122.3 million at June 30, 2020, \$0.2 million was committed for a legally budgeted tax revaluation, \$43.8 million or approximately 35.8 percent was committed for education and county capital projects, \$0.1 million was nonspendable for prepaids, and \$2.3 million was assigned for subsequent year expenditures leaving \$75.9 million of unassigned fund balance. The unassigned fund balance of \$75.9 million, which is approximately 50.0 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 \$76.2 million, while total fund balance for the general fund increased from \$80.8 million to \$97.0 million mainly due to increased ad valorem tax collections and local option sales taxes as well as \$5.6 million from CARES Act funding to assist with the COVID-19 pandemic and \$5.6 million received in Federal and State Disaster funds related to prior year's hurricane events. Amounts in the General Fund balance assigned for subsequent year's expenditures totaled \$2.3 million. The amount of restricted general fund balance was \$13.8 million for stabilization by state statute and \$4.4 million for other restrictions related to health, wellness and public housing section 8 programs and the Municipal Interlocal Agreement for Special Obligation Bonds. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned general fund balance represents 38.0% of total general fund expenditures before transfers for capital projects, while total general fund balance represents 48.4% of that same

amount. The County Capital Project fund balance increased \$5.6 million due to transfers from the General Fund. The Education Capital Project Fund balance decreased \$17.5 million mainly due to planned capital project expenditures. Expenditures from the first phase of the \$152 million bond referendum debt issued at \$52.9 was a large part of this. The Non-Major Governmental Funds balance increased \$0.4 million.

Enterprise Funds. The Water Fund's net position increased \$6.5 million to \$165.7 million. The Wastewater Fund's net position increased \$12.2 million to \$171.9 million. The increases in the net position of the enterprise funds are from growth in the customer base, the completion of capital projects and capital contributions.

Internal service fund. The Workers' Compensation Internal service fund net position decreased net position from \$3.6 million to \$0 due to closing the fund. The County will continue with its program for worker's compensation with the North Carolina Association of County Commissioner's (NCACC).

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 \$8.6 million. The majority of the increase was comprised of \$1.4 million increase in ad valorem taxes, \$0.6 million in local option sales taxes, \$4.5 million increase in intergovernmental revenues and \$0.9 million for other taxes and licenses. Total actual revenues exceeded amended budgeted amounts by \$18.3 million. Total actual expenditures were \$12.9 million less than amended budgeted amounts, with the majority of that amount relating to expenditures lower than budgeted in public safety, economic and physical development, 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 \$53.6 million. The primary factor affecting this amount was a net increase of \$26.0 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, 2020 amounts to \$555.8 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 fiscal year 2020 include park improvements and courthouse renovations.

Major capital asset transactions for Business-type activities during fiscal year 2020 include the construction in progress for Northwest water plant expansion with low pressure reverse osmosis

treatment, 54" LCFWSA parallel raw water main, Northeast wastewater treatment plant and transmission expansion and additional water and sewer main construction.

Brunswick County's Capital Assets

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 16,873,904	\$ 16,744,904	\$ 2,902,315	\$ 2,902,315	\$ 19,776,219	\$ 19,647,219
Operating plants, buildings & improvements	115,116,623	112,104,486	145,678,136	150,439,069	260,794,759	262,543,555
Equipment and vehicles	10,469,058	8,890,306	15,975,739	12,297,569	26,444,797	21,187,875
Distribution and collection systems	-	-	207,220,659	206,167,475	207,220,659	206,167,475
Construction in progress	2,340,123	6,570,530	39,185,235	13,126,184	41,525,358	19,696,714
Total capital assets, net	<u>\$ 144,799,708</u>	<u>\$ 144,310,226</u>	<u>\$ 410,962,084</u>	<u>\$ 384,932,612</u>	<u>\$ 555,761,792</u>	<u>\$ 529,242,838</u>

Additional information on Brunswick County's capital assets can be found in Note 4 on pages 43 and 44 of this report.

Long-term Debt. At the end of the current fiscal year, Brunswick County had total general obligation bonded debt outstanding of \$62.6 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 60,020,000	\$ 69,965,000	\$ 2,570,000	\$ 2,755,000	\$ 62,590,000	\$ 72,720,000
Limited obligation bonds	22,900,000	26,340,000	-	-	22,900,000	26,340,000
Bond premiums	3,634,670	3,870,066	30,113,577	6,161,948	33,748,247	10,032,014
Installment purchases & revolving loans	-	238,305	19,458,815	24,430,504	19,458,815	24,668,809
Revenue bonds	-	-	295,155,000	76,741,654	295,155,000	76,741,654
Other	161,017,213	141,662,595	21,676,645	19,107,123	182,693,858	160,769,718
Total long-term debt	<u>\$ 247,571,883</u>	<u>\$ 242,075,966</u>	<u>\$ 368,974,037</u>	<u>\$ 129,196,229</u>	<u>\$ 616,545,920</u>	<u>\$ 371,272,195</u>

The legal debt limit is \$2.33 billion. The legal debt margin on June 30, 2020 was \$2.24 billion. This legal debt limit is determined by the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt a County may have outstanding to 8 percent of the appraised value subject to taxation. The ratio of debt service expenditures to total general governmental expenditures is 7.9% and to total general fund expenditures is 9.3%. The County's governmental general obligation debt per capita is \$411 as of June 30, 2020. The County's governmental activities gross debt per capita (excluding landfill closure/post closure, accrued compensated absences and pension benefit obligations) is \$567 made up of \$411 of general obligation debt per capita and \$156 in outstanding limited obligation bonds for construction and renovation of various county and education buildings.

The County's debt had a net increase of \$5.5 million in governmental and a net increase of \$239.8 million in enterprise funds, for a total increase of \$245.3 million during the current fiscal year. The key factor in this increase for governmental is the addition of the phase 1 general obligation school bonds and the business type revenue bonds. Additional information on Brunswick County's long-term debt can be found in Note 7 on pages 46-54 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for Brunswick County is currently 7.5 percent and was 8.3 percent at June 30, 2020, compared to the state's seasonally adjusted unemployment rate of 6.5 percent currently and 7.7 percent at June 30, 2020.
- Inflationary trends in the region are similar to national indices.
- Population estimation of 146,135 has grown 32.7 percent in the last 10 years.

All of these factors were considered in preparing Brunswick County's budget for fiscal year 2020-2020.

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2020-2021

Governmental activities. The county maintained the tax rate of \$0.485 cents. The last revaluation was for the 2019 levy. Budgeted operating expenditures in the General Fund are expected to decrease 0.2 percent to \$209.9 million.

Budgeted expenditures for education are expected to increase 7.1 percent or approximately \$3.4 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 2020 budget includes a fund balance appropriation of \$2.9 million, net of the \$1.4 million in escrow funds held to pay the debt service on the Town of Holden Beach special obligation bonds issued for the sand nourishment project. The county appropriates fund balance each year to assist in meeting the capital outlay needs with the challenge to save the appropriated amount to lower the burden on property tax owners.

Business-type activities. The water and wastewater enterprise funds are anticipated to increase 4.8 percent due to the commercial and residential growth in new services and to cover increased costs associated with personnel, operation, capital outlay and debt service.

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, 2020

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities	Total	Total
Assets:				
Cash and cash equivalents/investments	\$ 136,886,799	\$ 72,130,258	\$ 209,017,057	\$ 2,583,534
Interest receivable	35,550	13,533	49,083	-
Taxes receivable, net	2,211,846	-	2,211,846	-
Receivables and special assessments, net	2,600,382	7,755,589	10,355,971	562,969
Other governmental agencies	16,392,901	1,655,153	18,048,054	4,938
Inventories	-	2,208,126	2,208,126	351,617
Prepaid items	64,000	-	64,000	45,715
Restricted assets:				
Restricted cash and investments	10,118,657	224,240,687	234,359,344	13,276
Restricted net pension asset	382,930	-	382,930	-
Capital assets:				
Non-depreciable capital assets	19,214,027	42,087,550	61,301,577	-
Depreciable capital assets, net	125,585,681	368,874,534	494,460,215	26,283,665
Total capital assets	144,799,708	410,962,084	555,761,792	26,283,665
Total assets	313,492,773	718,965,430	1,032,458,203	29,845,714
Deferred Outflows of Resources:	23,171,269	4,131,238	27,302,507	99,340
Liabilities:				
Accounts payable and other liabilities	\$ 10,223,723	\$ 10,185,007	\$ 20,408,730	\$ 377,854
Prepaid fees	-	389,133	389,133	-
Due to other governments	-	-	-	190,938
Accrued interest payable	1,068,793	1,361,460	2,430,253	-
Liabilities to be paid from restricted assets	-	2,035,331	2,035,331	13,276
Long-term liabilities:				
Due within one year	13,039,349	15,087,522	28,126,871	149
Due beyond one year	86,380,711	332,930,679	419,311,390	164,732
Total pension liability - LEOSSA	5,793,388	-	5,793,388	-
Net pension liability - LGERS	21,785,947	2,580,977	24,366,924	113,607
Total OPEB liability	120,572,488	18,374,859	138,947,347	112,134
Total liabilities	258,864,399	382,944,968	641,809,367	972,690
Deferred Inflows of Resources:	15,464,520	2,561,372	18,025,892	141,062
Net Position:				
Net investment in capital assets	120,163,924	284,015,403	404,179,327	26,133,666
Restricted for:				
Stabilization by State Statute	14,206,181	-	14,206,181	557,830
General Government Interlocal Agreement	1,396,200	-	1,396,200	-
Public Housing	40,049	-	40,049	-
Human Services Health Program	2,972,085	-	2,972,085	-
Public Safety Emergency Telephone System	1,324,550	-	1,324,550	-
Register of Deeds Automation	902,692	-	902,692	-
Register of Deeds Pension Plan	450,123	-	450,123	-
Tourism Promotion	-	-	-	588,578
Working Capital	-	-	-	117,199
Unrestricted	(79,120,681)	53,574,925	(25,545,756)	1,434,029
Total net position	\$ 62,335,123	\$ 337,590,328	\$ 399,925,451	\$ 28,831,302

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, 2020

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Government Activities:				
General government	\$ 15,306,541	\$ 2,001,158	\$ 17,735,961	\$ -
Public safety	53,594,015	13,115,402	4,254,740	-
Central services	19,216,028	-	139,499	-
Human services	27,802,694	1,009,260	10,930,652	-
Transportation	3,502,110	-	270,488	3,835,237
Environmental protection	17,969,669	4,665,644	16,007	-
Cultural and recreation	6,618,268	158,049	148,239	1,641,088
Economic and physical development	6,531,495	957,525	2,378,582	-
Education	76,387,466	-	-	-
Interest on long-term debt	3,620,295	-	-	-
Total governmental activities	<u>230,548,581</u>	<u>21,907,038</u>	<u>35,874,168</u>	<u>5,476,325</u>
Business-type Activities:				
Water	25,771,987	30,480,611	-	935,236
Wastewater	<u>22,320,986</u>	<u>31,450,189</u>	<u>-</u>	<u>2,186,128</u>
Total business-type activities	<u>48,092,973</u>	<u>61,930,800</u>	<u>-</u>	<u>3,121,364</u>
Total primary government	<u>\$ 278,641,554</u>	<u>\$ 83,837,838</u>	<u>\$ 35,874,168</u>	<u>\$ 8,597,689</u>
Discretely presented component units	<u>\$ 6,537,718</u>	<u>\$ 5,208,562</u>	<u>\$ -</u>	<u>\$ 3,416,519</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, 2020

Function/Programs	Net (Expense) Revenue and Changes in Net Position			Component Units
	Primary Government			
	Governmental Activities	Business-type Activities	Total	
Primary Government:				
Government Activities:				
General government	\$ 4,430,578	\$ -	\$ 4,430,578	
Public safety	(36,223,873)	-	(36,223,873)	
Central services	(19,076,529)	-	(19,076,529)	
Human services	(15,862,782)	-	(15,862,782)	
Transportation	603,615	-	603,615	
Environmental protection	(13,288,018)	-	(13,288,018)	
Cultural and recreation	(4,670,892)	-	(4,670,892)	
Economic and physical development	(3,195,388)	-	(3,195,388)	
Education	(76,387,466)	-	(76,387,466)	
Interest on long-term debt	(3,620,295)	-	(3,620,295)	
Total governmental activities	<u>(167,291,050)</u>	<u>-</u>	<u>(167,291,050)</u>	
Business-type Activities:				
Water	-	5,643,860	5,643,860	
Wastewater	-	11,315,331	11,315,331	
Total business-type activities	<u>-</u>	<u>16,959,191</u>	<u>16,959,191</u>	
Total primary government	<u>(167,291,050)</u>	<u>16,959,191</u>	<u>(150,331,859)</u>	
Discretely presented component units				\$ <u>2,087,363</u>
General Revenues:				
Ad valorem taxes	142,610,199	-	142,610,199	-
Local option sales taxes	28,320,802	-	28,320,802	-
Deed stamp excise and other taxes	6,350,878	-	6,350,878	1,617,959
Investment earnings	1,738,549	1,334,289	3,072,838	14,352
Total general revenues	<u>179,020,428</u>	<u>1,334,289</u>	<u>180,354,717</u>	<u>1,632,311</u>
Transfers	<u>(338,801)</u>	<u>338,801</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>178,681,627</u>	<u>1,673,090</u>	<u>180,354,717</u>	<u>1,632,311</u>
Change in net position	<u>11,390,577</u>	<u>18,632,281</u>	<u>30,022,858</u>	<u>3,719,674</u>
Net position, beginning of year	<u>50,944,546</u>	<u>318,958,047</u>	<u>369,902,593</u>	<u>25,111,628</u>
Net position, end of year	<u>\$ 62,335,123</u>	<u>\$ 337,590,328</u>	<u>\$ 399,925,451</u>	<u>\$ 28,831,302</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>Major Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>County Capital Project</u>	<u>Education Capital Project</u>	<u>Non Major Governmental Funds</u>	
Assets:					
Cash and cash equivalents/investments	\$ 89,726,362	\$29,700,822	\$15,182,988	\$ 2,276,627	\$ 136,886,799
Restricted cash and investments	1,651,278	-	8,467,379	-	10,118,657
Interest receivable	26,272	6,993	1,769	516	35,550
Taxes receivable - net	2,211,846	-	-	-	2,211,846
Receivables - net	2,600,382	-	-	-	2,600,382
Other governmental agencies	14,933,519	645,666	422,520	391,196	16,392,901
Due from other funds	258,584	-	1,064,321	-	1,322,905
Prepaid expenditures	64,000	-	-	-	64,000
Total assets	<u>\$ 111,472,243</u>	<u>\$30,353,481</u>	<u>\$25,138,977</u>	<u>\$ 2,668,339</u>	<u>\$ 169,633,040</u>
Liabilities:					
Accounts payable and other liabilities	\$ 6,919,811	\$ 694,459	\$ 2,490,615	\$ 118,838	\$ 10,223,723
Due to other funds	1,064,321	-	-	258,584	1,322,905
Total liabilities	<u>7,984,132</u>	<u>694,459</u>	<u>2,490,615</u>	<u>377,422</u>	<u>11,546,628</u>
Deferred Inflows of Resources:	<u>6,461,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,461,112</u>
Fund Balances:					
Nonspendable - prepaids	64,000	-	-	-	64,000
Restricted:					
Restricted - Stabilization by State Statute	13,814,469	-	-	391,712	14,206,181
Restricted - other	4,408,797	-	8,467,379	2,227,242	15,103,418
Committed	214,566	29,659,022	14,180,983	-	44,054,571
Assigned	2,346,999	-	-	-	2,346,999
Unassigned	76,178,168	-	-	(328,037)	75,850,131
Total fund balances	<u>97,026,999</u>	<u>29,659,022</u>	<u>22,648,362</u>	<u>2,290,917</u>	<u>151,625,300</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 111,472,243</u>	<u>\$30,353,481</u>	<u>\$25,138,977</u>	<u>\$ 2,668,339</u>	<u>169,633,040</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

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

Fund balance as reported in the balance sheet - governmental funds	151,625,300
Amounts reported for governmental activities in the statement of net position are different because:	
Change in internal service net position, attributed to governmental activities	(2,049,988)
Consolidation of internal service fund	2,049,988
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	144,799,708
Net pension asset	382,930
LGERS and ROD deferrals are deferred outflows of resources on the Statement of Net Position	12,836,910
LEOSSA deferrals are deferred outflows of resources on the Statement of Net Position	1,006,694
OPEB deferrals are deferred outflows of resources on the Statement of Net Position	9,327,665
Accrual of interest payable for debt does not require the use of current financial resources and, therefore, is not reported in the funds	(1,068,793)
Net pension liability - LGERS	(21,785,947)
Total pension liability - LEOSSA	(5,793,388)
Total OPEB liability	(120,572,488)
Other assets are not available to pay for current period expenditures and, therefore, are deferred inflows	6,216,134
LGERS and ROD Pension related deferrals	(53,055)
LEOSSA pension related deferrals	(238,850)
OPEB related deferrals	(14,927,637)
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds	(99,420,060)
 Net position reported as governmental activities	 \$ 62,335,123

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, 2020

	Major Funds				Total Governmental Funds
	General	County Capital Project	Education Capital Project	Non Major Governmental Funds	
Revenues:					
Ad valorem taxes	\$ 142,572,371	\$ -	\$ -	\$ -	\$ 142,572,371
Local option sales taxes	28,320,802	-	-	-	28,320,802
Other taxes and licenses	6,350,878	-	-	-	6,350,878
Unrestricted intergovernmental revenues	5,431,459	-	-	-	5,431,459
Restricted intergovernmental revenues	27,052,347	3,835,237	-	1,344,096	32,231,680
Permits and fees	5,116,656	-	-	189,658	5,306,314
Sales and services	13,230,183	-	-	-	13,230,183
Investment earnings	1,003,025	276,651	415,964	20,193	1,715,833
Other	2,554,942	-	-	-	2,554,942
Total revenues	<u>231,632,663</u>	<u>4,111,888</u>	<u>415,964</u>	<u>1,553,947</u>	<u>237,714,462</u>
Expenditures:					
Current:					
General government	13,093,127	2,294,004	-	736,193	16,123,324
Public safety	48,205,401	-	-	426,304	48,631,705
Central services	17,766,579	-	-	-	17,766,579
Human services	25,639,275	-	-	-	25,639,275
Transportation	441,020	3,061,090	-	-	3,502,110
Environmental protection	18,172,224	189,259	-	-	18,361,483
Culture and recreation	4,167,557	228,397	-	-	4,395,954
Economic and physical development	6,233,255	-	-	-	6,233,255
Education	48,228,674	-	26,911,507	-	75,140,181
Debt Service:					
Principal retirement	13,623,305	-	-	-	13,623,305
Interest and fiscal charges	4,975,026	-	-	-	4,975,026
Total expenditures	<u>200,545,443</u>	<u>5,772,750</u>	<u>26,911,507</u>	<u>1,162,497</u>	<u>234,392,197</u>
Revenues over (under) expenditures	<u>31,087,220</u>	<u>(1,660,862)</u>	<u>(26,495,543)</u>	<u>391,450</u>	<u>3,322,265</u>
Other Financing Sources (Uses):					
Transfers from other funds	3,783,998	9,575,021	9,021,922	-	22,380,941
Transfers to other funds	<u>(18,596,943)</u>	<u>(2,304,445)</u>	<u>-</u>	<u>-</u>	<u>(20,901,388)</u>
Total other financing sources (uses)	<u>(14,812,945)</u>	<u>7,270,576</u>	<u>9,021,922</u>	<u>-</u>	<u>1,479,553</u>
Net change in fund balance	16,274,275	5,609,714	(17,473,621)	391,450	4,801,818
Fund balance, beginning of year	<u>80,752,724</u>	<u>24,049,308</u>	<u>40,121,983</u>	<u>1,899,467</u>	<u>146,823,482</u>
Fund balance, end of year	<u>\$ 97,026,999</u>	<u>\$29,659,022</u>	<u>\$22,648,362</u>	<u>\$ 2,290,917</u>	<u>\$ 151,625,300</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, 2020**

Net change in fund balances - total governmental funds (Exhibit D)	\$ 4,801,818
<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	37,828
Emergency services revenues	83,801
Grant receivable	2,787,372
Public Health revenues	(9,308)
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.	(17,772,584)
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.	8,175,317
Contribution of capital assets do not provide current financial resources and are not reported in the funds	1,641,088
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.	4,622,655
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the statement of net position	90,497
Contributions and pension administration costs for OPEB are deferred outflows of resources on the statement of net position	3,063,740
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.	(31,796)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements.	(9,295,127)
Amortization of bond premium.	235,396
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.	13,623,305
Change in closure/post closure liability estimate. Expenses are reported as incurred in the funds.	31,832
Change in interest payable for governmental activity long-term debt. Interest expense is recorded as incurred in the fund statements.	1,354,731
Change in internal service net position, attributed to governmental activities	<u>(2,049,988)</u>
Change in net position of governmental activities per Exhibit B	<u>\$ 11,390,577</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, 2020**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 138,091,466	\$ 139,457,544	\$ 142,572,371	\$ 3,114,827
Local option sales taxes	25,765,298	26,336,115	28,320,802	1,984,687
Other taxes and licenses	4,823,000	5,723,000	6,350,878	627,878
Unrestricted intergovernmental revenues	3,123,000	3,288,000	5,431,459	2,143,459
Restricted intergovernmental revenues	15,414,818	19,875,091	27,052,347	7,177,256
Permits and fees	4,210,982	4,209,611	5,116,656	907,045
Sales and services	11,924,347	12,081,677	13,230,183	1,148,506
Investment earnings	300,650	490,650	1,003,025	512,375
Other	1,050,120	1,837,620	2,554,942	717,322
Total revenues	<u>204,703,681</u>	<u>213,299,308</u>	<u>231,632,663</u>	<u>18,333,355</u>
Expenditures:				
Current:				
General government	13,338,323	14,391,753	13,093,127	1,298,626
Central services	17,877,823	19,302,358	17,766,579	1,535,779
Public safety	49,074,086	51,224,785	48,205,401	3,019,384
Transportation	170,572	441,023	441,020	3
Environmental protection	18,083,019	18,785,259	18,172,224	613,035
Economic and physical development	8,199,637	8,813,928	6,233,255	2,580,673
Human services	27,173,559	28,572,411	25,639,275	2,933,136
Education	48,271,296	48,457,232	48,228,674	228,558
Culture and recreation	4,698,358	4,899,074	4,167,557	731,517
Debt Service:				
Principal retirement	13,623,306	13,623,306	13,623,305	1
Interest and fiscal charges	4,976,909	4,976,909	4,975,026	1,883
Total expenditures	<u>205,486,888</u>	<u>213,488,038</u>	<u>200,545,443</u>	<u>12,942,595</u>
Revenues over (under) expenditures	<u>(783,207)</u>	<u>(188,730)</u>	<u>31,087,220</u>	<u>31,275,950</u>
Other Financing Sources (Uses):				
Transfers from other funds	-	3,783,997	3,783,998	1
Transfers to other funds	(4,780,582)	(18,681,821)	(18,596,943)	84,878
Appropriated fund balance	5,563,789	15,086,554	-	(15,086,554)
Total other financing sources (uses)	<u>783,207</u>	<u>188,730</u>	<u>(14,812,945)</u>	<u>(15,001,675)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>16,274,275</u>	<u>\$ 16,274,275</u>
Fund balance, beginning of year			<u>80,752,724</u>	
Fund balance, end of year			<u>\$ 97,026,999</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, 2020

	Business-type Activities			Internal Services
	Enterprise Funds			
	Water	Wastewater	Total	
Assets:				
Current Assets:				
Cash and cash equivalents/investments	\$ 41,811,095	\$ 30,319,163	\$ 72,130,258	\$ -
Restricted cash and investments	180,626,007	43,614,680	224,240,687	-
Interest receivable	7,328	6,205	13,533	-
Receivables and special assessments, net	3,355,357	4,400,232	7,755,589	-
Other governmental agencies	971,665	683,488	1,655,153	-
Inventories	1,716,404	491,722	2,208,126	-
Total current assets	<u>228,487,856</u>	<u>79,515,490</u>	<u>308,003,346</u>	<u>-</u>
Non-Current Assets:				
Non-depreciable capital assets	21,767,867	20,319,683	42,087,550	-
Depreciable capital assets, net	151,371,045	217,503,489	368,874,534	-
Total capital assets	<u>173,138,912</u>	<u>237,823,172</u>	<u>410,962,084</u>	<u>-</u>
Total assets	<u>401,626,768</u>	<u>317,338,662</u>	<u>718,965,430</u>	<u>-</u>
Deferred Outflows of Resources:	<u>1,966,660</u>	<u>2,164,578</u>	<u>4,131,238</u>	<u>-</u>
Liabilities:				
Current Liabilities:				
Accounts payable and accrued liabilities	3,738,683	6,446,324	10,185,007	-
Prepaid fees	-	389,133	389,133	-
Accrued interest payable	236,472	1,124,988	1,361,460	-
Current portion of debt	1,544,059	13,543,463	15,087,522	-
Payable From Restricted Assets:				
Customer Deposits	2,035,331	-	2,035,331	-
Total current liabilities	<u>7,554,545</u>	<u>21,503,908</u>	<u>29,058,453</u>	<u>-</u>
Noncurrent Liabilities:				
Net pension liability	1,672,796	908,181	2,580,977	-
Compensated absences	477,710	211,099	688,809	-
Total other post employment liability	11,637,039	6,737,820	18,374,859	-
Long-term debt	214,933,089	117,308,781	332,241,870	-
Total noncurrent liabilities	<u>228,720,634</u>	<u>125,165,881</u>	<u>353,886,515</u>	<u>-</u>
Total liabilities	<u>236,275,179</u>	<u>146,669,789</u>	<u>382,944,968</u>	<u>-</u>
Deferred Inflows of Resources:	<u>1,605,303</u>	<u>956,069</u>	<u>2,561,372</u>	<u>-</u>
Net Position:				
Net investment in capital assets	135,884,536	148,130,867	284,015,403	-
Unrestricted	29,828,410	23,746,515	53,574,925	-
Total net position	<u>\$ 165,712,946</u>	<u>\$ 171,877,382</u>	<u>\$ 337,590,328</u>	<u>\$ -</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, 2020

	Business-type Activities			
	Enterprise Funds			Internal Services
	Water	Wastewater	Total	
Operating Revenues:				
User charges	\$ 26,938,083	\$ 29,958,550	\$ 56,896,633	\$ -
Intergovernmental revenue	2,647,094	785,549	3,432,643	-
Other	895,434	706,090	1,601,524	-
Total operating revenues	<u>30,480,611</u>	<u>31,450,189</u>	<u>61,930,800</u>	<u>-</u>
Operating Expenses:				
Salaries and employee benefits	7,803,982	4,793,961	12,597,943	-
Operating expenses	8,380,897	4,142,059	12,522,956	254,350
Repairs and maintenance	2,605,060	1,901,835	4,506,895	-
Depreciation and amortization	6,041,327	7,260,800	13,302,127	-
Total operating expenses	<u>24,831,266</u>	<u>18,098,655</u>	<u>42,929,921</u>	<u>254,350</u>
Operating income (loss)	<u>5,649,345</u>	<u>13,351,534</u>	<u>19,000,879</u>	<u>(254,350)</u>
Non-operating Revenues (Expenses):				
Investment earnings	568,651	765,638	1,334,289	22,716
Interest expense	(940,721)	(4,222,331)	(5,163,052)	-
Total nonoperating revenues (expenses)	<u>(372,070)</u>	<u>(3,456,693)</u>	<u>(3,828,763)</u>	<u>22,716</u>
Income before capital contributions	5,277,275	9,894,841	15,172,116	(231,634)
Transfers in (out)	246,850	91,951	338,801	(1,818,354)
Dedicated service lines	935,236	2,186,128	3,121,364	-
Total transfers and capital contributions	<u>1,182,086</u>	<u>2,278,079</u>	<u>3,460,165</u>	<u>(1,818,354)</u>
Increase (decrease) in net position	6,459,361	12,172,920	18,632,281	(2,049,988)
Net position, beginning of year	<u>159,253,585</u>	<u>159,704,462</u>	<u>318,958,047</u>	<u>2,049,988</u>
Net position, end of year	<u>\$ 165,712,946</u>	<u>\$ 171,877,382</u>	<u>\$ 337,590,328</u>	<u>\$ -</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, 2020

	Business-type Activities			
	Enterprise Funds			Internal Services
	Water	Wastewater	Total	
Cash Flows From Operating Activities:				
Receipts from customers	\$ 30,522,246	\$ 32,106,412	\$ 62,628,658	\$ -
Payments to suppliers for goods and services	(9,117,635)	(495,154)	(9,612,789)	(757,837)
Payments to or on behalf of employees	(7,273,534)	(4,155,600)	(11,429,134)	-
Net cash provided by (used in) operating activities	<u>14,131,077</u>	<u>27,455,658</u>	<u>41,586,735</u>	<u>(757,837)</u>
Cash Flows From Noncapital Financing Activities:				
Transfers in (out)	<u>246,850</u>	<u>91,951</u>	<u>338,801</u>	<u>(1,818,354)</u>
Net cash provided (used) by noncapital financing activities	<u>246,850</u>	<u>91,951</u>	<u>338,801</u>	<u>(1,818,354)</u>
Net Cash From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(16,838,514)	(20,730,140)	(37,568,654)	-
Interest paid	(952,138)	(4,936,810)	(5,888,948)	-
Proceeds from issuance of long-term debt	179,314,000	60,316,000	239,630,000	-
Premium	17,498,241	7,406,961	24,905,202	-
Retirement of long-term debt	(778,023)	(14,335,389)	(15,113,412)	-
Principal payments on long-term debt	(1,278,276)	(10,499,224)	(11,777,500)	-
Net cash provided (used) in capital and related financing activities	<u>176,965,290</u>	<u>17,221,398</u>	<u>194,186,688</u>	<u>-</u>
Cash Flows From Investing Activities:				
Interest on investments	<u>580,802</u>	<u>775,555</u>	<u>1,356,357</u>	<u>24,254</u>
Net increase (decrease) in cash and cash equivalents	191,924,019	45,544,562	237,468,581	(2,551,937)
Cash and cash equivalents, beginning of year	<u>30,513,083</u>	<u>28,389,281</u>	<u>58,902,364</u>	<u>2,551,937</u>
Cash and cash equivalents, end of year	<u>\$ 222,437,102</u>	<u>\$ 73,933,843</u>	<u>\$ 296,370,945</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 5,649,345	\$ 13,351,534	\$ 19,000,879	\$ (254,350)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	6,041,327	7,260,800	13,302,127	-
Loss on disposal of capital assets	803,898	118,517	922,415	-

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, 2020

	Business-type Activities			
	Enterprise Funds			Internal Services
	Water	Wastewater	Total	
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	(33,800)	1,012,912	979,112	-
(Increase) decrease in sales tax refund receivable	(644,679)	98,673	(546,006)	-
(Increase) decrease in inventories	(117,861)	(171,464)	(289,325)	-
Increase (decrease) in accounts payable/ accrued expenses	1,892,584	5,509,182	7,401,766	(503,487)
Changes in Assets and Liabilities (continued):				
(Increase) decrease in deferred outflows of resources for pensions	57,891	31,940	89,831	-
(Increase) decrease in pension liability	359,408	198,294	557,702	-
(Increase) decrease in deferred inflows of resources for pensions	(17,673)	(9,750)	(27,423)	-
(Increase) decrease in deferred outflows of resources - OPEB	(641,697)	(379,524)	(1,021,221)	-
(Increase) decrease in net OPEB liability	1,021,074	918,958	1,940,032	-
(Increase) decrease in deferred inflows of resources - OPEB	(314,175)	(127,725)	(441,900)	-
Increase (decrease) in unearned revenue	-	(356,689)	(356,689)	-
Increase (decrease) in customer deposits	75,435	-	75,435	-
Net cash provided by (used in) operating activities	<u>\$ 14,131,077</u>	<u>\$ 27,455,658</u>	<u>\$ 41,586,735</u>	<u>\$ (757,837)</u>
Supplemental Disclosures of Noncash Transactions				
Assumption of long-term debt for capital assets	\$ -	\$ 517,569	\$ 517,569	\$ -
Dedicated service lines	<u>935,236</u>	<u>2,186,128</u>	<u>3,121,364</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, 2020**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents/investments	\$ 1,845,876
Interest receivable	384
Taxes receivable	9,965
Due from other governments	<u>216,266</u>
Total assets	<u>\$ 2,072,491</u>
Liabilities:	
Due to other governmental agencies	\$ 1,495,901
Other	<u>576,590</u>
Total liabilities	<u>\$ 2,072,491</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1. Description of the Unit

A. Reporting Entity

Brunswick County is one of 21 coastal counties in North Carolina. A political subdivision of the State, it is one of 100 counties established under General Statute 153A-10. The County, which has a population of approximately 146,135, 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 Tourism Development Authority

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

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

Brunswick County Airport Commission

The County participates in the Brunswick County Airport Commission ("Airport") in conjunction with the municipalities adjoining the airport. The County appoints four members of the seven-member board. Appropriations to the Airport totaled \$111,000 for the fiscal year

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

ended June 30, 2020. 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 Economic Development Commission

On July 20, 2015, the Economic Development Commission ceased operations to create efficiencies and avoid the duplication of services provided by the County's Economic Development Department and transferred all assets and liabilities to the County. In the fiscal year ended June 30, 2020, there were no appropriations for the Economic Development Commission.

Brunswick County Industrial Facility and Pollution Control Financing Authority

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

Brunswick County Leasing Corporation

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

C. Summary of Significant Account Policies

Basis of Reporting

The accounting policies of Brunswick County and its component units, as reflected in the financial statements for the year ended June 30, 2020, 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 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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The County reports the following major governmental funds:

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

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

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

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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 fund:

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.

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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 \$30,000; however, any revisions that alter total expenditures of any fund or that change departmental appropriations by more than \$30,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary. As a result, appropriated fund balance increased in the General Fund by \$9,522,765 which was largely the result of prior year commitments to the current fiscal year and to fund planned projects mainly for a courthouse addition and a landfill transfer station.

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) government money market mutual fund.

The investments of the County and its discretely presented component units that have a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The North Carolina Capital Management Trust (NCCMT), which consists of two SEC registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P. The second fund, the Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

market instruments allowed under G.S. 159-30. The Term Portfolio has no rating. Both the Government Portfolio and the Term Portfolio are reported at fair value.

Cash and Cash Equivalents

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

Restricted Assets

The unexpended proceeds of general obligation bonds, revenue bonds and certificates of participation issued by the County are classified as restricted assets because their use is restricted to that purpose for which the bonds and certificates were originally issued. Funds in debt service accounts are classified as restricted assets because their use is restricted to future payments of principal and interest as designated by the trustee in the General Trust and Series Indentures. A reserve for debt service amount is held as a restricted asset to meet the requirements of the Interlocal Agreement with Holden Beach and is to be used for the sole purpose of making an appropriation and any actual payment for the Holden Beach Special Obligation Bonds. Housing Assistance Payments Net Restricted Assets held by the County are restricted by the U.S. Department of Housing and Urban Development. 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		40,049
	Reserve for Debt Service		1,396,200
	Unexpended Debt Proceeds		463
Education Capital Project Fund	Unexpended Debt Proceeds		8,467,379
	Total Governmental Activities	\$	<u>10,118,657</u>
Business-Type Activities			
Water Fund	Unexpended Debt Proceeds	\$	178,150,947
	Reserve for Debt Service		439,729
	Customer Deposits		2,035,331
Sewer Fund	Unexpended Debt Proceeds		41,152,671
	Reserve for Debt Service		2,462,009
	Total Business-type Activities	\$	<u>224,240,687</u>
Total Restricted Cash		\$	<u><u>234,359,344</u></u>

Ad Valorem Taxes Receivable

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020 as due to/from other funds, generally represent short-term advances between funds. Such amounts reported at year-end are not available for appropriation and are not an expendable available financial resource

Inventory

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

Prepaid Items

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

Capital Assets

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

Capital assets of the County are recorded at original cost at the time of acquisition. Certain items acquired before July 1, 1970 are recorded at an estimated original cost. Donated assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets, donated works of art and similar assets, and capital assets received in a service concession arrangement after June 30, 2015 should be reported at acquisition value rather than fair value.

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

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents 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, related deferrals and contributions made to the OPEB or pension plan in the current fiscal year. In addition to liabilities the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net 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 OPEB or pension related deferrals in the governmental funds and other OPEB or 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 withheld from the actual debt proceeds received, are reported as debt service expenditures.

The County's long-term debt for water and wastewater purposes is carried in the Water and Wastewater Funds. The debt service requirements for the water and wastewater debt are being met by water and wastewater revenues. However, the taxing power was pledged to make general obligation payments in the water fund if water revenues were not sufficient. At the end of the fiscal year, there was \$2,570,000 water general obligation debt outstanding.

Net Position

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

Fund Balances

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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The governmental fund types classify fund balances as follows:

Non-spendable Fund Balance-This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The General Fund has non-spendable fund balance for prepaids of \$64,000. This is the portion of fund balance that is not available because it represents the year-end balance of ending prepaids, which are not spendable resources

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:

	General	Education	Special	Total
	Fund	Capital	Revenue	
		Projects		
Restricted for Stabilization by State Statute-portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].*	\$ 13,814,469	\$ -	\$ 391,712	\$ 14,206,181
Restricted for General Government-portion of fund balance that is restricted for the Municipal Interlocal Agreement for Special Obligation Bonds	\$ 1,396,200	\$ -	\$ -	\$ 1,396,200
Restricted for Public Housing-portion of fund balance that is restricted by revenue source for section 8 expenditures.	40,049	-	-	40,049
Restricted for Human Services Health Program-portion of fund balance that is restricted by revenue source for health expenditures.	2,972,085	-	-	2,972,085
Restricted for Public Safety-portion of fund balance that is restricted by revenue source for E911 expenditures.	-	-	1,324,550	1,324,550
Restricted for Register of Deeds-portion of fund balance that is restricted by revenue source for technology for the Register of Deeds office.	-	-	902,692	902,692
Restricted for Education-portion of fund balance that is restricted by revenue source or unspent debt proceeds for Public School Capital needs.**	463	8,467,379	-	8,467,842
Total restricted fund balance (Exhibit C)	<u>\$ 4,408,797</u>	<u>\$ 8,467,379</u>	<u>\$ 2,227,242</u>	<u>\$ 15,103,418</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

Committed Fund Balance-portion of fund balance that can only be used for a specific purpose determined by 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 Fund</u>	<u>County Capital Projects</u>	<u>Education Capital Projects</u>	<u>Total</u>
Committed for General Government-portion of fund balance that can only be used for general government (Courthouse Additions and Renovations)	\$ -	\$ 13,268,968	\$ -	\$ 13,268,968
Committed for General Government-portion of fund balance that is restricted for a legally budgeted Tax Revaluation	214,566	-	-	214,566
Committed for Environmental Protection-portion of fund balance that can only be used for environmental protection (Landfill Closure and Transfer Station)	-	15,451,734	-	15,451,734
Committed for Culture & Recreation-portion of fund balance that can only be used for culture and recreation (Park Renovations)	-	594,632	-	594,632
Committed for Transportation-portion of fund balance that can only be used for transportation	-	343,688	-	343,688
Committed for Education-portion of fund balance that can only be used for education	-	-	14,180,983	14,180,983
Total committed fund balance	<u>\$ 214,566</u>	<u>\$ 29,659,022</u>	<u>\$ 14,180,983</u>	<u>\$ 44,054,571</u>

Assigned Fund Balance is the portion of fund balance that the Brunswick County intends to use for specific purposes. The County’s governing body has the authority to assign fund balance. The Manager and Director of Fiscal Operations, as granted in the officially adopted budget ordinance, have been granted limited authority to assign fund balance. The General Fund has Assigned Fund Balance of \$2,346,999 for subsequent year’s expenditures. This is the portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed.

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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purposes, it may be necessary to report a negative fund balance. The general fund is the only fund that reports a positive unassigned fund balance.

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
Unassigned portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds	\$ 76,178,168	\$ (328,037)	\$ 75,850,131

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	\$ 97,026,999
Less:	
Nonspendable	(64,000)
Stabilization by State Statute	(13,814,469)
Restricted	(4,408,797)
Committed	(214,566)
Assigned	<u>(2,346,999)</u>
Fund balance remaining	<u>\$ 76,178,168</u>

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

Defined Benefit Cost-Sharing Plans

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

Inter-fund Transfers

The principal purpose for inter-fund transfers is to distribute local resources between funds. Typically, the General Fund provides the basis of local resources for other funds. These

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

transactions are recorded as "Transfers - out" in the paying fund and "Transfers - in" in the receiving fund.

Other Resources

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

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, 2020 include the following:

	<u>Reported at Fair Value</u>
Cash on Hand	\$ 6,200
Deposits - NOW, SuperNOW, MMDA and Certificates of Deposit	374,848,844
Investments: North Carolina Capital Management Trust	<u>70,367,233</u>
Total	<u>\$ 445,222,277</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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer.

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

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

At June 30, 2020 the deposits of the County had a reported value of \$374,848,844 and bank balances of \$373,230,008. Of the bank balances, \$1,000,000 was covered by federal depository insurance and \$372,230,008 was covered by collateral held under the Pooling Method. Cash on hand at June 30, 2020 was \$6,200.

B. Investments

As of June 30, 2020 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:					
Government Portfolio	Fair Value-Level 1	\$ 66,764,571	n/a	n/a	n/a
Term Portfolio*	Fair Value-Level 1	3,602,662	3,602,662	n/a	n/a
Total		<u>\$ 70,367,233</u>	<u>\$ 3,602,662</u>	<u>\$ -</u>	<u>\$ -</u>

*As of June 30, 2020, the NCCMT Term Portfolio has a duration of 0.15 years. Because the NC Capital Management Trust Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.

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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

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

Credit Risk. The County's investment policy limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020. 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.

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

3. Accounts Receivable

Disaggregate Information

Type of Receivable	Amount (Net of Allowance)		
	Governmental Activities	Business-Type Activities	Total
Customer Billings	\$ 1,411,529	\$ 5,694,746	\$ 7,106,275
Assessments	-	2,035,187	2,035,187
Deposits receivable	-	25,656	25,656
Miscellaneous	1,188,853	-	1,188,853
	<u>\$ 2,600,382</u>	<u>\$ 7,755,589</u>	<u>\$ 10,355,971</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

The County's accounts receivable as of June 30, 2020 are presented net of allowance for doubtful accounts as follows:

	Allowance for Doubtful Accounts		
	General Fund	Water Fund	Wastewater Fund
Taxes Receivable	\$ 3,408,047	\$ -	\$ -
EMS Fees	604,194	-	-
Health Fees	292,319	-	-
Assessments	-	-	112,109
User Charges	-	115,000	45,000
	<u>\$ 4,304,560</u>	<u>\$ 115,000</u>	<u>\$ 157,109</u>

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

	Governmental	Business-Type	Total
	Activities	Activities	
Local option sales tax	\$ 4,800,793	\$ -	\$ 4,800,793
Sales tax refunds	1,197,865	781,387	1,979,252
Due from federal government for grant assistance	5,119,041	135,258	5,254,299
Due from State of North Carolina for grant assistance	5,212,043	681,966	5,894,009
Emergency telephone system	63,159	-	63,159
Lower Cape Fear Water & Sewer Authority reimbursement	-	56,542	56,542
Total	<u>\$ 16,392,901</u>	<u>\$ 1,655,153</u>	<u>\$ 18,048,054</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
2016	\$ 2,294,528	\$ 751,458	\$ 3,045,986
2017	2,304,052	547,212	2,851,264
2018	2,351,579	346,858	2,698,437
2019	2,144,302	123,297	2,267,599
Total	<u>\$ 9,094,461</u>	<u>\$ 1,768,825</u>	<u>\$ 10,863,286</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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4. Capital Assets

Governmental capital assets at June 30, 2020 are summarized as follows:

	<u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers/ Reclasses</u>	<u>June 30, 2020</u>
Non-Depreciable Assets:					
Land	\$ 16,744,904	\$ 129,000	\$ -		\$ 16,873,904
Construction in Progress	6,570,530	2,711,660	-	(6,942,067)	2,340,123
Total non-depreciable assets	<u>23,315,434</u>	<u>2,840,660</u>	<u>-</u>	<u>(6,942,067)</u>	<u>19,214,027</u>
Depreciable Assets					
Buildings and improvements	175,344,154	1,778,711	-	6,942,067	184,064,932
Equipment and vehicles	43,134,359	5,197,034	402,108	211,949	48,141,234
Total depreciable assets	<u>218,478,513</u>	<u>6,975,745</u>	<u>402,108</u>	<u>7,154,016</u>	<u>232,206,166</u>
Less accumulated depreciation					
Buildings and improvements	63,239,668	5,708,641	-	-	68,948,309
Equipment and vehicles	34,244,053	3,586,486	370,312	211,949	37,672,176
Total accumulated depreciation	<u>97,483,721</u>	<u>9,295,127</u>	<u>370,312</u>	<u>211,949</u>	<u>106,620,485</u>
Total depreciable assets, net	<u>120,994,792</u>	<u>(2,319,382)</u>	<u>31,796</u>	<u>6,942,067</u>	<u>125,585,681</u>
Total Capital Assets	<u>\$ 144,310,226</u>	<u>\$ 521,278</u>	<u>\$ 31,796</u>	<u>\$ -</u>	<u>\$ 144,799,708</u>

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

<u>Function</u>	<u>Depreciation Expense</u>
General government	\$ 659,636
Public safety	3,380,656
Central services	865,481
Human services	244,218
Environmental protection	365,758
Economic and physical develop	109,436
Cultural and recreation	2,187,261
Education	1,482,681
Total	<u>\$ 9,295,127</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Enterprise fund capital assets at June 30, 2020 are summarized as follows:

Water Fund	June 30, 2019	Increases	Decreases	Transfers/ Reclasses	June 30, 2020
Non-Depreciable Assets:					
Land	\$ 760,138	\$ -	\$ -	\$ -	\$ 760,138
Construction in Progress	10,759,364	12,867,899	391,155	(2,228,379)	21,007,729
Total non-depreciable assets	<u>11,519,502</u>	<u>12,867,899</u>	<u>391,155</u>	<u>(2,228,379)</u>	<u>21,767,867</u>
Depreciable Assets					
Operating Plants,					
buildings and improvements	59,176,330	395,915	2,554,696	-	57,017,549
Distribution system	154,561,408	1,502,690	285,307	2,228,379	158,007,170
Equipment and vehicles	21,007,711	3,007,246	34,195	(97,743)	23,883,019
Total depreciable assets	<u>234,745,449</u>	<u>4,905,851</u>	<u>2,874,198</u>	<u>2,130,636</u>	<u>238,907,738</u>
Less accumulated depreciation					
Operating Plants,					
buildings and improvements	24,598,422	1,897,964	2,141,953	-	24,354,433
Distribution system	47,861,068	3,073,133	285,307	-	50,648,894
Equipment and vehicles	11,182,507	1,482,797	34,195	(97,743)	12,533,366
Total accumulated depreciation	<u>83,641,997</u>	<u>6,453,894</u>	<u>2,461,455</u>	<u>(97,743)</u>	<u>87,536,693</u>
Total depreciable assets, net	<u>151,103,452</u>	<u>(1,548,043)</u>	<u>412,743</u>	<u>2,228,379</u>	<u>151,371,045</u>
Total capital Assets	<u>\$ 162,622,954</u>	<u>\$11,319,856</u>	<u>\$ 803,898</u>	<u>\$ -</u>	<u>\$ 173,138,912</u>
Wastewater Fund	June 30, 2019	Increases	Decreases	Transfers/ Reclasses	June 30, 2020
Non-Depreciable Assets:					
Land	\$ 2,142,177	\$ -	\$ -	\$ -	\$ 2,142,177
Construction in Progress	2,366,820	15,810,686	-	-	18,177,506
Total non-depreciable assets	<u>4,508,997</u>	<u>15,810,686</u>	<u>-</u>	<u>-</u>	<u>20,319,683</u>
Depreciable Assets					
Operating Plants,					
buildings and improvements	160,298,838	1,830,017	-	-	162,128,855
Collection system	119,580,426	2,947,608	122,182	-	122,405,852
Equipment and vehicles	5,578,671	2,845,526	-	(114,206)	8,309,991
Total depreciable assets	<u>285,457,935</u>	<u>7,623,151</u>	<u>122,182</u>	<u>(114,206)</u>	<u>292,844,698</u>
Less accumulated depreciation					
Operating Plants,					
buildings and improvements	44,437,677	4,676,158	-	-	49,113,835
Collection system	20,113,291	2,433,843	3,665	-	22,543,469
Equipment and vehicles	3,106,306	691,805	-	(114,206)	3,683,905
Total accumulated depreciation	<u>67,657,274</u>	<u>7,801,806</u>	<u>3,665</u>	<u>(114,206)</u>	<u>75,341,209</u>
Total depreciable assets, net	<u>217,800,661</u>	<u>(178,655)</u>	<u>118,517</u>	<u>-</u>	<u>217,503,489</u>
Total capital Assets	<u>\$ 222,309,658</u>	<u>\$15,632,031</u>	<u>\$ 118,517</u>	<u>\$ -</u>	<u>\$ 237,823,172</u>
Total Enterprise Fund Assets, Net	<u>\$ 384,932,612</u>				<u>\$ 410,962,084</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

5. Accounts Payable and Inter-fund Balances

Accounts Payable Disaggregate Information

Type of Payable	Governmental Activities	Business-Type Activities	Total
Trade Payables	\$ 2,500,159	\$ 1,785,047	\$ 4,285,206
Construction Costs Payable	3,185,074	7,951,511	11,136,585
Accrued Salaries Fringe Benefits	2,796,550	448,449	3,244,999
Future claims for workers' compensation	247,718	-	247,718
Other Payables	1,494,222	-	1,494,222
Total	\$ 10,223,723	\$ 10,185,007	\$ 20,408,730

Inter-fund Receivables / Payables

The County's Interfund balances as of June 30, 2020 are \$1,322,905. \$1,064,321 represents amounts due to the Education Capital Project Fund from the General Fund for local option sales tax receivable at fiscal year-end. \$258,584 represents amounts advanced by the General Fund to Special Revenue Funds for grant project expenditures made in advance of grantor reimbursements.

Inter-fund Transfers

The County's General Fund transferred funds during fiscal year 2020 to fund County and education capital improvements. In 2017, the county signed a memorandum of agreement to assist the Brunswick Community College with its construction of the Allied Health Building Project. At that time, as part of the agreement, the county set aside/transferred funds to the reserve as agreed upon. These funds were set aside in the County Capital Reserve and were transferred back to the General Fund in the current year and subsequently transferred to the School Capital Reserve/Projects fund where the funds were expended for the Allied Health Facility. The transfer from the Workers' Compensation Fund in the amount of \$1,818,354 was to close the fund. Reserve funds remaining after all claims were paid were returned to the operating fund that paid the premiums. \$1,479,553 was transferred to the General Fund, \$246,850 to the Water Fund, and \$91,951 to the Wastewater Fund.

	Education			Total	
	County Capital General Fund	County Capital Project Fund	Education Capital Project Fund	Governmental Funds	Enterprise Funds
To:					
From:					
General Fund	\$ -	\$ 9,575,021	\$ 9,021,922	\$ 18,596,943	\$ -
County Capital Projects Fund	2,304,445	-	-	2,304,445	-
Worker's Compensation Fund	1,479,553	-	-	1,479,553	338,801
Totals	\$ 3,783,998	\$ 9,575,021	\$ 9,021,922	\$ 22,380,941	\$ 338,801

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

6. Deferred Outflows and Inflows of Resources

The balance in deferred outflows and inflows of resources at June 30, 2020 is composed of the following elements:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Advance payment on refunding debt	\$ 1,047,093	\$ -
Difference between expected and actual experience		
LGERS	4,172,234	-
Register of Deeds	-	18,466
LEOSSA	551,688	30,466
OPEB	-	5,494,624
Pensions - net difference between projected and actual investment earnings	598,261	-
Pensions - Change in proportion and difference between employer contributions and proportionate share of contributions	485,701	321,037
Change in assumptions		
LGERS/ROD	3,971,404	-
LEOSSA	364,509	208,384
OPEB	7,219,518	11,707,937
County contributions subsequent to the measurement date	5,271,948	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	90,497	-
Benefit payments/administration costs paid subsequent to the measurement date (OPEB)	3,529,654	
Prepaid Taxes, not yet earned (General Fund)	-	244,978
Taxes Receivable (General Fund)	-	2,211,846
Grant Receivable (General Fund)	-	3,720,588
EMS Receivable (General Fund)	-	281,957
Health Department Receivable (General Fund)	-	1,743
	<u>\$ 27,302,507</u>	<u>\$ 24,242,026</u>

7. Long-Term Obligations

A. General Obligation Bonds

General obligation bonds issued to finance the construction of facilities utilized in the operations of the water system are reported as long-term debt in the Water Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are appropriated when due. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this Agreement.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

The County's General Obligation Bonds consisted of the following at June 30, 2020:

<u>Original Issue</u>		<u>Payment Information</u>		<u>Outstanding Balance</u>	
<u>Date</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>	<u>Governmental</u>	<u>Business-Type</u>
				<u>Activities</u>	<u>Activities</u>
2009	3.00% - 5.00%	Annual	\$60,000 - \$2,465,000	\$ 1,400,000	\$ -
2012	3.00%	Annual	\$1,660,000 - \$2,750,000	4,590,000	-
2012	2.00% - 4.00%	Annual	\$30,000 - \$285,000	-	2,570,000
2013	0.33% - 4.00%	Annual	\$80,000 - \$3,475,000	6,575,000	-
2018	2.85% - 5.00%	Annual	\$2,455,000 - \$2,500,000	47,455,000	-
Total General Obligation Bonds				\$ 60,020,000	\$ 2,570,000

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, 2020 for which the County held no collateral totaled \$59,298,100 and was comprised of the following issues: Series 2009 (2001) school refunding \$1,400,000, series 2012 school refunding of 2003 and 2004 \$4,590,000, series 2013A school and community college refunding \$5,853,100 and school series 2018 \$47,455,000 which is the first of three phases of the approved \$152 million bond referendum. The school series 2018 has a related premium of \$2,620,786.

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, 2020:

<u>Original Issue</u>		<u>Payment Information</u>		<u>Outstanding Balance</u>	
<u>Date</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>	<u>Business-Type</u>	
				<u>Activities</u>	
2012	2.00% - 5.00%	Annual	\$80,000 - \$2,050,000	\$	2,910,000
2015	2.00% - 5.00%	Annual	\$735,000 - \$4,575,000		52,990,000
2019	3.00% - 5.00%	Annual	\$375,000 - \$4,735,000		87,190,000
2020	2.00% - 5.00%	Annual	\$3,045,000 - \$8,115,000		152,065,000
Total Revenue Bonds				\$	295,155,000

The County has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$31.5 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, \$15.93 million in water and wastewater revenue bonds in 2015, \$87.6 million in water and wastewater refunding revenue bonds in 2019 and \$152.0 million in water revenue bonds in 2020. Proceeds from the bonds provided financing for the West Brunswick Regional

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Water Reclamation Plant Phases 1 and 2 and associated transmission lines, the Sea Trail Wastewater Treatment Plant, Northwest Water Plant expansion and Reverse Osmosis Treatment, Water Transmission Main, Ocean Isle Beach Wastewater Treatment Plant improvements, Sunset Beach Wastewater Collection System, Northeast Water Plant expansion, LCFWSA Parallel Water Main and utility service lines. The bonds are payable solely from water and wastewater customer net revenues and are payable through 2050. Annual principal and interest payments on the bonds are expected to require less than 10 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$441,347,400. Principal and interest paid for the current year and total operating revenues were \$14,866,725 and \$61,930,800, 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, 2020.

The County has covenanted that it will set rates in compliance with a Rate Covenant, as set forth in the County's General Trust Indenture. For the fiscal year ended June 30, 2020, the County's compliance with the Rate Covenant is shown below:

Operating revenues and investment earnings	\$ 66,009,951
Add: 20% surplus account (expendable net position)	<u>12,058,998</u>
Total	<u>\$ 78,068,949</u>

Operating expense excluding OPEB (net of depreciation)	29,150,883
120% of Principal and Interest Requirements on the Bonds	16,772,872
100% of Principal and Interest Requirements on Subordinate Indebtedness, General Obligation Indebtedness and Other Indebtedness	<u>2,641,962</u>
Total	<u>\$ 48,565,717</u>

78,068,949 > 48,565,717

Operating revenues and investment earnings	\$ 66,009,951
Total	<u>\$ 66,009,951</u>

Operating expense excluding OPEB (net of depreciation)	29,150,883
120% of Principal and Interest Requirements on the Bonds	16,772,872
100% of Principal and Interest Requirements on Subordinate Indebtedness, General Obligation Indebtedness and Other Indebtedness	<u>2,641,962</u>
Total	<u>\$ 48,565,717</u>

66,009,951 > 48,565,717

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

The County's debt service coverage calculation for the year ended June 30, 2020 is as follows:

Operating revenues and investment earnings	\$ 66,009,951
Operating expense excluding OPEB (net of depreciation)	<u>29,150,883</u>
Net revenue available for debt service *	36,859,068
Add: 20% surplus account (expendable net positon)	<u>12,058,998</u>
Adjusted net revenues	<u><u>\$ 48,918,066</u></u>
Senior debt service	\$ 13,977,393
Subordinate debt service	<u>2,641,962</u>
Total debt service	16,619,355
Add: 20% senior debt service	<u>2,795,479</u>
Adjusted debt service	<u><u>\$ 19,414,834</u></u>
Coverage Test 1	
Net revenues/total debt service	<u><u>2.22</u></u>
Coverage Test 2	
Adjusted net revenues/adjusted debt service	<u><u>2.52</u></u>

* In accordance with the County's General Trust Indenture, 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, 2020:

<u>Payment Information</u>				<u>Balance</u>	
<u>Issued</u>	<u>Period</u>	<u>Amount</u>	<u>Rate</u>	<u>Governmental</u>	<u>Purpose and Collateral</u>
				<u>Activities</u>	
		\$1,680,000 -			Law Enforcement
2012	Annual	\$2,110,000	2.00% - 5.00%	\$ 15,025,000	Center Refund 2008 IP Schools
		\$520,000-			School Projects; Refund
2015	Annual	\$1,485,000	2.00% - 5.00%	7,875,000	2005B Schools
				<u>\$ 22,900,000</u>	

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

D. Installment Purchases and State Revolving Fund Loans

The County's Installment Purchase notes payable consisted of the following at June 30, 2020:

Issued	Rate	Period	Payment Information		Outstanding Balance	
			Amount	Business-Type Activities	Collateral	
2009	5.38%	Annual	\$1,152,000 - \$1,846,000	\$ 1,846,000	Wastewater System	
2010	0.00%	Annual	\$100,000	1,100,000	Wastewater System	
2012	2.18%	Annual	\$875,988 - \$1,065,008	2,108,016	Wastewater System	
2012	1.84%	Annual	\$247,250 - \$687,250	2,348,670	Wastewater System	
				<u>\$</u>	<u>7,402,686</u>	

The County's outstanding note from direct placement related to enterprise activities of \$1,846,000 (Calabash and Sunset Beach Collection Systems) is secured with collateral of the systems. The note contains provisions that an event of default could (a) declare the bonds immediately due and payable (b) allow the trustee to take possession of the Enterprise Fund and any moneys therein and administer the application thereof.

The County's outstanding note from direct placement related to enterprise activities of \$1,100,000 (Sunset Beach Collection System) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

The County's outstanding note from direct placement related to enterprise activities of \$2,108,016 (NEBRWWTP) is secured with collateral of the system. The note contains provisions that an event of default could (a) declare the bonds immediately due and payable (b) allow the trustee to take possession of the Enterprise Fund and any moneys therein and administer the application thereof.

The County's outstanding note from direct placement related to enterprise activities of \$2,348,670 (NEBRWWTP, Boiling Spring Lakes Wastewater Collection System) is secured with collateral of the system. The note contains provisions that an event of default could (a) declare the bonds immediately due and payable (b) allow the trustee to take possession of the Enterprise Fund and any moneys therein and administer the application thereof.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

The County's State Revolving Fund Loans payable consisted of the following at June 30, 2020:

Issued	Rate	Payment Information		Outstanding Balance		Collateral
		Period	Amount	Business-Type Activities		
2003	2.55%	Annual	\$375,000	\$	821,108	Wastewater System
2006	2.21%	Annual	\$511,525 - \$790,275		3,000,000	Wastewater System
2005	2.21%	Annual	\$806,645 - \$1,220,552		6,939,503	Wastewater System
2011	0.00%	Annual	\$75,000		825,000	Wastewater System
2019	0.00%	Annual	\$47,052		470,518	Wastewater System
				\$	<u>12,056,129</u>	

The County's outstanding note from direct borrowings related to enterprise activities of \$821,108 (NEBRWWTP) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

The County's outstanding note from direct borrowings related to enterprise activities of \$3,000,000 (WBRWRF) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

The County's outstanding note from direct borrowings related to enterprise activities of \$6,939,503 (WBRWRF) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

The County's outstanding note from direct borrowings related to enterprise activities of \$825,000 (Sanitary Sewer Systems) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

The County's outstanding note from direct borrowings related to enterprise activities of \$470,518 (Water Distribution and Sanitary Sewer Systems) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

E. Changes in Long-Term Debt

The following is a summary of changes in governmental long-term debt for the year ended June 30, 2020 for the County:

<u>Governmental Activities</u>	<u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>	<u>Current Maturities</u>
General obligation bonds	\$ 69,965,000	\$ -	\$ 9,945,000	\$ 60,020,000	\$ 9,740,000
Limited obligation bonds	26,340,000	-	3,440,000	22,900,000	2,565,000
Bond premiums	3,870,066	-	235,396	3,634,670	219,682
Direct placement					
installment purchase	238,305	-	238,305	-	-
Compensated absences	3,965,838	4,235,151	3,724,567	4,476,422	275,000
Net pension liability (LGERS)	17,520,551	4,265,396	-	21,785,947	-
Total pension liability (LEOSSA)	4,716,034	1,077,354	-	5,793,388	-
Total OPEB liability	107,039,372	13,533,116	-	120,572,488	-
Landfill closure & post-closure	8,420,800	-	31,832	8,388,968	239,667
Total	\$ 242,075,966	\$ 23,111,017	\$ 17,615,100	\$ 247,571,883	\$ 13,039,349

Note: The general fund is typically used to liquidate other long-term liabilities including OPEB liability, landfill closure and post closure liability, and the compensated absences and pension liabilities recorded in the governmental funds. The total of other debt not issued for capital is \$161,017,213 which is comprised of compensated absences of \$4,476,422, pension benefit obligation of \$27,579,335, other post-employment benefits of \$120,572,488 and landfill closure and post-closure of \$8,388,968.

The following is a summary of changes in business-type long-term debt for the year ended June 30, 2020 for the County:

<u>Business-Type Activities</u>	<u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>	<u>Current Maturities</u>
Direct placement and direct					
borrowing revenue bonds	\$ 76,741,654	\$239,630,000	\$ 21,216,654	\$ 295,155,000	\$ 7,855,000
Bond premiums	6,161,948	24,905,202	953,573	30,113,577	1,368,661
General obligation bonds	2,755,000	-	185,000	2,570,000	190,000
Direct placement					
installment purchase	10,925,354	-	3,522,668	7,402,686	3,651,658
Direct Borrowing State					
Revolving Fund Loans	13,505,150	517,569	1,966,590	12,056,129	1,990,203
Compensated absences	649,021	685,963	614,175	720,809	32,000
Net pension liability (LGERS)	2,023,275	557,702	-	2,580,977	-
Total OPEB liability	16,434,827	1,940,032	-	18,374,859	-
Total	\$ 129,196,229	\$268,236,468	\$ 28,458,660	\$ 368,974,037	\$15,087,522

Note: The total of other debt not issued for capital is \$21,676,645 which is comprised of compensated absences of \$720,809, pension benefit obligation of \$2,580,977 and other post-employment benefits of \$18,374,859.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020, including interest, are as follows:

Governmental Activities

	General Obligation Bonds		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 9,740,000	\$ 2,284,510	\$ 2,565,000	\$ 951,394
2022	6,320,000	1,857,610	2,570,000	826,894
2023	3,625,000	1,596,210	2,600,000	698,394
2024	2,880,000	1,427,460	2,615,000	568,394
2025	2,500,000	1,291,060	2,225,000	479,544
2026-2030	12,500,000	4,707,175	7,705,000	1,214,000
2031-2035	12,500,000	2,595,300	2,620,000	260,788
2036-2040	9,955,000	645,585	-	-
Totals	<u>\$ 60,020,000</u>	<u>\$ 16,404,910</u>	<u>\$ 22,900,000</u>	<u>\$ 4,999,408</u>

Business-Type Activities

	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 190,000	\$ 102,550	\$ 7,855,000	\$ 4,980,976
2022	200,000	95,550	8,700,000	5,107,275
2023	205,000	88,150	10,975,000	10,503,424
2024	215,000	80,450	11,385,000	10,096,919
2025	225,000	71,850	11,375,000	9,579,185
2026-2030	1,250,000	216,250	60,315,000	39,848,795
2031-2035	285,000	11,750	47,700,000	27,110,462
2036-2040	-	-	53,130,000	17,991,550
2041-2045	-	-	38,770,000	10,300,650
2046-2050	-	-	44,950,000	4,124,700
Totals	<u>\$ 2,570,000</u>	<u>\$ 666,550</u>	<u>\$ 295,155,000</u>	<u>\$ 139,643,936</u>

	State Revolving Loans		Installment Purchases	
	Principal	Interest	Principal	Interest
2021	\$ 1,990,203	\$ 240,104	\$ 3,651,658	\$ 182,452
2022	2,014,336	197,967	1,839,848	48,063
2023	2,039,001	155,298	787,250	12,283
2024	1,790,507	112,085	423,930	2,980
2025	1,816,271	75,296	100,000	-
2026-2030	2,330,811	37,938	500,000	-
2031-2035	75,000	-	100,000	-
Totals	<u>\$ 12,056,129</u>	<u>\$ 818,688</u>	<u>\$ 7,402,686</u>	<u>\$ 245,778</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

G. Net Investment in Capital Assets

The total Net Investment in Capital Assets at June 30, 2020 is composed of the following elements:

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Total capital assets (net of depreciation)	\$ 144,799,708	\$ 410,962,084	\$ 555,761,792
Total debt, gross	86,554,670	347,297,392	433,852,062
Less:			
Capital related deferred outflows	-	1,047,093	1,047,093
Education debt for which the County does not hold title	61,918,886	-	61,918,886
Unexpended proceeds*	-	219,303,618	219,303,618
Total capital debt	<u>24,635,784</u>	<u>126,946,681</u>	<u>151,582,465</u>
Net Investment in Capital Assets	<u>\$ 120,163,924</u>	<u>\$ 284,015,403</u>	<u>\$ 404,179,327</u>

*Unexpended debt proceeds related to education debt in the amount of \$8,467,842 is not included in the calculation of governmental Net Investment in Capital Assets

H. Other Debt Disclosures

At June 30, 2020, the County had a legal debt margin of \$2.24 billion.

Advance Refunding

On November 7, 2019, the County issued \$13,670,000 series 2019B enterprise revenue advance refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of providing general resources for all future debt service payments of \$14,053,750 of enterprise revenue bonds. As a result, the refunded bonds are considered to be defeased. The liabilities for the debt were removed from the governmental activities column of the statement of net position in the fiscal year ending June 30, 2020. The reacquisition price was higher than the net carrying amount of the old debt by \$1,150,000. The amount was netted against the net debt and amortized over the life of the refunded debt, which is same as the life of the new issue. The advance refunding was undertaken to reduce total debt service payments over the next nine years by \$784,740 in a net economic gain of \$699,823. At June 30, 2020, \$12,520,000 of defeased bonds remain outstanding.

Debt Related to Capital Activities

Of the total Governmental Activities debt listed only \$24,635,784 relates to assets the County holds title. There is no unspent restricted cash related to this debt.

8. Conduit Debt Obligations

Brunswick County Industrial Facility and Pollution Control Authority issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly,

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, 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.

Benefits Provided

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

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020, was 9.70% of compensation for law enforcement officers and 8.95% 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 \$5,250,112 for the year ended June 30, 2020.

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, 2020, the County reported a liability of \$24,366,924 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020, the County's proportion was .892% (measured as of June 30, 2019), which was an increase of .068% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$10,854,812. At June 30, 2020, 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	\$ 4,172,234	\$ -
Change of assumptions	3,971,404	-
Net difference between projected and actual investment earnings	594,343	-
Change in proportion and difference between employer contributions and proportionate share of contributions	402,537	297,778
County contributions subsequent to the measurement date	<u>5,250,112</u>	-
	<u>\$14,390,630</u>	<u>\$ 297,778</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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\$5,250,112 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, 2021. 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:

2021	4,315,724
2022	1,359,014
2023	2,404,602
2024	763,400
2025	-
Thereafter	-

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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, 2019 are summarized in the following table:

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	<u>6.0%</u>	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ 55,731,612	\$ 24,366,924	\$ (1,703,485)

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, 2020

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 qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	8
Active plan member	<u>183</u>
Total	<u><u>191</u></u>

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2018 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.26 percent

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

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid \$134,090 as benefits came due for the reporting period.

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

At June 30, 2020, the County reported a total pension liability of \$5,793,388. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$629,109.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 551,688	\$ 30,466
Changes of assumptions	364,509	208,384
County benefit payments and plan administrative expense made subsequent to the measurement date	90,497	-
	<u>1,006,694</u>	<u>238,850</u>

The County paid \$90,497 in benefit payments and \$0 in admin expenditures subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows or deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 129,517
2022	129,517
2023	132,203
2024	122,207
2025	106,029
Thereafter	57,874

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**NOTES TO FINANCIAL STATEMENTS
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Sensitivity of the County’s total pension liability to changes in the discount rate. The following presents the County’s total pension liability calculated using the discount rate of 3.26 percent, as well as what the County’s total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Decrease (4.26%)
Total pension liability	\$ 6,402,837	\$ 5,793,388	\$ 5,243,462

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

	2020
Beginning balance	\$ 4,716,034
Service Cost	329,165
Interest on the total pension liability	169,223
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	497,284
Changes of assumptions or other inputs	215,772
Benefit payments	(134,090)
Other changes	-
Ending balance of the total pension liability	<u>\$ 5,793,388</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2018 to 3.26 percent at June 30, 2019.

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

The County contributed \$559,250 for the reporting year. No amounts were forfeited.

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, 2020 were \$3,172,136 which consisted of \$2,180,963 from the County and \$991,173 from the employees.

E. Registers of Deeds' Supplemental Pension Fund

Plan Description

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

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$21,836 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$382,930 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the County's proportion was 1.940%, which was a decrease of 0.572% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$14,885. At June 30, 2020, 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	\$ -	\$ 18,466
Changes of assumptions	-	-
Net difference between projected and actual investment earnings	3,918	-
Change in proportion and difference between employer contributions and proportionate share of contributions	83,164	23,259
County contributions subsequent to the measurement date	<u>21,836</u>	<u>-</u>
	<u>\$ 108,918</u>	<u>\$ 41,725</u>

\$21,836 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, 2021.

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:

2021	(2,985)
2022	31,504
2023	24,403
2024	(7,565)
2025	-
Thereafter	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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. 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, 2019 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 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 3.75%. 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 3.75 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 (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (25,798)	\$ 382,930	\$ 10,913

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.

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

The net pension liability for LGERS and ROD was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2019, with an actuarial valuation date of December 31, 2018.

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

	LGERS	ROD	LEOSSA	Total
Proportionate share of the net pension liability (asset)	\$24,366,924	\$ (382,930)	\$ -	\$23,983,994
Proportion of the net pension liability (aesst)	0.89226%	1.93967%	n/a	n/a
Total pension liability	-	-	5,793,388	5,793,388
Pension Expense	10,854,812	14,885	629,109	11,498,806

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Deferred Outflows of Resources				
Differences between expected and actual experience	\$ 4,172,234	\$ -	\$ 551,688	\$ 4,723,922
Changes of Assumptions	3,971,404	-	364,509	4,335,913
Net difference between projected and actual earnings on plan investments	594,343	3,918	-	598,261
Changes in proportion and differences between contributions and proportionate share of contributions	402,537	83,164	-	485,701
County contributions (LGERS, ROD)/benefit payments and administrative costs (LEOSSA) subsequent to the measurement date	5,250,112	21,836	90,497	5,362,445
Deferred Inflows of Resources				
Differences between expected and actual experience	-	18,466	30,466	48,932
Changes of assumptions	-	-	208,384	208,384
Changes in proportion and differences between contributions and proportionate share of contributions	297,778	23,259	-	321,037

G. 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, 2020, the County made contributions to the State for death benefits of \$43,551. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.06% and 0.14%, 0.04% for Health Department employees and 0.04% for Department of Social Services employees of covered payroll, respectively.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

H. Other Post-Employment Benefits – Health Care Benefits

Plan Description

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

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Membership of the plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

	General Employees
Inactive employees or beneficiaries currently receiving benefits	331
Inactive members entitled to but not yet receiving benefits	-
Active employees	938
Total	<u>1,269</u>

Total OPEB Liability

The County's total OPEB liability of \$138,947,347 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases	
General employees	3.50 - 7.75 percent, including inflation
Law enforcement officer	3.50 - 7.35 percent, including inflation
Municipal bond index rate	
Prior measurement date	3.89 percent
Measurement date	3.50 percent
Healthcare cost trend rates	
Pre-medicare	7.25 percent for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38 percent for 2018 decreasing to an ultimate rate of 4.75% by 2028
Dental	4.00 percent

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Changes to the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2019	\$ 123,474,199
Change for the Year	
Service cost	5,614,327
Interest	4,745,212
Changes of benefit terms	-
Differences between expected and actual experience	(226,626)
Changes in assumptions or other inputs	8,347,568
Benefit payments	<u>(3,007,333)</u>
Net changes	15,473,148
Balance at June 30, 2020	\$ <u>138,947,347</u>

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$164,337,246	\$ 138,947,347	\$118,971,633

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$115,251,156	\$ 138,947,347	\$170,001,396

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$8,052,134. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>of Resources</u>
Differences between expected and actual experience	\$ -	\$ 5,494,624
Changes of assumptions	7,219,518	11,707,937
Benefit payments and administrative costs made subsequent to the measurement date	3,529,654	-
	<u>10,749,172</u>	<u>17,202,561</u>

\$3,529,654 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ (2,307,405)
2022	\$ (2,307,405)
2023	\$ (2,307,405)
2024	\$ (2,307,405)
2025	\$ (1,600,822)
Thereafter	847,399

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 a life of site permit for the landfill. The final phases of the landfill, Phases 6A, 6B, and 6C, were permitted for 588,000 CY. It is

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

estimated that approximately 87% of the total airspace for Phase 6 has been used. The total permitted capacity of the C&D debris landfill is 1,146,000 cubic yards (CY). As of June 30, 2020, the volume utilized has not exceeded the permitted capacity.

Using the results of the annual survey it is estimated that approximately 91,000 cubic yards of useable airspace remain in the C&D debris landfill. The tonnage of C&D debris received at the landfill during FY 2019-2020 decreased approximately 29% from FY 2018-2019. The tonnage of C&D debris disposed in the landfill during FY 2019-2020 decreased approximately 47% from FY 2019-2020. The C&D debris received represents a decrease as the County continues to divert a portion of the C&D debris waste stream through the MSW Transfer Station. The County diverted approximately 20% less C&D debris during FY 2019-2020 than in FY 2018-2019. It is important to note that this decrease in the amount C&D debris received and disposed at the landfill is attributed to the impacts of Hurricane Florence during the FY 2018-2019. Since no major storms hit the area during FY 2019-2020, this decrease was expected.

It is anticipated that the life of the C&D debris landfill will extend to at least FY 2020-2021 based on a tonnage equal to that received in FY 2019-2020, 10% annual growth, and no diversion of C&D debris. On July 16, 2007 the County entered into an agreement for temporary hauling and disposal of C&D debris outside the County and began a sorting and recycling program as means to extend the life of the existing landfill.

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 current remaining MSW landfill post closure costs are documented in Attachment B.

The closure and post-closure care liability is computed based on the cumulative, estimated capacity of the landfill utilized as of June 30, 2020 which is 87% of the total airspace and 90% of the useable airspace. It is estimated that closure of the C&D debris landfill will not occur until sometime during FY 2020-2021. The MSW landfill was closed in 1997. At June 30, 2020, the post-closure care cost for the MSW landfill is expected to be approximately \$118,000 annually. The post-closure care cost for the C&D debris landfill is expected to be approximately \$175,000 annually after closure. At June 30, 2020, the combined closure and post-closure care costs for both landfills are expected to total \$8,388,968 based on an escalation factor of 2%. Of that amount, \$8,388,968 has been accrued at June 30, 2020 and is included in the Long-Term Debt reported on the statement of net position.

Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has elected to establish a reserve fund to accumulate resources for the payment of closure and post-closure care costs. A reserve for landfill closure and post-closure care costs is included in the County Capital Project Fund in the amount of \$9,934,355. The County expects to budget annual transfers from the General Fund to the County Capital Reserve Fund based on the projected cost of closure and post-closure care costs. Future inflation costs are expected to be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate, additional costs may be covered by future user charges or tax revenues.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

11. Risk Management

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

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

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

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

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

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

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**NOTES TO FINANCIAL STATEMENTS
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\$200,000 in claims per member. The specific stop loss is brokered through Blue Cross and Blue Shield.

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

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

	Workers' Compensation	
	2019	2020
Unpaid claims, beginning	\$ 1,525,274	\$ 418,527
Incurred claims	(1,058,992)	265,823
Claim payments	(47,755)	(436,632)
Unpaid claims, ending	<u>\$ 418,527</u>	<u>\$ 247,718</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, 2020, the amount of general obligation bonds issued for this purpose that was still outstanding was \$5,853,100. The County made total debt service payments related to the bonds of \$2,689,310 during the fiscal year. Of that total, \$2,376,849 was for principal and \$312,461 was for interest. In addition, the County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$4,213,468 to the Community College for operating purposes and \$276,336 to the Foundation Grant for tuition during the fiscal year ended June 30, 2020.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020. Complete financial statements for the Brunswick County Community College may be obtained from the Community College's administrative offices at U.S. Hwy. 17 N., Supply, North Carolina.

Trillium Health Resources

The County participates with 26 other counties in Eastern North Carolina in a joint venture to operate the Trillium Health Resources ("Center"), which is located in New Hanover County. The Trillium Health Resources Board is a political subdivision of the State of North Carolina. Brunswick County contributed \$250,443 for operating purposes during the year ended June 30, 2020. 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 \$34,853 to the Council during the fiscal year ended June 30, 2020.

Lower Cape Fear Water and Sewer Authority

The County, in conjunction with four other counties and one municipality, established the Lower Cape Fear Water and Sewer Authority ("Authority"). The Authority operates a 45 mgd raw water system, consisting of a raw water intake located above Lock & Dam #1, Cape Fear River, a 45 mgd pump station and 13 miles of operating raw water main. The Authority is currently allowed to withdraw 96 mgd from the Cape Fear River and under construction is a parallel raw water main project that will increase capacity to no less than 96 mgd. The County appoints 4 members of the Authority's 13 member Board. The Authority supplies raw water under contracts at a rate that is periodically reset to reflect the Authority's cost of production. The Authority also receives an availability charge from a municipality until the municipality needs the raw water supply. The cost of the raw water acquired by Brunswick County from the Authority for the year ended June 30, 2020 was \$1,384,533. In addition, the Authority made payments to the County during the fiscal year totaling \$426,163 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 acquired the wastewater systems of the City of Northwest effective January 1 2020 and the Town of Navassa effective July 1, 2020 and these municipalities are no longer participants in the treatment capacity. The Facility has a permitted treatment capacity of 2.475 mgd. The County is currently under construction of a 2.5 mgd plant expansion for additional treatment capacity due to the increased needs of the participants. 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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 0.5 mgd and effluent from the facility is sprayed on a 200-acre site adjacent to the plant. 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.

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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Construction Commitments

The County had commitments, as shown below, for construction contracts outstanding at June 30, 2020. 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
Raw Water Mains Project	\$ 6,239,990
NW Plant Expansion and RO Treatment	122,600,000
Brunswick County Schools Referendum	1,087,146
Airport Projects	605,560
Courthouse Addition and Expansion	9,826,373
NE Brunswick Regional WRF Expansion	30,390,914
NEBRWW Improvements East	1,455,512
NEBRWW Improvements West	533,440
Total	<u>\$ 172,738,935</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, 2020, the County believes that any required refunds would be immaterial and therefore no provision has been made in the accompanying financial statements for the refund of grant money received.

17. Significant Effects of Subsequent Events

In March 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19), a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact County revenues. At the current time, we are unable to quantify the potential effects of this pandemic.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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



COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 5,614,327	\$ 6,394,492	\$ 7,138,096
Interest	4,745,212	4,517,716	3,955,778
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(226,626)	(7,241,517)	(23,620)
Changes of assumptions	8,347,568	(5,504,850)	(12,728,581)
Benefit payments	<u>(3,007,333)</u>	<u>(3,159,928)</u>	<u>(2,570,121)</u>
Net change in total OPEB liability	15,473,148	(4,994,087)	(4,228,448)
Total OPEB liability - beginning	<u>123,474,199</u>	<u>128,468,286</u>	<u>132,696,734</u>
Total OPEB liability - ending	<u>\$138,947,347</u>	<u>\$123,474,199</u>	<u>\$128,468,286</u>
Cover payroll	45,375,656	45,375,656	42,403,530
Total OPEB liability as a percentage of covered payroll	306.22%	272.12%	302.97%

Notes to Schedule

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

<u>Fiscal Year</u>	<u>Rate</u>
2020	3.50%
2019	3.89%
2018	3.56%

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
County of Brunswick's proportion of the net pension liability (asset) (%)	0.89226%	0.82382%	0.82747%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$24,366,924	\$19,543,826	\$12,641,447
County of Brunswick's covered payroll	\$56,484,415	\$50,538,682	\$48,814,016
County of Brunswick's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	43.14%	38.67%	25.90%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%

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

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

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.60212%	0.80306%	0.81261%	0.79000%
\$17,390,621	\$ 3,691,281	\$ (4,792,336)	\$ 9,522,534
\$46,196,679	\$46,166,707	\$44,833,198	\$40,073,387
37.64%	8.00%	(10.69%)	23.76%
91.47%	98.09%	102.64%	94.35%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 5,250,112	\$ 4,473,650	\$ 3,875,769
Contributions in relation to the contractually required contribution	<u>5,250,112</u>	<u>4,473,650</u>	<u>3,875,769</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County of Brunswick's covered payroll	\$57,671,640	\$56,484,415	\$50,538,682
Contributions as a percentage of covered payroll	9.10%	7.92%	7.67%

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 3,630,728	\$ 3,147,279	\$ 3,283,782	\$ 3,175,088
<u>3,630,728</u>	<u>3,147,279</u>	<u>3,283,782</u>	<u>3,175,088</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$48,814,016	\$46,196,679	\$46,166,707	\$44,833,198
7.44%	6.81%	7.11%	7.08%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
County of Brunswick's proportion of the net pension liability (asset) (%)	1.93967%	2.51207%	2.18960%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$ (382,930)	\$ (416,074)	\$ (373,743)
County of Brunswick's covered payroll	\$ 96,448	\$ 91,812	\$ 88,835
County of Brunswick's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(3 97.03%)	(4 53.18%)	(4 20.72%)
Plan fiduciary net position as a percentage of the total pension liability	164.11%	153.31%	153.77%

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

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
1.93860%	2.10041%	2.09977%	1.99812%
\$ (362,452)	\$ (486,760)	\$ (475,927)	\$ (426,798)
\$ 85,010	\$ 83,940	\$ 81,101	\$ 79,254
(4 26.36%)	(5 79.89%)	(5 86.83%)	(5 38.52%)
160.17%	197.29%	193.88%	190.50%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

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

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 19,024	\$ 17,468	\$ 16,807	\$ 17,144
<u>19,024</u>	<u>17,468</u>	<u>16,807</u>	<u>17,144</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 88,835	\$ 85,010	\$ 83,940	\$ 81,101
21.41%	20.55%	20.02%	21.14%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 4,716,034	\$ 4,424,953	\$ 3,807,449	\$ 3,583,212
Service Cost	329,165	309,697	245,841	265,075
Interest on the total pension liability	169,223	138,041	145,866	126,977
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	497,284	188,974	(56,959)	-
Changes of assumptions or other inputs	215,772	(232,522)	339,847	(114,970)
Benefit payments	(134,090)	(113,109)	(57,091)	(52,845)
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 5,793,388</u>	<u>\$ 4,716,034</u>	<u>\$ 4,424,953</u>	<u>\$ 3,807,449</u>

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

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 5,793,388	\$ 4,716,034	\$ 4,424,953	\$ 3,807,449
Covered payroll	11,968,501	10,139,455	9,559,174	9,791,266
Total pension liability as a percentage of covered payroll	48.41%	46.51%	46.29%	38.89%

Note to the schedules:

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

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



MAJOR GOVERNMENTAL FUNDS

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

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

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



COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Revenues:				
Ad Valorem Taxes:				
Current year taxes		\$ 138,972,892		\$ 123,945,212
Prior year taxes		2,653,422		3,220,830
Penalties and interest		946,057		1,067,844
	<u>\$ 139,457,544</u>	<u>142,572,371</u>	<u>\$ 3,114,827</u>	<u>128,233,886</u>
Local Option Sales Taxes:				
Article 39 and 44 (1%)		11,776,406		10,848,845
Article 40 (1/2%)		8,456,612		7,963,614
Article 42 (1/2%)		8,087,784		7,476,514
	<u>26,336,115</u>	<u>28,320,802</u>	<u>1,984,687</u>	<u>26,288,973</u>
Other Taxes and Licenses:				
Scrap tire disposal fee		190,436		183,492
Deed stamp excise tax		4,363,659		3,744,657
Solid waste tax		66,412		62,922
White goods disposal tax		62,110		54,157
1% Occupancy Tax		1,668,261		1,728,904
	<u>5,723,000</u>	<u>6,350,878</u>	<u>627,878</u>	<u>5,774,132</u>
Unrestricted Intergovernmental:				
Medicaid hold harmless		4,560,730		3,996,393
Beer and wine tax		300,885		292,723
Jail fees		569,844		479,987
	<u>3,288,000</u>	<u>5,431,459</u>	<u>2,143,459</u>	<u>4,769,103</u>
Restricted Intergovernmental:				
State and federal grant		21,305,073		18,344,018
CARES Act		5,574,479		-
ARRA federal grant		1,533		3,055
Court facility fees		114,354		126,095
Payments in lieu of taxes		4,362		4,169
ABC education requirement		7,500		10,501
ABC law enforcement services		12,099		8,519
State drug tax		32,947		53,150
	<u>19,875,091</u>	<u>27,052,347</u>	<u>7,177,256</u>	<u>18,549,507</u>
Permits and Fees:				
Building inspections and permits		2,829,396		2,791,372
Recording fees		919,861		763,516
Fire inspection fees		216,153		116,119

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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Permit and Fees (continued):				
Concealed handgun permit		210,700		212,170
Other permit and fees		940,546		877,151
	<u>4,209,611</u>	<u>5,116,656</u>	<u>907,045</u>	<u>4,760,328</u>
Sales and Services:				
Solid waste fees		3,358,572		4,384,324
School resource officer reimbursement		1,476,726		1,447,763
Rents		16,399		15,260
EMS Charges		5,109,900		4,088,650
Public health user fees		945,678		800,121
Sheriff animal protective services fees		90,833		96,101
Social services fees		63,582		68,678
Public housing fees		16,979		15,590
Tax collection fees		293,402		265,586
Other sales and services		1,307,072		1,530,423
Register of deeds		350,547		331,673
Marriage licenses		42,444		50,103
Recreation services		158,049		258,926
	<u>12,081,677</u>	<u>13,230,183</u>	<u>1,148,506</u>	<u>13,353,198</u>
Investment earnings	<u>490,650</u>	<u>1,003,025</u>	<u>512,375</u>	<u>835,673</u>
Other:				
ABC bottles taxes		75,432		67,267
County Board of Alcohol Control		22,500		28,500
Contributions		142,252		89,796
Other revenues		2,314,758		2,385,290
	<u>1,837,620</u>	<u>2,554,942</u>	<u>717,322</u>	<u>2,570,853</u>
Total revenues	<u>213,299,308</u>	<u>231,632,663</u>	<u>18,333,355</u>	<u>205,135,653</u>
Expenditures:				
General Government:				
Governing Body:				
Salaries		181,380		171,670
Fringe benefits		44,976		43,808
Operating costs		51,402		68,961
	<u>322,588</u>	<u>277,758</u>	<u>44,830</u>	<u>284,439</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
County Administration:				
Salaries		673,694		666,634
Fringe benefits		187,399		184,359
Operating costs		28,340		17,174
	<u>914,098</u>	<u>889,433</u>	<u>24,665</u>	<u>868,167</u>
Human Resources:				
Salaries		326,743		313,173
Fringe benefits		112,928		102,908
Operating costs		6,455		6,004
	<u>452,051</u>	<u>446,126</u>	<u>5,925</u>	<u>422,085</u>
Finance:				
Salaries		864,271		825,139
Fringe benefits		287,913		273,593
Operating costs		420,555		424,847
	<u>1,612,721</u>	<u>1,572,739</u>	<u>39,982</u>	<u>1,523,579</u>
Tax Administration:				
Salaries		2,427,417		2,288,792
Fringe benefits		933,146		843,676
Operating costs		862,550		856,470
	<u>4,565,517</u>	<u>4,223,113</u>	<u>342,404</u>	<u>3,988,938</u>
County Attorney:				
Salaries		394,724		379,107
Fringe benefits		118,033		107,408
Operating costs		49,493		44,559
	<u>709,143</u>	<u>562,250</u>	<u>146,893</u>	<u>531,074</u>
Court Facilities:				
Operating costs		179,887		197,290
	<u>262,724</u>	<u>179,887</u>	<u>82,837</u>	<u>197,290</u>
Board of Elections:				
Salaries		577,197		478,570
Fringe benefits		120,559		117,888
Operating costs		430,868		161,636
Capital outlay		305,103		-
	<u>1,540,344</u>	<u>1,433,727</u>	<u>106,617</u>	<u>758,094</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Register of Deeds:				
Salaries		685,283		652,951
Fringe benefits		295,472		278,118
Operating costs		<u>2,527,339</u>		<u>2,203,989</u>
	<u>3,612,567</u>	<u>3,508,094</u>	104,473	<u>3,135,058</u>
Contingency:				
Operating costs	<u>400,000</u>	-	<u>400,000</u>	-
Total general government	<u>14,391,753</u>	<u>13,093,127</u>	<u>1,298,626</u>	<u>11,708,724</u>
Central Services:				
Management Information Systems:				
Salaries		1,122,310		1,132,217
Fringe benefits		373,427		364,123
Operating costs		1,384,291		1,047,490
Capital outlay		<u>37,747</u>		<u>127,542</u>
	<u>3,239,558</u>	<u>2,917,775</u>	321,783	<u>2,671,372</u>
Fleet Services:				
Salaries		620,559		612,114
Fringe benefits		241,201		227,228
Operating costs		341,104		283,322
Capital outlay		<u>29,590</u>		<u>51,667</u>
	<u>1,734,816</u>	<u>1,232,454</u>	502,362	<u>1,174,331</u>
Engineering:				
Salaries		436,153		411,650
Fringe benefits		142,157		130,231
Operating costs		22,788		27,768
Capital outlay		-		<u>29,594</u>
	<u>637,936</u>	<u>601,098</u>	36,838	<u>599,243</u>
Operation Services:				
Salaries		2,282,080		2,255,410
Fringe benefits		931,616		893,566
Operating costs		3,453,252		10,820,183
Capital outlay		<u>478,054</u>		<u>303,662</u>
	<u>7,452,059</u>	<u>7,145,002</u>	307,057	<u>14,272,821</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Non-departmental:				
Fringe benefits		5,476,889		5,168,930
Operating costs		356,886		836,724
Capital outlay		36,475		-
	<u>6,237,989</u>	<u>5,870,250</u>	<u>367,739</u>	<u>6,005,654</u>
 Total central services	 <u>19,302,358</u>	 <u>17,766,579</u>	 <u>1,535,779</u>	 <u>24,723,421</u>
 Public Safety:				
District Attorney:				
Operating costs		30,951		19,412
	<u>53,000</u>	<u>30,951</u>	<u>22,049</u>	<u>19,412</u>
 Sheriff:				
Salaries		10,810,258		11,078,018
Fringe benefits		3,779,568		3,699,863
Operating costs		2,911,596		3,634,459
Capital outlay		941,545		932,734
	<u>19,426,005</u>	<u>18,442,967</u>	<u>983,038</u>	<u>19,345,074</u>
 Detention Center:				
Salaries		4,751,389		4,552,769
Fringe benefits		1,754,460		1,599,087
Operating costs		2,662,445		2,576,068
Capital outlay		645,387		472,344
	<u>10,201,467</u>	<u>9,813,681</u>	<u>387,786</u>	<u>9,200,268</u>
 Emergency Medical:				
Salaries		6,263,213		5,742,476
Fringe benefits		2,065,937		1,849,724
Operating costs		1,914,800		1,523,755
Capital outlay		1,785,485		1,233,100
	<u>12,164,165</u>	<u>12,029,435</u>	<u>134,730</u>	<u>10,349,055</u>
 Emergency Management:				
Salaries		264,171		239,661
Fringe benefits		74,259		64,796
Operating costs		413,327		706,535
Capital outlay		54,132		71,700
	<u>1,899,151</u>	<u>805,889</u>	<u>1,093,262</u>	<u>1,082,692</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Other Agencies:				
Fire districts		60,000		60,000
Rescue Squads		331,800		332,800
	<u>391,800</u>	<u>391,800</u>	-	<u>392,800</u>
Building Inspections and Central Permitting				
Salaries		1,623,490		1,758,298
Fringe benefits		566,298		556,986
Operating costs		123,265		198,332
Capital outlay		55,917		144,854
	<u>2,388,998</u>	<u>2,368,970</u>	20,028	<u>2,658,470</u>
Fire Inspections				
Salaries		337,442		-
Fringe benefits		99,310		-
Operating costs		48,631		-
Capital outlay		61,168		-
	<u>588,714</u>	<u>546,551</u>	42,163	<u>-</u>
Central Communications:				
Salaries		1,706,295		1,714,905
Fringe benefits		635,319		598,577
Operating costs		224,299		145,264
Capital outlay		66,296		110,753
	<u>2,887,464</u>	<u>2,632,209</u>	255,255	<u>2,569,499</u>
Animal Protective Services:				
Salaries		595,236		638,513
Fringe benefits		231,408		233,068
Operating costs		282,620		297,175
Capital outlay		33,684		-
	<u>1,224,021</u>	<u>1,142,948</u>	81,073	<u>1,168,756</u>
Total public safety	<u>51,224,785</u>	<u>48,205,401</u>	3,019,384	<u>46,786,026</u>
Transportation:				
Cape Fear Regional Jetport		111,000		97,000
Odell Williamson Municipal Airport		27,500		27,500
Cape Fear Transportation Authority		32,072		31,138
Brunswick Transit System		270,448		292,315
Total transportation	<u>441,023</u>	<u>441,020</u>	3	<u>447,953</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Environmental Protection:				
Solid Waste:				
Salaries		361,656		335,562
Fringe benefits		142,070		124,930
Operating costs		16,848,084		16,545,228
Capital outlay		626,147		212,590
	<u>18,543,516</u>	<u>17,977,957</u>	<u>565,559</u>	<u>17,218,310</u>
Other:				
Forestry services	<u>241,743</u>	<u>194,267</u>	<u>47,476</u>	<u>203,391</u>
Total environmental protection	<u>18,785,259</u>	<u>18,172,224</u>	<u>613,035</u>	<u>17,421,701</u>
Economic Development:				
Community Enforcement:				
Salaries		123,746		154,354
Fringe benefits		49,417		58,902
Operating costs		6,971		13,262
Capital outlay		23,717		29,705
	<u>312,833</u>	<u>203,851</u>	<u>108,982</u>	<u>256,223</u>
Planning:				
Salaries		472,414		426,308
Fringe benefits		159,495		139,467
Operating costs		114,559		115,344
Capital outlay		-		23,939
	<u>1,047,384</u>	<u>746,468</u>	<u>300,916</u>	<u>705,058</u>
Cooperative Extension:				
Salaries		261,161		302,039
Fringe benefits		92,617		118,133
Operating costs		98,023		122,603
Capital outlay		5,350		36,053
	<u>612,302</u>	<u>457,151</u>	<u>155,151</u>	<u>578,828</u>
Soil and Water Conservation:				
Salaries		167,077		159,085
Fringe benefits		61,762		58,171
Operating costs		12,009		16,949
	<u>245,899</u>	<u>240,848</u>	<u>5,051</u>	<u>234,205</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Public Housing Section 8:				
Salaries		118,163		106,826
Fringe benefits		48,821		42,330
Operating costs		<u>1,918,935</u>		<u>1,916,764</u>
	<u>2,407,509</u>	<u>2,085,919</u>	<u>321,590</u>	<u>2,065,920</u>
1% Occupancy Tax:				
Operating costs	<u>1,669,600</u>	<u>1,668,261</u>	<u>1,339</u>	<u>1,728,904</u>
Other Economic Development:				
Lockwood Folly & Shallotte Dredging		405,757		190,000
Reserve for shoreline protection		-		7,799
Brunswick Business and Industry Development		<u>425,000</u>		<u>425,000</u>
	<u>2,518,401</u>	<u>830,757</u>	<u>1,687,644</u>	<u>622,799</u>
Total economic development	<u>8,813,928</u>	<u>6,233,255</u>	<u>2,580,673</u>	<u>6,191,937</u>
Human Services:				
Health:				
Administration:				
Salaries		2,346,649		2,382,456
Fringe benefits		1,239,013		1,202,433
Operating costs		197,669		214,808
Capital outlay		<u>85,068</u>		<u>29,449</u>
	<u>4,031,992</u>	<u>3,868,399</u>	<u>163,593</u>	<u>3,829,146</u>
Communicable Diseases:				
Operating costs	<u>420,137</u>	<u>340,391</u>	<u>79,746</u>	<u>302,020</u>
Adult Health Maintenance:				
Operating costs		<u>1,012,361</u>		<u>160,784</u>
	<u>1,353,614</u>	<u>1,012,361</u>	<u>341,253</u>	<u>160,784</u>
Senior Health:				
Salaries		40,611		52,954
Fringe benefits		13,838		20,830
Operating costs		<u>1,972</u>		<u>3,311</u>
	<u>82,370</u>	<u>56,421</u>	<u>25,949</u>	<u>77,095</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Maternal and Child Health:				
Salaries		294,091		322,066
Fringe benefits		128,497		133,138
Operating costs		455,512		529,692
Capital outlay		-		6,222
	<u>1,225,583</u>	<u>878,100</u>	<u>347,483</u>	<u>991,118</u>
Environmental Health:				
Salaries		1,156,005		1,086,498
Fringe benefits		403,912		364,134
Operating costs		283,365		366,434
Capital outlay		26,063		78,010
	<u>1,922,889</u>	<u>1,869,345</u>	<u>53,544</u>	<u>1,895,076</u>
Total health	<u>9,036,585</u>	<u>8,025,017</u>	<u>1,011,568</u>	<u>7,255,239</u>
Veterans' Services:				
Salaries		132,797		137,542
Fringe benefits		52,767		51,114
Operating costs		10,462		13,484
Total veterans' services	<u>210,220</u>	<u>196,026</u>	<u>14,194</u>	<u>202,140</u>
Social Services:				
Administration:				
Salaries		7,064,534		6,898,625
Fringe benefits		3,341,257		3,183,572
Operating costs		2,317,819		2,320,407
Capital outlay		-		56,475
	<u>14,131,490</u>	<u>12,723,610</u>	<u>1,407,880</u>	<u>12,459,079</u>
Other Operating Costs:				
Medical assistance		2,793		3,078
Aid to the blind		8,153		7,845
Adoption assistance		219,705		231,539
Foster care		557,267		612,755
State foster home		572,449		403,299
Special assistance		316,629		380,240
Special child adoption assistance		19,787		70,648
	<u>2,193,957</u>	<u>1,696,783</u>	<u>497,174</u>	<u>1,709,404</u>
Total social services	<u>16,325,447</u>	<u>14,420,393</u>	<u>1,905,054</u>	<u>14,168,483</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Other Human Services:				
Trillium Health Resources		250,443		250,443
Brunswick Senior Resources, Inc.		2,589,319		2,482,419
Other human services		158,077		127,095
	<u>3,000,159</u>	<u>2,997,839</u>	<u>2,320</u>	<u>2,859,957</u>
Total human services	<u>28,572,411</u>	<u>25,639,275</u>	<u>2,933,136</u>	<u>24,485,819</u>
Education:				
Public schools		42,840,126		39,918,820
Public schools - capital outlay		898,744		837,458
Community college		4,166,804		4,096,380
Community college - capital outlay		323,000		365,000
Total education	<u>48,457,232</u>	<u>48,228,674</u>	<u>228,558</u>	<u>45,217,658</u>
Culture and Recreation:				
Parks and Recreation:				
Administration:				
Salaries		639,744		652,255
Fringe benefits		194,964		188,537
Operating costs		486,470		667,725
Capital outlay		28,649		202,680
	<u>1,777,865</u>	<u>1,349,827</u>	<u>428,038</u>	<u>1,711,197</u>
Maintenance:				
Salaries		720,837		778,658
Fringe benefits		293,721		300,669
Operating costs		429,663		392,098
Capital outlay		138,081		133,792
	<u>1,717,303</u>	<u>1,582,302</u>	<u>135,001</u>	<u>1,605,217</u>
Total Parks and Recreation	<u>3,495,168</u>	<u>2,932,129</u>	<u>563,039</u>	<u>3,316,414</u>
Brunswick County Library:				
Salaries		733,339		777,553
Fringe benefits		302,215		304,260
Operating costs		199,874		210,590
	<u>1,403,906</u>	<u>1,235,428</u>	<u>168,478</u>	<u>1,292,403</u>
Total culture and recreation	<u>4,899,074</u>	<u>4,167,557</u>	<u>731,517</u>	<u>4,608,817</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Debt Service:				
Principal retirement	13,623,306	13,623,305	1	11,233,460
Interest and fees	4,976,909	4,975,026	1,883	2,224,964
Total debt service	<u>18,600,215</u>	<u>18,598,331</u>	<u>1,884</u>	<u>13,458,424</u>
Total expenditures	<u>213,488,038</u>	<u>200,545,443</u>	<u>12,942,595</u>	<u>195,050,480</u>
Revenues over (under) expenditures	<u>(188,730)</u>	<u>31,087,220</u>	<u>31,275,950</u>	<u>10,085,173</u>
Transfers From Other Funds:				
Transfer from county capital project fund	2,304,445	2,304,445	-	-
Transfer from workers' compensation fund	1,479,552	1,479,553	1	-
Transfer from health insurance fund	-	-	-	3,172,028
	<u>3,783,997</u>	<u>3,783,998</u>	<u>1</u>	<u>3,172,028</u>
Transfers To Other Funds:				
Transfer to county capital project fund	(9,575,021)	(9,575,021)	-	(2,550,000)
Transfer to emergency telephone system fund	(84,878)	-	84,878	-
Transfer to school capital project funds	(9,021,922)	(9,021,922)	-	(5,859,022)
	<u>(18,681,821)</u>	<u>(18,596,943)</u>	<u>84,878</u>	<u>(8,409,022)</u>
Budgetary Financing Sources (Uses):				
Appropriated fund balance	<u>15,086,554</u>	<u>-</u>	<u>(15,086,554)</u>	<u>-</u>
Total other financing sources (uses)	<u>188,730</u>	<u>(14,812,945)</u>	<u>(15,001,675)</u>	<u>(5,236,994)</u>
Net change in fund balance	<u>\$ -</u>	<u>16,274,275</u>	<u>16,274,275</u>	<u>4,848,179</u>
Fund balance, beginning of year		<u>80,752,724</u>		<u>75,904,545</u>
Fund balance, end of year		<u>\$ 97,026,999</u>		<u>\$ 80,752,724</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, 2020

	Project Budget	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Restricted Intergovernmental:				
NC Department of Transportation	\$ 26,485,472	\$ 21,885,669	\$ 3,766,237	\$ 25,651,906
CARES Act	-	-	69,000	69,000
NC Parks & Recreation Trust Fund	750,500	-	-	-
	<u>27,235,972</u>	<u>21,885,669</u>	<u>3,835,237</u>	<u>25,720,906</u>
Investment earnings	<u>128,008</u>	<u>549,928</u>	<u>276,651</u>	<u>826,579</u>
Other:				
Performance bonds	290,876	290,876	-	290,876
Other revenues	621,500	565,587	-	565,587
	<u>912,376</u>	<u>856,463</u>	<u>-</u>	<u>856,463</u>
Total revenues	<u>28,276,356</u>	<u>23,292,060</u>	<u>4,111,888</u>	<u>27,403,948</u>
Expenditures:				
Capital Improvements:				
General Government:				
Courthouse Addition Renovation	11,971,860	491,830	1,429,208	1,921,038
Courthouse Parking Lot	1,147,892	283,096	864,796	1,147,892
Future capital projects	1,600,000	-	-	-
	<u>14,719,752</u>	<u>774,926</u>	<u>2,294,004</u>	<u>3,068,930</u>
Environmental protection:				
Landfill Transfer Station	337,000	-	189,259	189,259
Future capital projects	15,303,994	-	-	-
	<u>15,640,994</u>	<u>-</u>	<u>189,259</u>	<u>189,259</u>
Economic Development:				
Springlake at Maritime Shores	274,585	-	-	-
Cultural and recreation:				
Ocean Isle Beach Park improvements	5,850,000	5,684,466	78,552	5,763,018
Smithville Park improvements	6,189,666	5,936,008	31,156	5,967,164
Brunswick Waterway Park improvements	644,083	111,137	89,984	201,121
Waccamaw Multiuse Building	311,000	-	28,705	28,705
	<u>12,994,749</u>	<u>11,731,611</u>	<u>228,397</u>	<u>11,960,008</u>
Transportation:				
Airport improvements	<u>28,141,645</u>	<u>23,617,148</u>	<u>3,061,090</u>	<u>26,678,238</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, 2020

	Project Budget	Actual		
		Prior Years	Current Year	Total to Date
Other:				
Future capital projects	637,276	-	-	-
Total expenditures	72,409,001	36,123,685	5,772,750	41,896,435
Revenues over (under) expenditures	(44,132,645)	(12,831,625)	(1,660,862)	(14,492,487)
Other Financing Sources (Uses):				
Appropriated fund balance	4,805,618	-	-	-
Transfer from general fund	43,620,911	34,045,893	9,575,021	43,620,914
Transfer to general fund	(4,293,884)	(1,989,439)	(2,304,445)	(4,293,884)
Total other financing sources (uses)	44,132,645	32,056,454	7,270,576	39,327,030
Net change in fund balance	\$ -	\$ 19,224,829	5,609,714	\$ 24,834,543
Fund balance, beginning of year			24,049,308	
Fund balance, end of year			\$ 29,659,022	

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCEBUDGET TO ACTUAL - EDUCATION CAPITAL PROJECTS FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Project Budget	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
NC Public Education Lottery	\$ 7,082,039	\$ 7,092,797	\$ -	\$ 7,092,797
Investment earnings	1,211,937	1,524,462	84,906	1,609,368
Investment earnings-debt proceeds	5,301	960,322	331,058	1,291,380
Total revenues	<u>8,299,277</u>	<u>9,577,581</u>	<u>415,964</u>	<u>9,993,545</u>
Expenditures:				
Brunswick County Schools	135,129,903	85,673,430	24,736,343	110,409,773
Brunswick Community College	33,998,159	31,523,490	2,175,164	33,698,654
Total expenditures	<u>169,128,062</u>	<u>117,196,920</u>	<u>26,911,507</u>	<u>144,108,427</u>
Revenues over (under) expenditures	(160,828,785)	(107,619,339)	(26,495,543)	(134,114,882)
Other Financing Sources (Uses):				
Transfer from general fund	67,098,183	58,076,260	9,021,922	67,098,182
Transfer to general fund	(314,013)	(314,013)	-	(314,013)
Premium on bonds issued	3,471,659	3,471,660	-	3,471,660
Debt financing issued	84,020,543	79,955,000	-	79,955,000
Appropriated fund balance	6,552,413	-	-	-
Total other financing sources (uses)	<u>160,828,785</u>	<u>141,188,907</u>	<u>9,021,922</u>	<u>150,210,829</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 33,569,568</u>	(17,473,621)	<u>\$ 16,095,947</u>
Fund balance, beginning of year			<u>40,121,983</u>	
Fund balance, end of year			<u>\$ 22,648,362</u>	

NON MAJOR GOVERNMENTAL FUNDS

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

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

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



COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
JUNE 30, 2020

	Emergency Telephone System Fund	Grant Project	ROD- Technology Enhancement Fund	Total
Assets:				
Cash and cash equivalents/investments	\$ 1,334,533	\$ -	\$ 942,094	\$ 2,276,627
Interest receivable	297	-	219	516
Other governmental agencies	63,159	328,037	-	391,196
Total assets	<u>\$ 1,397,989</u>	<u>\$ 328,037</u>	<u>\$ 942,313</u>	<u>\$ 2,668,339</u>
Liabilities:				
Accounts payable and other liabilities	9,983	69,453	39,402	118,838
Due to other funds	-	258,584	-	258,584
Total liabilities	<u>9,983</u>	<u>328,037</u>	<u>39,402</u>	<u>377,422</u>
Fund Balance:				
Stabilization by State Statute	63,456	328,037	219	391,712
Restricted - other	1,324,550	-	902,692	2,227,242
Unassigned	-	(328,037)	-	(328,037)
Total fund balances	<u>1,388,006</u>	<u>-</u>	<u>902,911</u>	<u>2,290,917</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 1,397,989</u>	<u>\$ 328,037</u>	<u>\$ 942,313</u>	<u>\$ 2,668,339</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, 2020

	Emergency Telephone System Fund	Grant Project	ROD- Technology Enhancement Fund	Total
Revenues:				
Restricted intergovernmental	\$ 757,913	\$ 586,183	\$ -	\$ 1,344,096
Permits and fees	-	-	189,658	189,658
Investment earnings	11,292	-	8,901	20,193
Total revenues	<u>769,205</u>	<u>586,183</u>	<u>198,559</u>	<u>1,553,947</u>
Expenditures:				
General government	-	586,183	150,010	736,193
Public safety	426,304	-	-	426,304
Total expenditures	<u>426,304</u>	<u>586,183</u>	<u>150,010</u>	<u>1,162,497</u>
Net change in fund balances	342,901	-	48,549	391,450
Fund balance, beginning of year	<u>1,045,105</u>	<u>-</u>	<u>854,362</u>	<u>1,899,467</u>
Fund balance, end of year	<u>\$ 1,388,006</u>	<u>\$ -</u>	<u>\$ 902,911</u>	<u>\$ 2,290,917</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Revenues:				
Restricted intergovernmental	\$ 757,913	\$ 757,913	\$ -	\$ 548,007
Investment earnings	-	11,292	11,292	10,129
Total revenues	<u>757,913</u>	<u>769,205</u>	<u>11,292</u>	<u>558,136</u>
Expenditures:				
Telephone and furniture	502,277	243,642	258,635	149,349
Computer software	101,529	89,502	12,027	178,061
Computer hardware	313,902	66,373	247,529	160,087
Staff training	15,000	3,067	11,933	6,548
Implemental functions	23,720	23,720	-	78,219
Capital Outlay	-	-	-	-
Total expenditures	<u>956,428</u>	<u>426,304</u>	<u>530,124</u>	<u>572,264</u>
Revenues over (under) expenditures	(198,515)	342,901	541,416	(14,128)
Other Financing Sources (Uses):				
Transfers from general fund	84,878	-	(84,878)	-
Appropriated fund balance	113,637	-	(113,637)	-
Total other financing sources (uses)	<u>198,515</u>	<u>-</u>	<u>(198,515)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	342,901	<u>\$ 342,901</u>	(14,128)
Fund balance, beginning of year		<u>1,045,105</u>		<u>1,059,233</u>
Fund balance, end of year		<u>\$ 1,388,006</u>		<u>\$ 1,045,105</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, 2020

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Restricted Intergovernmental:				
SAMHSA FY 19-24	\$ 800,000	\$ 224,060	\$ 343,336	\$ 567,396
HMPG-5 Residential Properties	<u>1,380,527</u>	<u>-</u>	<u>242,847</u>	<u>242,847</u>
Total revenues	<u>2,180,527</u>	<u>224,060</u>	<u>586,183</u>	<u>810,243</u>
Expenditures:				
SAMHSA FY 19-24	800,000	224,060	343,336	567,396
HMPG-5 Residential Properties	<u>1,380,527</u>	<u>-</u>	<u>242,847</u>	<u>242,847</u>
Total expenditures	<u>2,180,527</u>	<u>224,060</u>	<u>586,183</u>	<u>810,243</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
 ACTUAL AND CHANGES IN FUND BALANCE -
 REGISTER OF DEEDS TECHNOLOGY ENHANCEMENT FUND
 FOR THE YEAR ENDED JUNE 30, 2020
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Revenues:				
Permits and fees	\$ 165,500	\$ 189,658	\$ 24,158	\$ 148,446
Investment earnings	6,000	8,901	2,901	8,097
Total revenues	<u>171,500</u>	<u>198,559</u>	<u>27,059</u>	<u>156,543</u>
Expenditures:				
General government	194,276	150,010	44,266	154,335
Capital outlay	7,000	-	7,000	-
Total expenditures	<u>201,276</u>	<u>150,010</u>	<u>51,266</u>	<u>154,335</u>
Revenues over (under) expenditures	(29,776)	48,549	78,325	2,208
Other Financing Sources (Uses):				
Appropriated fund balance	<u>29,776</u>	-	<u>(29,776)</u>	-
Net change in fund balance	<u>\$ -</u>	48,549	<u>\$ 48,549</u>	2,208
Fund balance, beginning of year		<u>854,362</u>		<u>852,154</u>
Fund balance, end of year		<u>\$ 902,911</u>		<u>\$ 854,362</u>



ENTERPRISE FUNDS

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

MAJOR ENTERPRISE FUNDS:

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

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

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

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



COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WATER FUND (NON-GAAP)
JUNE 30, 2020

	<u>Water Fund</u>	<u>Water Capital Projects</u>	<u>Total</u>
Current Assets:			
Cash, cash equivalents and investments	\$ 33,580,913	\$ 8,230,182	\$ 41,811,095
Restricted cash	2,475,060	178,150,947	180,626,007
Interest receivable	7,328	-	7,328
Receivables and special assessments, net	3,355,357	-	3,355,357
Due from other governmental agencies	971,051	614	971,665
Inventories	1,716,404	-	1,716,404
Total current assets	<u>42,106,113</u>	<u>186,381,743</u>	<u>228,487,856</u>
Current Liabilities:			
Accounts payable and other liabilities	1,414,042	2,324,641	3,738,683
Customer deposits	2,035,331	-	2,035,331
Interest payable	236,472	-	236,472
Current portion of debt	1,544,059	-	1,544,059
Total current liabilities	<u>5,229,904</u>	<u>2,324,641</u>	<u>7,554,545</u>
Expendable net position	36,876,209	184,057,102	220,933,311
Noncurrent Items:			
Non-depreciable capital assets	21,767,867	-	21,767,867
Depreciable capital assets, net	151,371,045	-	151,371,045
Deferred outflow	1,966,660	-	1,966,660
Net pension liability	(1,672,796)	-	(1,672,796)
Compensated absences	(477,710)	-	(477,710)
Total other post-employment liability	(11,637,039)	-	(11,637,039)
Non-current portion of debt	(214,933,089)	-	(214,933,089)
Deferred inflow	(1,605,303)	-	(1,605,303)
Total net position	<u>\$ (18,344,156)</u>	<u>\$ 184,057,102</u>	<u>\$ 165,712,946</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Revenues:				
User charges	\$ 25,508,140	\$ 26,938,083	\$ 1,429,943	\$ 24,609,641
Restricted intergovernmental revenue	-	2,647,094	2,647,094	-
Investment earnings	255,000	319,835	64,835	287,874
Other	952,304	895,434	(56,870)	687,391
Total revenues	<u>26,715,444</u>	<u>30,800,446</u>	<u>4,085,002</u>	<u>25,584,906</u>
Expenditures:				
Salaries	5,232,686	4,980,849	251,837	5,011,538
Fringe benefits	2,400,030	2,292,685	107,345	2,192,381
Operating expenditures	9,193,645	7,694,860	1,498,785	9,156,206
Repairs and maintenance	3,093,572	2,605,060	488,512	1,315,564
Capital outlay	5,180,050	3,970,615	1,209,435	1,788,696
Debt Service:				
Principal	1,284,176	1,278,276	5,900	1,220,859
Interest	952,141	952,138	3	1,021,066
Total expenditures	<u>27,336,300</u>	<u>23,774,483</u>	<u>3,561,817</u>	<u>21,706,310</u>
Revenues over (under) expenditures	(620,856)	7,025,963	7,646,819	3,878,596
Other Financing Sources (Uses):				
Long-term debt issued	714,000	714,000	-	-
Premiums on debt issued	69,924	69,924	-	-
Payments to escrow agent for refunded bonds	(778,658)	(778,023)	635	-
Transfer to water capital project fund	(2,780,000)	(2,780,000)	-	(790,000)
Transfer from health insurance internal service fund	-	-	-	298,091
Transfer from worker's compensation internal serv	246,850	246,850	-	-
Appropriated net position	3,148,740	-	(3,148,740)	-
Total other financing sources (uses)	<u>620,856</u>	<u>(2,527,249)</u>	<u>(3,148,105)</u>	<u>(491,909)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>4,498,714</u>	<u>\$ 4,498,714</u>	<u>\$ 3,386,687</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Reconciliation From Budgetary Basis				
To Full Accrual Basis:				
Capital Project Related Items:				
Revenues from water capital projects		248,816		
Proceeds from water capital project debt		178,600,000		
Bond premium		17,428,317		
Transfer from water fund to water capital project fund		2,780,000		
Capital project expenditures		(12,867,899)		
Other Reconciling Items:				
Proceeds from debt		(179,314,000)		
Premium		(17,498,241)		
CIP additions from capital projects		12,867,899		
Capitalized capital outlay and CIP adjustment		3,970,615		
Change in interest accrued		11,417		
Change in vacation accrual		(65,620)		
Change in net OPEB liability		(1,021,074)		
Change in deferred outflows of resources - pensions		(57,891)		
Change in deferred outflows of resources - OPEB		641,697		
Change in net pension liability		(359,408)		
Change in deferred inflows of resources - pensions		17,673		
Change in deferred inflows of resources - OPEB		314,175		
Change in inventory		117,861		
Retirement of long-term debt		2,056,299		
Amortization of bond premium		412,567		
Loss on disposal of capital assets		(803,898)		
Contributed capital assets-Deeds of Dedication		935,236		
Depreciation		(6,453,894)		
Change in net position - GAAP basis		<u>\$ 6,459,361</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, 2020

	Project Budget	Actual		Total to Date
		Prior Year	Current Year	
Revenues:				
Restricted intergovernmental revenue	\$ 381,655	\$ 381,655	\$ -	\$ 381,655
Investment earnings	120,276	154,618	15,760	170,378
Investment earnings-debt proceeds	-	-	233,056	233,056
Assessments	52,724	52,724	-	52,724
Total revenues	<u>554,655</u>	<u>588,997</u>	<u>248,816</u>	<u>837,813</u>
Expenditures:				
Southeast Water Tank	50,550	50,550	-	50,550
NCDOT Hwy 211 Expansion	391,155	391,155	-	391,155
FY16 Water Mains Top 7 and Apollo	1,773,285	1,731,758	-	1,731,758
Raw Water Mains Project	28,683,127	587,293	8,268,148	8,855,441
Sunset Harbor	496,623	496,622	-	496,622
Shalotte Transmission Main	308,500	91,498	168,813	260,311
Northwest Water Plant Treatment Expansion	167,345,190	7,371,483	4,241,641	11,613,124
74/76 Industrial Park Water Main	308,400	-	160,304	160,304
74/76 Mintz Dr. to Old Maco	85,000	39,006	28,993	67,999
Total expenditures	<u>199,441,830</u>	<u>10,759,365</u>	<u>12,867,899</u>	<u>23,627,264</u>
Revenues over (under) expenditures	(198,887,175)	(10,170,368)	(12,619,083)	(22,789,451)
Other Financing Sources (Uses):				
Long term debt issued	178,600,000	-	178,600,000	178,600,000
Bond Premium	17,428,317	-	17,428,317	17,428,317
Transfers from water fund	10,016,513	7,236,524	2,780,000	10,016,524
Transfers to water fund	(985,770)	(985,770)	-	(985,770)
Reserve for future projects	(7,955,382)	-	-	-
Appropriated fund balance	1,783,497	-	-	-
Total other financing sources (uses)	<u>198,887,175</u>	<u>6,250,754</u>	<u>198,808,317</u>	<u>205,059,071</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (3,919,614)</u>	<u>\$186,189,234</u>	<u>\$ 182,269,620</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WASTEWATER FUND (NON-GAAP)
JUNE 30, 2020

	Wastewater Fund	Wastewater Capital Projects	Total
Current Assets:			
Cash and cash equivalents/investments	\$ 28,255,982	\$ 2,063,181	\$ 30,319,163
Restricted cash	2,462,009	41,152,671	43,614,680
Interest receivable	6,205	-	6,205
Receivables and special assessments, net	4,400,232	-	4,400,232
Due from other governmental agencies	511,459	172,029	683,488
Inventories	491,722	-	491,722
Total current assets	<u>36,127,609</u>	<u>43,387,881</u>	<u>79,515,490</u>
Current Liabilities:			
Accounts payable and other liabilities	819,454	5,626,870	6,446,324
Interest payable	1,124,988	-	1,124,988
Prepaid fees	389,133	-	389,133
Current portion of debt	13,543,463	-	13,543,463
Total current liabilities	<u>15,877,038</u>	<u>5,626,870</u>	<u>21,503,908</u>
Expendable net position	20,250,571	37,761,011	58,011,582
Noncurrent Items:			
Non-depreciable capital assets	20,319,683	-	20,319,683
Depreciable capital assets, net	217,503,489	-	217,503,489
Deferred outflow	2,164,578	-	2,164,578
Net pension liability	(908,181)	-	(908,181)
Compensated absences	(211,099)	-	(211,099)
Total other post-employment liability	(6,737,820)	-	(6,737,820)
Non-current portion of debt	(117,308,781)	-	(117,308,781)
Deferred inflow	(956,069)	-	(956,069)
Total net position	<u>\$ 134,116,371</u>	<u>\$ 37,761,011</u>	<u>\$ 171,877,382</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL - WASTEWATER FUND (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Revenues:				
User charges	\$ 25,034,788	\$ 29,958,550	\$ 4,923,762	\$ 28,510,502
ARRA interest subsidy	63,550	31,775	(31,775)	92,726
Special assessments	-	-	-	106,146
Investment earnings	175,000	293,843	118,843	290,021
Restricted intergovernmental revenues	226,649	702,748	476,099	288,260
Other	314,007	706,090	392,083	367,793
Total revenues	<u>25,813,994</u>	<u>31,693,006</u>	<u>5,879,012</u>	<u>29,655,448</u>
Expenditures:				
Salaries	3,048,594	2,883,904	164,690	2,749,336
Fringe benefits	1,329,002	1,271,696	57,306	1,163,007
Operating expenditures	5,262,744	4,195,006	1,067,738	4,769,594
Repairs and maintenance	2,069,563	1,901,835	167,728	1,636,061
Capital outlay	5,986,545	4,919,454	1,067,091	3,265,498
Debt Service:				
Principal	10,499,229	10,499,224	5	10,014,489
Interest	3,993,824	3,889,717	104,107	3,688,908
Total expenditures	<u>32,189,501</u>	<u>29,560,836</u>	<u>2,628,665</u>	<u>27,286,893</u>
Revenues over (under) expenditures	(6,375,507)	2,132,170	8,507,677	2,368,555
Other Financing Sources (Uses):				
Issuance of long-term debt	15,336,000	15,336,000	-	-
Premiums on bonds issued	163,155	163,155	-	-
Payments to escrow agent for refunded bonds	(15,382,482)	(15,382,482)	-	-
Transfer to wastewater capital project fund	(1,239,512)	(1,239,512)	-	(1,075,558)
Transfer from wastewater capital project fund	300,346	300,346	-	1,690,694
Transfer from health insurance internal service fund	-	-	-	167,890
Transfer from worker's compensation internal service fund	91,951	91,951	-	-
Appropriated net position	7,106,049	-	(7,106,049)	-
Total other financing sources (uses)	<u>6,375,507</u>	<u>(730,542)</u>	<u>(7,106,049)</u>	<u>783,026</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>1,401,628</u>	<u>\$ 1,401,628</u>	<u>\$ 3,151,581</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL - WASTEWATER FUND (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2019</u>
Reconciliation From Budgetary Basis				
To Full Accrual Basis:				
Capital Project Activities:				
Revenues from wastewater capital projects		522,821		
Proceeds from issuance of long-term debt		44,980,000		
Bond premium		7,243,806		
Transfer from wastewater fund to wastewater capital projects		1,239,512		
Transfer from wastewater capital projects to wastewater fund		(300,346)		
Capital project expenditures		(15,810,686)		
Other Reconciling Items:				
Proceeds from issuance of long-term debt		(60,316,000)		
Premiums from issuance of long term debt		(7,406,961)		
CIP additions from capital projects		15,810,686		
Capitalized capital outlay and CIP adjustment		4,919,454		
Change in interest accrued		(332,614)		
Change in vacation accrual		(6,168)		
Change in net OPEB liability		(918,958)		
Change in deferred outflows of resources - pensions		(31,940)		
Change in deferred outflows of resources - OPEB		379,524		
Change in net pension liability		(198,294)		
Change in deferred inflows of resources - pensions		9,750		
Change in deferred inflows of resources - OPEB		127,725		
Contributed assets-Deeds of Dedication		2,186,128		
Change in inventory		171,464		
Loss on disposal of capital assets		(118,517)		
Retirement of long-term debt		24,834,613		
Amortization of bond premium		541,006		
Unamortized outflow of resources related to refunding of debt		1,047,093		
Depreciation		(7,801,806)		
Change in net position - GAAP basis		<u>\$ 12,172,920</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, 2020**

	<u>Project Budget</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Restricted intergovernmental revenue	\$ 97,302	\$ 46,276	\$ 51,026	\$ 97,302
Assessments	656,070	659,564	-	659,564
Investment earnings	106,020	148,462	20,911	169,373
Investment earnings-debt proceeds	-	-	450,884	450,884
West Bruns. Regional WWTP Southport Contribution	<u>2,630,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,489,392</u>	<u>854,302</u>	<u>522,821</u>	<u>1,377,123</u>
Expenditures:				
NCDOT Hwy 211 Expansion	122,182	122,181	-	122,181
West Brunswick Wastewater Treatment Facility	2,630,000	1,037,975	-	1,037,975
Northeast Wastewater Treatment Plant	45,714,971	1,324,722	11,673,906	12,998,628
Northeast Wastewater Treatment Plant E. Trans. Main	3,616,997	4,122	1,905,430	1,909,552
Northeast Wastewater Treatment Plant W. Trans. Main	<u>2,891,839</u>	<u>-</u>	<u>2,231,350</u>	<u>2,231,350</u>
Total expenditures	<u>54,975,989</u>	<u>2,489,000</u>	<u>15,810,686</u>	<u>18,299,686</u>
Revenues over (under) expenditures	(51,486,597)	(1,634,698)	(15,287,865)	(16,922,563)
Other Financing Sources (Uses):				
Long term debt issued	44,980,000	-	44,980,000	44,980,000
Bond premium	7,243,807	-	7,243,806	7,243,806
Transfer from wastewater fund	5,473,713	4,234,205	1,239,512	5,473,717
Transfer to wastewater fund	(7,540,274)	(7,239,928)	(300,346)	(7,540,274)
Reserve for future projects	(2,851,245)	-	-	-
Appropriated fund balance	<u>4,180,596</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>51,486,597</u>	<u>(3,005,723)</u>	<u>53,162,972</u>	<u>50,157,249</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (4,640,421)</u>	<u>\$ 37,875,107</u>	<u>\$ 33,234,686</u>

INTERNAL SERVICE FUNDS

The internal service fund is 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.



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, 2020
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019**

	Financial Plan	Actual	Variance Positive (Negative)	2019
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ 1,098,200
Investment earnings	184,030	22,716	(161,314)	21,619
Total revenues	<u>184,030</u>	<u>22,716</u>	<u>(161,314)</u>	<u>1,119,819</u>
Expenditures:				
Premiums	415,674	254,350	161,324	47,755
Revenues over (under) expenditures	<u>(231,644)</u>	<u>(231,634)</u>	<u>10</u>	<u>1,072,064</u>
Other financing sources (uses):				
Transfer to general fund	(1,479,553)	(1,479,553)	-	-
Transfer to water fund	(246,850)	(246,850)	-	-
Transfer to wastewater fund	(91,951)	(91,951)	-	-
Appropriated net position	2,049,998	-	(2,049,998)	-
Total other financing sources (uses)	<u>231,644</u>	<u>(1,818,354)</u>	<u>(2,049,998)</u>	<u>-</u>
Increase (decrease) in net position	<u>\$ -</u>	<u>(2,049,988)</u>	<u>\$ (2,049,988)</u>	<u>1,072,064</u>
Net position, beginning of year		<u>2,049,988</u>		<u>977,924</u>
Net position, end of year		<u>\$ -</u>		<u>\$ 2,049,988</u>



AGENCY FUNDS

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.

Sheriff Department Seizure Fund - This fund accounts for seized funds held by the Sheriff

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 2020</u>
SOCIAL SERVICES FUND				
Assets:				
Cash, cash equivalents and investments	\$ 15,671	\$ 95,255	\$ 86,493	\$ 24,433
Interest receivable	11	32	38	5
Total assets	<u>\$ 15,682</u>	<u>\$ 95,287</u>	<u>\$ 86,531</u>	<u>\$ 24,438</u>
Liabilities:				
Other	<u>\$ 15,682</u>	<u>\$ 187,705</u>	<u>\$ 178,949</u>	<u>\$ 24,438</u>
SMITHVILLE TOWNSHIP FUND				
Assets:				
Cash, cash equivalents and investments	\$ 1,049,277	\$ 3,348,645	\$ 3,342,764	\$ 1,055,158
Interest receivable	994	3,806	4,421	379
Due from other governmental agencies	7,683	7,958	7,683	7,958
Total assets	<u>\$ 1,057,954</u>	<u>\$ 3,360,409</u>	<u>\$ 3,354,868</u>	<u>\$ 1,063,495</u>
Liabilities:				
Due to other governmental agencies	<u>1,057,954</u>	<u>2,534,720</u>	<u>2,529,179</u>	<u>1,063,495</u>
Total liabilities	<u>\$ 1,057,954</u>	<u>\$ 2,534,720</u>	<u>\$ 2,529,179</u>	<u>\$ 1,063,495</u>
INTERGOVERNMENTAL COLLECTIONS FUND				
Assets:				
Cash, cash equivalents and investments	83,967	\$ 48,994,401	\$ 48,864,235	\$ 214,133
Taxes receivable, net	26,575	9,965	26,575	9,965
Due from other governmental agencies	164,439	208,308	164,439	208,308
Total assets	<u>\$ 274,981</u>	<u>\$ 49,212,674</u>	<u>\$ 49,055,249</u>	<u>\$ 432,406</u>
Liabilities:				
Due to other governmental agencies	<u>\$ 274,981</u>	<u>\$ 49,769,368</u>	<u>\$ 49,611,943</u>	<u>\$ 432,406</u>
SHERIFF DEPARTMENT TRUST FUND				
Assets:				
Cash, cash equivalents and investments	<u>\$ 4,015</u>	<u>\$ 215,796</u>	<u>\$ 192,252</u>	<u>\$ 27,559</u>
Liabilities:				
Other	<u>\$ 4,015</u>	<u>\$ 434,425</u>	<u>\$ 410,881</u>	<u>\$ 27,559</u>
SHERIFF DEPARTMENT SEIZURE FUND				
Assets:				
Cash, cash equivalents and investments	<u>\$ 386,136</u>	<u>\$ 120,464</u>	<u>\$ 20,805</u>	<u>\$ 485,795</u>
Liabilities:				
Other	<u>\$ 386,136</u>	<u>\$ 120,464</u>	<u>\$ 20,805</u>	<u>\$ 485,795</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 2020</u>
INMATE TRUST FUND				
Assets:				
Cash, cash equivalents and investments	\$ 49,429	\$ 599,525	\$ 610,156	\$ 38,798
Liabilities:				
Other	\$ 49,429	\$ 835,483	\$ 846,114	\$ 38,798
COMBINING TOTALS				
Assets:				
Cash, cash equivalents and investments	\$ 1,588,495	\$ 53,374,086	\$ 53,116,705	\$ 1,845,876
Interest receivable	1,005	3,838	4,459	384
Taxes receivable, net	26,575	9,965	26,575	9,965
Due from other governmental agencies	172,122	216,266	172,122	216,266
Total assets	<u>\$ 1,788,197</u>	<u>\$ 53,604,155</u>	<u>\$ 53,319,861</u>	<u>\$ 2,072,491</u>
Liabilities:				
Due to other governmental agencies	\$ 1,332,935	\$ 52,304,088	\$ 52,141,122	\$ 1,495,901
Other	455,262	1,578,077	1,456,749	576,590
Total liabilities	<u>\$ 1,788,197</u>	<u>\$ 53,882,165</u>	<u>\$ 53,597,871</u>	<u>\$ 2,072,491</u>



SUPPLEMENTAL FINANCIAL DATA

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

Schedule of Ad Valorem Taxes Receivable - General Fund

Analysis of Current Tax Levy - County-Wide Levy

Financial Data Schedule – Balance Sheet

Financial Data Schedule – Revenues and Expenses

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
JUNE 30, 2020

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2018-19	\$ -	\$ 141,152,012	\$ 138,971,877	\$ 2,180,135
2017-18	2,001,173	-	1,117,206	883,967
2016-17	1,000,196	-	461,773	538,423
2015-16	691,848	-	301,818	390,030
2014-15	547,893	-	175,988	371,905
2013-14	429,205	-	162,687	266,518
2012-13	421,271	-	154,410	266,861
2011-12	403,432	-	118,063	285,369
2010-11	345,987	-	109,426	236,561
2009-10	342,551	-	142,427	200,124
2008-09	160,572	-	160,572	-
	<u>\$ 6,344,128</u>	<u>\$ 141,152,012</u>	<u>\$ 141,876,247</u>	5,619,893
Less: Allowance for uncollected taxes receivable General Fund				<u>3,408,047</u>
Ad valorem taxes receivable (net)				<u>\$ 2,211,846</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 142,572,371
Reconciling Items:				
Interest collected and penalties				(946,057)
Releases on prior year tax				19,640
Write-offs				231,220
Reimbursement of prior year's taxes collected				1,119
Collection of taxes previously written off				<u>(2,046)</u>
Total collections and credits				<u>\$ 141,876,247</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2020**

	County-Wide		Property Excluding Registered Vehicles	Registered Motor Vehicles
	Property Valuation	Rate		
Original levy:				
Property taxed at current year's rate	\$ 29,040,562,856	0.4850	\$ 140,846,730	\$ 132,820,810
Penalties	-		23,999	23,999
Total	<u>29,040,562,856</u>		<u>140,870,729</u>	<u>132,844,809</u>
Discoveries:				
Current and prior years' taxes	47,464,153		310,467	310,166
Penalties	-		22,707	22,707
Total	<u>47,464,153</u>		<u>333,174</u>	<u>332,873</u>
Abatements	<u>(10,699,109)</u>		<u>(51,891)</u>	<u>-</u>
Total property valuation	<u>\$ 29,077,327,900</u>			
Net levy			141,152,012	133,125,791
Less uncollected taxes at June 30, 2020			<u>2,180,135</u>	<u>2,180,135</u>
Current year's taxes collected			<u>\$ 138,971,877</u>	<u>\$ 130,945,656</u>
Current levy collection percentage			<u>98.46%</u>	<u>98.36%</u>
Prior year levy collection percentage			<u>98.41%</u>	<u>100.00%</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

FINANCIAL DATA SCHEDULE - BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2020

Line Item #	Account Description	Housing Choice Vouchers 14.871	HCV CARES Act Funding 14.HCC	Total
	Assets:			
	Current assets:			
	Cash:			
111	Cash - unrestricted	\$ 98,355	\$ -	\$ 98,355
113	Cash - other restricted	40,049	46,368	86,417
115	Cash - restricted for payment of current liabilities	6,820	-	6,820
100	Total cash	<u>145,224</u>	<u>46,368</u>	<u>191,592</u>
150	Total current assets	<u>145,224</u>	<u>46,368</u>	<u>191,592</u>
190	Total assets	<u>\$ 145,224</u>	<u>\$ 46,368</u>	<u>\$ 191,592</u>
	Liabilities and Net Position			
	Liabilities:			
	Current liabilities:			
312	Accounts payable < 90 days	\$ 1,803	\$ -	\$ 1,803
321	Accrued wage/payroll taxes payable	4,919	-	4,919
342	Unearned revenue	-	46,368	46,368
345	Other current liabilities	98	-	98
	Total current liabilities	<u>6,820</u>	<u>46,368</u>	<u>53,188</u>
300	Total liabilities	<u>6,820</u>	<u>46,368</u>	<u>53,188</u>
	Net position:			
511.4	Restricted net position	40,049	-	40,049
512.4	Unrestricted net position	98,355	-	98,355
513	Total net position	<u>138,404</u>	<u>-</u>	<u>138,404</u>
600	Total liabilities and net position	<u>\$ 145,224</u>	<u>\$ 46,368</u>	<u>\$ 191,592</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

Line Item #	Account Description	Housing Choice Vouchers 14.871	HCV CARES Act Funding 14.HCC	Total
Revenue:				
70600	HUD PHA operating grants	\$ 2,124,262	\$ -	\$ 2,124,262
71400	Fraud recovery	6,769	-	6,769
71500	Other revenue	11,267	-	11,267
70000	Total revenue	<u>2,142,298</u>	<u>-</u>	<u>2,142,298</u>
Expenses:				
Administrative:				
91100	Administrative salaries	118,163	-	118,163
91400	Advertising and marketing	225	-	225
91500	Employee benefit contributions - administrative	48,821	-	48,821
91600	Office expenses	35,625	-	35,625
91800	Travel	314	-	314
91000	Total operating - administrative	<u>203,148</u>	<u>-</u>	<u>203,148</u>
General expenses:				
96200	Other general expenses	1,756	-	1,756
96900	Total operating expenses	<u>204,904</u>	<u>-</u>	<u>204,904</u>
97000	Excess of operating revenue over operating expenses	<u>1,937,394</u>	<u>-</u>	<u>1,937,394</u>
97300	Housing assistance payments	1,871,391	-	1,871,391
97350	HAP portability-in	9,626	-	9,626
90000	Total expenses	<u>2,085,921</u>	<u>-</u>	<u>2,085,921</u>
10000	Excess(deficiency) of revenue over(under) expenses	<u>\$ 56,377</u>	<u>\$ -</u>	<u>\$ 56,377</u>
MEMO Account Information:				
11030	Beginning equity	82,027	-	82,027
11170	Administrative fee equity	98,355	-	98,355
40049	Housing assistance payments equity	<u>40,049</u>	<u>-</u>	<u>40,049</u>
11190	Unit months available	5,709	-	5,709
11210	Number of unit months leased	4,182	-	4,182



NON-MAJOR COMPONENT UNIT FINANCIAL DATA

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

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

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON-MAJOR COMPONENT UNITS
JUNE 30, 2020

	Brunswick County Board of Alcoholic Control	Brunswick County Airport Commission	Brunswick County Tourism Development Authority	Totals
Assets:				
Current Assets:				
Cash, cash equivalents and investments	\$ 1,408,833	\$ 565,441	\$ 609,260	\$ 2,583,534
Restricted cash and investments	-	13,276	-	13,276
Receivables, net	139	5,000	557,830	562,969
Due from other governments	-	4,938	-	4,938
Inventory	297,140	54,477	-	351,617
Prepaid items	18,313	20,112	7,290	45,715
Total current assets	<u>1,724,425</u>	<u>663,244</u>	<u>1,174,380</u>	<u>3,562,049</u>
Non-Current Assets:				
Capital assets, net	1,672,384	24,607,687	3,594	26,283,665
Total assets	<u>3,396,809</u>	<u>25,270,931</u>	<u>1,177,974</u>	<u>29,845,714</u>
Deferred Outflows of Resources:				
Pension deferrals	62,177	-	26,083	88,260
OPEB deferrals	11,080	-	-	11,080
Total deferred outflows	<u>73,257</u>	<u>-</u>	<u>26,083</u>	<u>99,340</u>
Liabilities:				
Current Liabilities:				
Debt obligation - current portion	\$ -	\$ -	\$ 149	\$ 149
Accounts payable and accrued expenses	299,672	62,317	15,865	377,854
Due to other governments	135,785	55,153	-	190,938
Liabilities to be paid from restricted assets	-	13,276	-	13,276
Total current liabilities	<u>435,457</u>	<u>130,746</u>	<u>16,014</u>	<u>582,217</u>
Noncurrent Liabilities:				
Net pension liability	90,940	-	22,667	113,607
Total OPEB liability	112,134	-	-	112,134
Compensated absences	-	-	14,732	14,732
Debt obligation - long-term portion	150,000	-	-	150,000
Total noncurrent liabilities	<u>353,074</u>	<u>-</u>	<u>37,399</u>	<u>390,473</u>
Total liabilities	<u>788,531</u>	<u>130,746</u>	<u>53,413</u>	<u>972,690</u>
Deferred Inflows of Resources:				
Pension deferrals	-	-	642	642
OPEB deferral	140,420	-	-	140,420
Total deferred inflows	<u>140,420</u>	<u>-</u>	<u>642</u>	<u>141,062</u>
Net position:				
Net investment in capital assets	1,522,385	24,607,687	3,594	26,133,666
Restricted:				
Stabilization by State Statute	-	-	557,830	557,830
For Tourism Promotion	-	-	588,578	588,578
For Working Capital	117,199	-	-	117,199
Unrestricted	901,531	532,498	-	1,434,029
Total net position	<u>\$ 2,541,115</u>	<u>\$ 25,140,185</u>	<u>\$ 1,150,002</u>	<u>\$ 28,831,302</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, 2020

	<u>Brunswick County Board of Alcoholic Control</u>	<u>Brunswick County Airport Commission</u>	<u>Brunswick County Tourism Development Authority</u>	<u>Totals</u>
Revenues:				
Sales and services	\$ 3,970,759	\$ 1,045,425	\$ 3,375	\$ 5,019,559
Room occupancy taxes	-	-	1,617,959	1,617,959
Unrestricted intergovernmental	-	126,000	-	126,000
Other revenue	-	63,003	-	63,003
Investment earnings	5,237	3,235	5,880	14,352
Total revenues	<u>3,975,996</u>	<u>1,237,663</u>	<u>1,627,214</u>	<u>6,840,873</u>
Expenses				
Operating expenses	<u>3,664,532</u>	<u>1,488,804</u>	<u>1,384,382</u>	<u>6,537,718</u>
Capital contributions	<u>-</u>	<u>3,416,519</u>	<u>-</u>	<u>3,416,519</u>
Change in net position	311,464	3,165,378	242,832	3,719,674
Net position, beginning of year	<u>2,229,651</u>	<u>21,974,807</u>	<u>907,170</u>	<u>25,111,628</u>
Net position, end of year	<u>\$ 2,541,115</u>	<u>\$ 25,140,185</u>	<u>\$ 1,150,002</u>	<u>\$ 28,831,302</u>



STATISTICAL SECTION

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

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

- 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

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 87,280,988	\$ 83,875,530	\$ 82,982,620	\$ 85,033,340
Restricted	8,043,571	14,349,327	12,788,396	13,683,095
Unrestricted	<u>(14,326,518)</u>	<u>(18,195,225)</u>	<u>(7,358,632)</u>	<u>(7,117,818)</u>
Total governmental activities net position	<u>\$ 80,998,041</u>	<u>\$ 80,029,632</u>	<u>\$ 88,412,384</u>	<u>\$ 91,598,617</u>
Business-type activities				
Net investment in capital assets	\$ 195,778,306	\$ 207,222,012	\$ 215,460,422	\$ 220,347,412
Restricted	-	-	-	-
Unrestricted	<u>32,047,202</u>	<u>32,388,427</u>	<u>55,390,170</u>	<u>57,003,023</u>
Total business-type activities net position	<u>\$ 227,825,508</u>	<u>\$ 239,610,439</u>	<u>\$ 270,850,592</u>	<u>\$ 277,350,435</u>
Primary Government				
Net investment in capital assets	\$ 283,059,294	\$ 291,097,542	\$ 298,443,042	\$ 305,380,752
Restricted	8,043,571	14,349,327	12,788,396	13,683,095
Unrestricted	<u>17,720,684</u>	<u>14,193,202</u>	<u>48,031,538</u>	<u>49,885,205</u>
Total primary government net position	<u>\$ 308,823,549</u>	<u>\$ 319,640,071</u>	<u>\$ 359,262,976</u>	<u>\$ 368,949,052</u>

Table 1

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 94,573,843	\$ 98,533,551	\$ 103,666,583	\$ 110,230,469	\$ 115,617,349	\$ 120,163,924
13,757,595	11,393,121	14,833,062	15,635,110	18,668,825	21,291,880
<u>(11,489,319)</u>	<u>4,291,984</u>	<u>7,002,602</u>	<u>(55,398,142)</u>	<u>(83,341,628)</u>	<u>(79,120,681)</u>
<u>\$ 96,842,119</u>	<u>\$ 114,218,656</u>	<u>\$ 125,502,247</u>	<u>\$ 70,467,437</u>	<u>\$ 50,944,546</u>	<u>\$ 62,335,123</u>
\$ 229,251,045	\$ 237,499,403	\$ 249,222,001	\$ 256,733,898	\$ 274,843,506	\$ 284,015,403
-	-	-	-	-	-
<u>55,051,652</u>	<u>56,333,023</u>	<u>54,639,409</u>	<u>47,853,948</u>	<u>44,114,541</u>	<u>53,574,925</u>
<u>\$ 284,302,697</u>	<u>\$ 293,832,426</u>	<u>\$ 303,861,410</u>	<u>\$ 304,587,846</u>	<u>\$ 318,958,047</u>	<u>\$ 337,590,328</u>
\$ 323,824,888	\$ 336,032,954	\$ 352,888,584	\$ 366,964,367	\$ 390,460,855	\$ 404,179,327
13,757,595	11,393,121	14,833,062	15,635,110	18,668,825	21,291,880
<u>43,562,333</u>	<u>60,625,007</u>	<u>61,642,011</u>	<u>(7,544,194)</u>	<u>(39,227,087)</u>	<u>(25,545,756)</u>
<u>\$ 381,144,816</u>	<u>\$ 408,051,082</u>	<u>\$ 429,363,657</u>	<u>\$ 375,055,283</u>	<u>\$ 369,902,593</u>	<u>\$ 399,925,451</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 10,525,533	\$ 10,998,376	\$ 10,934,466	\$ 12,254,383
Public safety	33,465,622	34,715,586	35,303,805	39,375,729
Central services	4,316,359	13,455,405	12,644,064	14,123,067
Human services	26,128,245	26,325,541	26,348,700	28,293,768
Transportation	3,742,434	3,736,588	2,616,195	2,006,314
Environmental protection	13,812,863	13,876,612	13,394,236	16,242,909
Cultural and recreation	4,214,605	4,169,218	3,951,742	4,084,737
Economic and physical development	6,913,420	7,653,903	7,616,623	7,270,311
Education	39,853,517	39,852,618	42,982,116	44,441,846
Interest on long-term debt	28,264	1,894,630	4,616,769	4,510,795
Total governmental activities	<u>143,000,862</u>	<u>156,678,477</u>	<u>160,408,716</u>	<u>172,603,859</u>
Business-type activities:				
Water	16,289,895	15,995,637	17,581,607	18,819,605
Wastewater	4,145,162	14,741,649	16,822,230	19,863,644
Total business-type activities	<u>20,435,057</u>	<u>30,737,286</u>	<u>34,403,837</u>	<u>38,683,249</u>
Total primary government expenses	<u>\$ 163,435,919</u>	<u>\$ 187,415,763</u>	<u>\$ 194,812,553</u>	<u>\$ 211,287,108</u>
Program Revenues				
Governmental activities				
Charges for services:				
General government	\$ 1,475,142	\$ 1,481,028	\$ 1,771,496	\$ 1,912,777
Public safety	6,702,142	6,707,376	8,077,465	9,155,944
Central services	444,294	444,294	-	-
Human services	1,060,041	2,670,338	2,351,986	2,386,613
Environmental protection	2,044,307	2,044,804	2,682,035	2,655,010
Cultural and recreation	220,402	220,402	200,813	230,952
Economic and physical development	1,108,423	1,108,903	1,058,732	1,066,665
Operating grants and contributions:				
General government	937,273	1,077,537	713,544	775,551
Public safety	365,583	743,632	1,579,854	2,403,013
Central services	-	-	-	225,469
Human services	17,471,434	18,392,791	14,187,069	15,115,863
Transportation	-	-	235,060	217,571
Environmental protection	-	-	6,961	17,721
Cultural and recreation	-	51,829	147,278	131,243
Economic and physical development	-	-	2,428,282	2,365,158
Education	3,716	3,716	-	-

Table 2

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 11,457,688	\$ 12,394,690	\$ 12,963,358	\$ 13,687,487	\$ 13,314,538	\$ 15,306,541
38,962,019	38,664,204	42,827,646	44,821,539	49,929,898	53,594,015
15,525,612	13,337,319	15,867,210	17,317,898	24,293,860	19,216,028
28,935,510	27,603,012	29,451,140	25,306,675	25,630,231	27,802,694
471,838	1,359,490	809,229	2,332,476	3,575,858	3,502,110
14,029,464	14,346,834	14,832,478	15,746,784	17,556,933	17,969,669
3,937,844	4,019,127	4,461,038	4,595,063	4,595,624	6,618,268
9,799,191	7,367,883	8,653,116	7,764,610	8,117,571	6,531,495
44,955,498	43,174,118	45,425,138	51,382,418	78,603,400	76,387,466
3,487,733	3,293,032	2,939,230	2,557,786	4,115,665	3,620,295
<u>171,562,397</u>	<u>165,559,709</u>	<u>178,229,583</u>	<u>185,512,736</u>	<u>229,733,578</u>	<u>230,548,581</u>
17,679,797	19,859,927	21,929,069	23,586,326	25,246,278	25,771,987
19,163,000	21,036,877	21,851,601	22,027,760	21,150,244	22,320,986
<u>36,842,797</u>	<u>40,896,804</u>	<u>43,780,670</u>	<u>45,614,086</u>	<u>46,396,522</u>	<u>48,092,973</u>
<u>\$ 208,405,194</u>	<u>\$ 206,456,513</u>	<u>\$ 222,010,253</u>	<u>\$ 231,126,822</u>	<u>\$ 276,130,100</u>	<u>\$ 278,641,554</u>
\$ 1,532,631	\$ 1,456,894	\$ 1,666,619	\$ 1,800,557	\$ 1,684,852	\$ 2,001,158
9,956,633	10,157,712	9,792,703	10,853,112	11,891,138	13,115,402
-	-	-	-	-	-
2,467,380	735,106	2,898,025	3,041,993	868,799	1,009,260
2,869,355	3,672,124	3,751,566	3,725,329	5,914,747	4,665,644
279,147	292,772	264,574	290,068	258,926	158,049
1,036,255	1,045,124	890,920	1,027,381	892,741	957,525
2,383,738	3,224,530	4,124,111	4,208,974	7,924,185	17,735,961
4,522,352	1,589,862	1,683,576	1,380,991	1,892,746	4,254,740
221,081	140,213	198,863	201,391	273,089	139,499
16,639,756	15,605,953	16,460,187	11,763,894	11,840,342	10,930,652
169,157	186,354	225,953	230,887	230,880	270,488
7,212	14,696	15,281	15,250	8,236	16,007
131,776	149,460	149,232	154,674	150,238	148,239
2,212,062	2,691,449	2,397,652	2,255,420	2,109,795	2,378,582
-	-	-	-	-	-

Continued on next page

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
Capital grants and contributions:				
Public safety	-	-	28,309	-
Transportation	2,881,715	3,127,909	1,998,505	1,870,448
Education	<u>727,475</u>	<u>727,475</u>	<u>1,386,898</u>	<u>1,440,936</u>
Total governmental activities program revenues	<u>35,441,947</u>	<u>38,802,034</u>	<u>38,854,287</u>	<u>41,970,934</u>
Business-type activities:				
Charges for services:				
Water	20,233,912	20,024,998	20,622,239	20,418,106
Wastewater	17,332,864	18,192,801	41,665,426	23,488,533
Capital grants and contributions:				
Water	2,026,810	1,135,642	1,339,740	512,097
Wastewater	<u>1,995,448</u>	<u>3,066,745</u>	<u>1,181,493</u>	<u>691,966</u>
Total business-type activities program revenues	<u>41,589,034</u>	<u>42,420,186</u>	<u>64,808,898</u>	<u>45,110,702</u>
Total primary government program revenues	<u>\$ 77,030,981</u>	<u>\$ 81,222,220</u>	<u>\$ 103,663,185</u>	<u>\$ 87,081,636</u>
Net (expense)/revenue				
Governmental activities	\$(107,558,915)	\$(117,876,443)	\$(121,554,429)	\$(130,632,925)
Business-type activities	<u>21,153,977</u>	<u>11,682,900</u>	<u>30,405,061</u>	<u>6,427,453</u>
Total primary government net (expense)/revenue	<u>\$ (86,404,938)</u>	<u>\$ (106,193,543)</u>	<u>\$ (91,149,368)</u>	<u>\$ (124,205,472)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Ad Valorem taxes	\$ 106,878,322	\$ 106,878,322	\$ 109,152,892	\$ 112,080,219
Local option taxes	14,871,122	15,996,708	16,941,795	17,832,031
Other taxes	3,161,359	3,163,720	3,484,388	3,766,292
Investment earnings	305,543	305,536	168,330	140,616
Disposal of capital assets	-	-	-	-
Transfers	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>125,216,345</u>	<u>126,344,286</u>	<u>129,747,405</u>	<u>133,819,158</u>
Business-type activities:				
Investment earnings	128,414	127,494	83,874	72,390
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>128,414</u>	<u>127,494</u>	<u>83,874</u>	<u>72,390</u>
Total primary government	<u>\$ 125,344,759</u>	<u>\$ 126,471,780</u>	<u>\$ 129,831,279</u>	<u>\$ 133,891,548</u>
Change in Net Position				
Governmental activities	\$ 17,657,430	\$ 8,467,843	\$ 8,192,976	\$ 3,186,233
Business-type activities	<u>21,282,391</u>	<u>11,810,394</u>	<u>30,488,935</u>	<u>6,499,843</u>
Total primary government	<u>\$ 38,939,821</u>	<u>\$ 20,278,237</u>	<u>\$ 38,681,911</u>	<u>\$ 9,686,076</u>

Table 2 (Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
28,309	189,187	-	-	-	-
619,861	1,454,556	365,097	2,799,107	2,585,911	3,835,237
<u>1,043,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>46,119,730</u>	<u>42,605,992</u>	<u>44,884,359</u>	<u>43,749,028</u>	<u>48,526,625</u>	<u>63,257,531</u>
21,246,815	22,526,148	23,676,875	25,024,243	25,732,032	30,480,611
21,887,017	24,758,778	25,297,775	29,197,534	29,365,427	31,450,189
888,007	1,495,593	1,740,949	1,740,949	2,212,677	935,236
<u>554,683</u>	<u>1,552,767</u>	<u>2,961,366</u>	<u>1,134,455</u>	<u>2,356,731</u>	<u>2,186,128</u>
<u>44,576,522</u>	<u>50,333,286</u>	<u>53,676,965</u>	<u>57,097,181</u>	<u>59,666,867</u>	<u>65,052,164</u>
<u>\$ 90,696,252</u>	<u>\$ 92,939,278</u>	<u>\$ 98,561,324</u>	<u>\$ 100,846,209</u>	<u>\$ 108,193,492</u>	<u>\$ 128,309,695</u>
\$(125,442,667)	\$(122,953,717)	\$(133,345,224)	\$(141,763,708)	\$(181,206,953)	\$(167,291,050)
<u>7,733,725</u>	<u>9,436,482</u>	<u>9,896,295</u>	<u>11,483,095</u>	<u>13,270,345</u>	<u>16,959,191</u>
<u>\$(117,708,942)</u>	<u>\$(113,517,235)</u>	<u>\$(123,448,929)</u>	<u>\$(130,280,613)</u>	<u>\$(167,936,608)</u>	<u>\$(150,331,859)</u>
\$ 111,847,084	\$ 114,258,168	\$ 118,423,006	\$ 124,140,830	\$ 127,900,138	\$ 142,610,199
19,698,311	20,944,326	22,464,392	23,986,670	26,288,973	28,320,802
4,088,743	4,956,253	5,087,399	6,006,050	5,774,132	6,350,878
120,072	159,867	265,529	702,812	2,186,800	1,738,549
-	11,640	-	-	-	-
-	-	-	-	(465,981)	(338,801)
<u>135,754,210</u>	<u>140,330,254</u>	<u>146,240,326</u>	<u>154,836,362</u>	<u>161,684,062</u>	<u>178,681,627</u>
53,888	93,247	132,689	326,059	633,875	1,334,289
-	-	-	-	465,981	338,801
<u>53,888</u>	<u>93,247</u>	<u>132,689</u>	<u>326,059</u>	<u>1,099,856</u>	<u>1,673,090</u>
<u>\$ 135,808,098</u>	<u>\$ 140,423,501</u>	<u>\$ 146,373,015</u>	<u>\$ 155,162,421</u>	<u>\$ 162,783,918</u>	<u>\$ 180,354,717</u>
\$ 10,311,543	\$ 17,376,537	\$ 12,895,102	\$ 13,072,654	\$ (19,522,891)	\$ 11,390,577
<u>7,787,613</u>	<u>9,529,729</u>	<u>10,028,984</u>	<u>11,809,154</u>	<u>14,370,201</u>	<u>18,632,281</u>
<u>\$ 18,099,156</u>	<u>\$ 26,906,266</u>	<u>\$ 22,924,086</u>	<u>\$ 24,881,808</u>	<u>\$ (5,152,690)</u>	<u>\$ 30,022,858</u>



Governmental Activities Tax Revenues By Source
 Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Video Programming Tax	Alcoholic Beverage Tax	Total
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
2017	119,820,026	22,464,392	431,684	288,854	143,004,956
2018	124,318,739	23,986,670	432,744	284,924	149,023,077
2019	128,233,886	26,288,973	425,200	292,723	155,240,782
2020	142,572,371	28,320,802	407,169	300,885	171,601,227

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	4,365,639	10,533,677	10,707,390	11,500,851
Assigned	2,440,362	897,261	649,053	1,080,269
Committed	-	214,566	214,566	214,566
Unassigned	<u>51,160,940</u>	<u>48,066,823</u>	<u>55,107,448</u>	<u>53,503,393</u>
 Total General fund	 <u>\$ 57,966,941</u>	 <u>\$ 59,712,327</u>	 <u>\$ 66,678,457</u>	 <u>\$ 66,299,079</u>
 All Other Governmental Funds				
Restricted in Special Revenue Funds	\$ 1,401,061	\$ 2,168,093	\$ 1,703,515	\$ 2,182,244
Restricted in Capital Project Funds	2,276,871	1,647,557	377,491	297,795
Committed in Capital Project Funds	23,513,880	22,678,928	21,750,674	25,778,509
Assigned in Special Revenue Funds	43,183	-	-	-
Unassigned in Special Revenue Funds	<u>(783,568)</u>	<u>(1,102,442)</u>	<u>(350,670)</u>	<u>(48,106)</u>
 Total all other governmental funds	 <u>\$ 26,451,427</u>	 <u>\$ 25,392,136</u>	 <u>\$ 23,481,010</u>	 <u>\$ 28,210,442</u>

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

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

Table 4

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ -	\$ 64,000	\$ 64,000	\$ 64,000	\$ 64,000	\$ 64,000
11,840,454	9,707,172	12,327,583	13,205,849	16,283,789	18,223,266
1,900,526	1,444,986	1,704,369	2,522,556	2,176,237	2,346,999
214,566	214,566	214,566	214,566	214,566	214,566
<u>54,420,202</u>	<u>60,934,148</u>	<u>59,299,170</u>	<u>59,897,574</u>	<u>62,014,132</u>	<u>76,178,168</u>
<u>\$ 68,375,748</u>	<u>\$ 72,364,872</u>	<u>\$ 73,609,688</u>	<u>\$ 75,904,545</u>	<u>\$ 80,752,724</u>	<u>\$ 97,026,999</u>
\$ 1,917,141	\$ 1,685,949	\$ 2,005,166	\$ 1,960,642	\$ 1,946,000	\$ 2,618,954
10,987,621	1,921,723	168,580	50,249,024	31,212,566	8,467,379
22,349,948	29,611,963	35,836,600	42,347,852	32,958,725	43,840,005
16,339	-	-	-	-	-
<u>-</u>	<u>(81,924)</u>	<u>(118,432)</u>	<u>(49,255)</u>	<u>(46,533)</u>	<u>(328,037)</u>
<u>\$ 35,271,049</u>	<u>\$ 33,137,711</u>	<u>\$ 37,891,914</u>	<u>\$ 94,508,263</u>	<u>\$ 66,070,758</u>	<u>\$ 54,598,301</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Ad Valorem taxes	\$ 100,346,765	\$ 105,460,118	\$ 108,945,817	\$ 112,999,386
Local option sales taxes	14,291,687	15,996,708	16,941,795	17,832,031
Other taxes and licenses	3,130,245	3,163,720	3,484,388	3,766,292
Unrestricted intergovernmental	1,536,541	1,658,455	1,133,188	1,229,149
Restricted intergovernmental	22,912,749	23,406,593	22,164,613	23,434,166
Permits and fees	2,940,408	3,231,061	3,316,555	3,440,498
Sales and services	7,263,926	7,416,017	9,275,461	10,129,821
Investment earnings	403,061	295,910	159,171	134,017
Other revenue	5,602,806	1,407,154	1,627,789	1,876,791
Total revenues	<u>158,428,188</u>	<u>162,035,736</u>	<u>167,048,777</u>	<u>174,842,151</u>
Expenditures				
General government	9,302,160	9,676,687	10,215,740	9,947,052
Public safety	30,056,729	32,251,931	32,451,639	36,154,948
Central services	10,697,137	12,371,883	11,664,103	11,846,684
Human services	25,077,211	25,924,881	25,051,483	27,045,142
Transportation	261,930	344,699	373,450	371,421
Environmental protection	13,087,467	13,519,057	13,420,533	13,687,085
Culture and recreation	3,860,796	3,882,693	3,654,807	3,841,553
Economic and physical development	6,827,513	6,305,436	6,419,770	6,098,694
Education	32,951,548	35,488,626	36,675,154	37,920,810
Capital Outlay and CIP	2,371,301	4,016,191	2,886,725	4,742,686
Other Capital Projects	4,453,015	3,980,519	4,998,600	5,858,111
Debt Service:				
Principal retirement	10,099,775	9,949,167	9,910,000	9,215,000
Interest and fiscal charges	5,367,812	6,487,455	6,492,027	3,762,911
Total expenditures	<u>154,414,394</u>	<u>164,199,225</u>	<u>164,214,031</u>	<u>170,492,097</u>
Revenues over (under) expenditures	<u>4,013,794</u>	<u>(2,163,489)</u>	<u>2,834,746</u>	<u>4,350,054</u>
Other Financing Sources (Uses)				
Issuance of long-term debt	-	45,795,000	16,620,000	-
Premium on Bonds Issued	-	4,789,688	1,875,258	-
Discounts on Bonds Issued	-	(196,863)	-	-
Payment to escrow agent-refunded debt	-	(48,226,667)	(16,275,000)	-
Sale of capital assets	-	-	-	-
Transfer from other funds	5,437,904	2,491,595	4,003,845	11,176,286
Transfer to other funds	(5,437,904)	(2,491,595)	(4,003,845)	(11,176,286)
Total other financing sources (uses)	<u>-</u>	<u>2,161,158</u>	<u>2,220,258</u>	<u>-</u>
Net change in fund balances	<u>\$ 4,013,794</u>	<u>\$ (2,331)</u>	<u>\$ 5,055,004</u>	<u>\$ 4,350,054</u>
Debt service as a percentage of noncapital expenditure:	10.5%	10.5%	10.5%	8.1%

Table 5

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 113,180,642	\$ 116,180,734	\$ 119,820,026	\$ 124,318,739	\$ 128,233,886	\$ 142,572,371
19,698,311	20,944,326	22,464,392	23,986,670	26,288,973	28,320,802
4,088,743	4,956,253	5,087,399	6,006,050	5,774,132	6,350,878
2,944,878	2,409,442	3,498,931	3,767,405	4,769,103	5,431,459
25,211,479	23,264,655	22,515,122	19,901,118	21,995,524	32,231,680
3,758,831	4,005,174	4,250,117	4,865,937	4,908,774	5,306,314
9,953,877	10,380,809	10,723,116	11,045,810	13,353,198	13,230,183
115,374	154,756	255,505	670,553	2,132,981	1,715,833
2,684,426	2,677,309	2,112,102	2,056,327	2,582,637	2,554,942
<u>181,636,561</u>	<u>184,973,458</u>	<u>190,726,710</u>	<u>196,618,609</u>	<u>210,039,208</u>	<u>237,714,462</u>
10,462,255	11,094,536	11,338,308	12,139,032	12,175,158	13,524,217
39,131,213	36,077,101	38,267,043	41,289,717	47,358,290	44,988,092
12,534,486	14,019,519	14,771,649	14,455,791	24,723,421	17,184,713
28,229,950	26,531,689	27,729,000	23,850,729	24,485,819	25,528,144
327,320	340,204	379,803	385,617	447,953	441,020
13,839,188	14,162,219	14,671,053	15,975,013	17,421,701	17,546,077
7,456,999	3,842,141	4,792,096	4,299,750	4,608,817	4,000,827
6,349,571	5,978,964	5,577,280	5,943,733	6,191,937	6,204,188
37,784,270	38,148,499	40,022,567	42,342,658	45,217,658	48,228,674
14,446,478	15,610,192	10,021,208	11,185,550	9,804,969	8,175,317
29,024	2,443,977	2,838,329	5,342,674	30,906,415	29,972,597
10,440,000	11,470,000	11,295,000	11,383,292	11,233,460	13,623,305
3,489,128	3,410,271	3,024,355	2,569,088	2,224,964	4,975,026
<u>184,519,882</u>	<u>183,129,312</u>	<u>184,727,691</u>	<u>191,162,644</u>	<u>236,800,562</u>	<u>234,392,197</u>
<u>(2,883,321)</u>	<u>1,844,146</u>	<u>5,999,019</u>	<u>5,455,965</u>	<u>(26,761,354)</u>	<u>3,322,265</u>
15,135,000	-	-	50,460,057	-	-
1,555,597	-	-	2,995,184	-	-
-	-	-	-	-	-
(4,670,000)	-	-	-	-	-
-	11,640	-	-	-	-
8,350,111	14,404,200	16,883,690	17,208,599	11,581,050	22,380,941
<u>(8,350,111)</u>	<u>(14,404,200)</u>	<u>(16,883,690)</u>	<u>(17,208,599)</u>	<u>(8,409,022)</u>	<u>(20,901,388)</u>
<u>12,020,597</u>	<u>11,640</u>	<u>-</u>	<u>53,455,241</u>	<u>3,172,028</u>	<u>1,479,553</u>
<u>\$ 9,137,276</u>	<u>\$ 1,855,786</u>	<u>\$ 5,999,019</u>	<u>\$ 58,911,206</u>	<u>\$ (23,589,326)</u>	<u>\$ 4,801,818</u>
8.2%	9.0%	8.3%	8.0%	6.9%	9.5%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property	
	Residential Property	Commercial Property	Motor Vehicles	Other
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
2017	17,294,479	4,056,730	1,396,251	2,166,088
2018	17,794,986	4,174,133	1,459,086	2,302,919
2019	18,382,391	4,311,919	1,600,760	2,396,734
2020	20,709,084	4,857,686	1,669,005	2,497,353

Source: Annual County Report of Valuation and Property Tax Levies

Note:

A revaluation of real property is required by the North Carolina General Statutes at least every eight years. Real property in Brunswick County is reassessed once every four years. The last revaluation was completed January 2019. The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.

Table 6

Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
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%
639,991	24,273,557	0.004850	24,890,850	97.52%
666,572	25,064,552	0.004850	26,218,151	95.60%
686,539	26,005,265	0.004850	29,183,330	89.11%
645,101	29,088,027	0.004850	32,642,831	89.11%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
County:				
Brunswick County-wide rate	\$ 0.3050	\$ 0.4425	\$ 0.4425	\$ 0.4425
Municipality Rates:				
Village of Bald Head Island	0.3275	0.5910	0.5910	0.5910
Village of Bald Head Island MSD Zone A (4)	0.3825	0.6718	0.6718	0.6708
Village of Bald Head Island MSD Zone B (4)	0.3625	0.6416	0.6416	0.6406
Town of Belville	0.0683	0.0683	0.0683	0.0683
City of Boiling Spring Lakes	0.1200	0.1700	0.1700	0.1400
Town of Bolivia	0.0500	0.0500	0.0500	0.0500
Town of Calabash	0.0700	0.0875	0.0875	0.0875
Town of Carolina Shores	0.0800	0.1016	0.1016	0.1016
Town of Caswell Beach	0.1300	0.1700	0.1700	0.1700
Town of Holden Beach	0.0690	0.1270	0.1270	0.1270
Town of Leland	0.1166	0.1515	0.1515	0.1515
Town of Navassa	0.2000	0.2000	0.2000	0.2000
City of Northwest	0.1900	0.2100	0.2100	0.2200
Town of Oak Island	0.1550	0.2750	0.2750	0.2750
Town of Ocean Isle Beach	0.0900	0.1300	0.1300	0.1550
Town of Sandy Creek	0.3000	0.3000	0.3000	0.3000
Town of Shallotte	0.2700	0.3500	0.3500	0.3500
Town of St. James Plantation	0.0500	0.0500	0.0500	0.0500
City of Southport	0.1800	0.2456	0.2456	0.2456
Town of Sunset Beach	0.0900	0.1050	0.1050	0.1050
Town of Varnamtown	0.0500	0.0500	0.0500	0.0500
Other Districts: (3)				
North Brunswick Sanitary District	na	na	na	na
Southeastern Brunswick Sanitary District	-	-	-	-
Smithville Township	0.0225	0.0400	0.0400	0.0400

Notes:

- (1) Property was revalued in January 2011, January 2015 and January 2019
- (2) The property tax rates for each of the governments listed above are based on unit-wide tax rates. For each government, certain motor vehicles were taxed at the preceding year's rate.
- (3) The North Brunswick Sanitary District has not enacted property taxes as of June 30, 2020.
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

	2015	2016	2017	2018	2019	2020
\$	0.4425	\$ 0.4850	\$ 0.4850	\$ 0.4850	\$ 0.4850	\$ 0.4850
	0.5900	0.6663	0.6663	0.6663	0.6863	0.6863
	0.6708	0.7471	0.7471	0.7471	0.7771	0.7771
	0.6406	0.7169	0.7169	0.7169	0.7419	0.7419
	0.0683	0.0683	0.0900	0.0900	0.0900	0.0900
	0.1700	0.2100	0.2100	0.2100	0.2300	0.2300
	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
	0.0875	0.0875	0.0875	0.0875	0.0875	0.0875
	0.1016	0.1016	0.1016	0.1016	0.1016	0.1016
	0.1700	0.2200	0.2200	0.2400	0.2400	0.2400
	0.1270	0.1500	0.2200	0.2200	0.2200	0.2000
	0.1515	0.1515	0.1833	0.2100	0.2100	0.2100
	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
	0.2200	0.2400	0.2400	0.2400	0.2400	0.2400
	0.2750	0.2750	0.2900	0.3100	0.3100	0.2800
	0.1550	0.1875	0.1875	0.1875	0.1875	0.1639
	0.3000	0.3000	0.2500	0.2500	0.2500	0.2500
	0.3500	0.3500	0.3500	0.3500	0.3450	0.3525
	0.0500	0.0500	0.0500	0.0500	0.0500	0.0600
	0.2456	0.2456	0.2456	0.2956	0.2956	0.2956
	0.1050	0.1600	0.1600	0.1600	0.1500	0.1600
	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
	na	na	na	na	na	na
	-	-	-	-	-	-
	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2020			Fiscal Year 2011		
		2019 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2010 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy (1)	Utility	\$1,533,308,041	1	5.28%	\$ 800,052,745	1	2.38%
Bruns. Electric Membership Corp.	Utility	196,962,887	2	0.68%	158,572,871	4	0.47%
Archer Daniels Midland Company	Industry	116,940,206	3	0.40%	111,987,145	7	0.33%
Red Mountain Timberco LLC	Timber	70,972,990	4	0.24%	117,491,110	6	0.35%
Bald Head Island Ltd	Developer	64,782,062	5	0.22%	121,860,637	5	0.36%
Funston Land and Timber LLC	Timber	55,313,402	6	0.19%	72,577,480	10	0.22%
Wal-Mart Real Estate Business Trust	Retail	39,321,856	7	0.14%	n/a	n/a	n/a
Piedmont Natural Gas Co. Inc.	Utility	35,146,598	8	0.12%	n/a	n/a	n/a
D R Horton, Inc.	Constructio	27,922,680	9	0.10%	n/a	n/a	n/a
CPI USA North Carolina, LLC	Utility	24,903,505	10	0.09%	n/a	n/a	n/a
DAK Americas	Industry	n/a	n/a	n/a	172,414,240	2	0.51%
N.C. Eastern Municipal Power Ag.	Utility	n/a	n/a	n/a	160,376,972	3	0.48%
MAS Properties LLC	Developer	n/a	n/a	n/a	95,207,116	8	0.28%
Odell Williamson	Developer	n/a	n/a	n/a	<u>76,596,620</u>	9	0.23%
Totals		<u>\$2,165,574,227</u>		7.46%	<u>\$1,887,136,936</u>		5.62%

Notes:

(1) Formerly Progress Energy Carolinas, Inc.

Source: Brunswick County Tax Department

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 9

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

Fiscal Year Ended June 30	Total Net Tax Levy	Collection Within Fiscal Year of Levy	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Tax Levy
2011	102,495,067	96,734,004	94.38%	5,560,939	102,294,943	99.8%	200,124	0.2%
2012	107,167,357	101,521,399	94.73%	5,409,397	106,930,796	99.8%	236,561	0.2%
2013	109,045,695	103,031,401	94.48%	5,728,925	108,760,326	99.7%	285,369	0.3%
2014	112,022,102	106,499,446	95.07%	5,255,795	111,755,241	99.8%	266,861	0.2%
2015	111,987,421	107,298,668	95.81%	4,422,235	111,720,903	99.8%	266,518	0.2%
2016	113,979,053	110,454,040	96.91%	3,153,108	113,607,148	99.7%	371,905	0.3%
2017	117,803,110	115,101,632	97.71%	2,311,448	117,413,080	99.7%	390,030	0.3%
2018	121,658,790	119,535,583	98.25%	1,584,784	121,120,367	99.6%	538,423	0.4%
2019	125,942,283	123,941,110	98.41%	1,117,206	125,058,316	99.3%	883,967	0.7%
2020	141,152,012	138,971,877	98.46%	-	138,971,877	98.5%	2,180,135	1.5%

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			
	General Obligation Bonded	Limited Obligation Bonded	Unamortized Bond Premiums	Installment Loans
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	1,504,922	350,000
2016	42,815,000	36,900,000	1,403,572	280,000
2017	35,140,000	33,350,000	1,302,222	210,000
2018	77,480,000	29,825,000	4,121,175	471,765
2019	69,965,000	26,340,000	3,870,066	238,305
2020	60,020,000	22,900,000	3,634,670	-

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, 2020; annual estimates previous nine years
- (2) Bureau of Economic Analysis; amounts are for prior calendar year

Table 10

Business-Type Activities					(2)	
General Obligation Bonded	Revenue Bonds	Unamortized Bond Premiums	SRF Debt & Installment Loans	Total Primary Government	Debt to Personal Income	(1) Per Capita
4,285,000	107,100,902	-	43,925,518	277,912,253	8.2%	2,523
3,790,000	102,529,141	-	50,565,728	267,104,869	7.5%	2,376
3,760,000	97,936,222	-	52,895,869	255,247,091	6.8%	2,214
3,605,000	93,122,808	-	48,586,282	236,754,090	6.0%	1,989
3,445,000	98,667,778	8,315,899	43,819,260	247,217,859	5.9%	2,011
3,280,000	93,560,754	7,777,411	40,052,114	226,068,851	5.1%	1,778
3,110,000	88,114,991	7,238,924	34,957,210	203,423,347	4.2%	1,545
2,935,000	82,500,667	6,700,436	29,726,839	233,760,882	4.3%	1,705
2,755,000	76,741,654	6,161,948	24,430,504	210,502,477	3.6%	1,481
2,570,000	295,155,000	30,113,577	19,458,815	433,852,062	n/a	2,969

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

Fiscal Year Ended June 30	Assessed Value (000 omitted)	General Obligation Bonded Debt	Ratio General Obligation Bonded Debt to Assessed Value	(1) Population	General Obligation Bonded Debt per Capita
2011	33,608,476	82,135,000	0.2%	110,148	745.68
2012	24,279,583	74,030,000	0.3%	112,409	658.58
2013	24,598,580	67,675,000	0.3%	115,284	587.03
2014	25,259,280	61,500,000	0.2%	119,050	516.59
2015	25,326,216	54,060,000	0.2%	122,957	439.67
2016	23,440,904	46,095,000	0.2%	127,152	362.52
2017	24,253,680	38,250,000	0.2%	131,644	290.56
2018	25,056,082	80,415,000	0.3%	137,103	586.53
2019	25,949,786	72,720,000	0.3%	142,088	511.80
2020	29,077,328	62,590,000	0.2%	146,135	428.30

Notes:

(1) State Data Center; projection as of June 30, 2020; annual estimates previous nine years

Direct and Underlying Governmental Activities Debt
 June 30, 2020

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct:			
Brunswick County	\$ 86,554,670	100%	\$ 86,554,670
Underlying Debt:			
Village of Bald Head Island	17,405,428	100%	17,405,428
Town of Belville	796,944	100%	796,944
City of Boiling Spring Lakes	700,000	100%	700,000
Town of Caswell Beach	415,315	100%	415,315
Town of Holden Beach	10,226,572	100%	10,226,572
Town of Leland	12,514,150	100%	12,514,150
City of Northwest	-	100%	-
Town of Oak Island	1,633,628	100%	1,633,628
Town of Ocean Isle Beach	7,955,000	100%	7,955,000
Town of Saint James	2,269,868	100%	2,269,868
Town of Shallotte	1,000,000	100%	1,000,000
City of Southport	1,892,000	100%	1,892,000
Southeast Brunswick Sanitary District	769,500	100%	769,500
Smithville Township	3,475,000	100%	3,475,000
Total Underlying Debt	<u>61,053,405</u>		<u>61,053,405</u>
Total Direct and Underlying Debt	<u>\$ 147,608,075</u>		<u>\$ 147,608,075</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			
	2011	2012	2013	2014
Debt limit	\$ 2,688,678,046	\$ 1,942,366,601	\$ 1,967,886,412	\$ 2,020,742,425
Total net debt applicable to limit	<u>126,885,833</u>	<u>114,010,000</u>	<u>104,415,000</u>	<u>95,045,000</u>
Legal margin	<u>\$ 2,561,792,213</u>	<u>\$ 1,828,356,601</u>	<u>\$ 1,863,471,412</u>	<u>\$ 1,925,697,425</u>
Total net debt applicable to the limit as a percentage of debt limit	4.7%	5.9%	5.3%	4.7%

Table 13

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 2,026,097,249	\$ 1,875,272,335	\$ 1,940,294,365	\$ 2,004,486,530	\$ 2,075,982,868	\$ 2,326,186,232
<u>94,910,000</u>	<u>83,275,000</u>	<u>71,810,000</u>	<u>110,711,765</u>	<u>99,298,305</u>	<u>85,490,000</u>
<u>\$ 1,931,187,249</u>	<u>\$ 1,791,997,335</u>	<u>\$ 1,868,484,365</u>	<u>\$ 1,893,774,765</u>	<u>\$ 1,976,684,563</u>	<u>\$ 2,240,696,232</u>
4.7%	4.4%	3.7%	5.5%	4.8%	3.7%

Calculation of Legal Debt Margin for Fiscal Year 2020:

Assessed value of taxable property	\$ 29,077,327,900
	x 0.08
Debt limit- 8 percent of assessed value	<u>2,326,186,232</u>
Gross debt:	
Total bonded debt	357,745,000
Total limited obligation bonds	22,900,000
Total installment purchases	<u>19,458,815</u>
Gross debt	400,103,815
Less: Water and wastewater revenue bonds & installment purchases	<u>314,613,815</u>
Total amount of debt applicable to debt limit (net debt)	<u>85,490,000</u>
Legal debt margin	<u>\$ 2,240,696,232</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
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
2017	51,852,201	24,237,704	27,614,497	10,710,667	5,455,456	16,166,123
2018	57,292,698	25,588,838	31,703,860	11,019,695	5,113,813	16,133,508
2019	58,476,196	28,328,057	30,148,139	11,235,348	4,709,974	15,945,322
2020	66,009,951	29,150,883	36,859,068	11,777,500	4,841,855	16,619,355

Required Coverage:

Fiscal Year Ended June 30	Net Available Revenue	20% Unrestricted Net Position	Total Debt Service	Parity Debt Service	20% Parity Debt Service
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
2017	27,614,497	9,699,772	16,166,123	13,415,468	2,683,094
2018	31,703,860	10,824,107	16,133,508	13,406,090	2,681,218
2019	30,148,139	12,058,998	15,945,322	13,330,608	2,666,122
2020	36,859,068	12,058,998	16,619,355	13,977,393	2,795,479

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

Principal	Interest	Total	Net Coverage
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
8,513,791	4,901,677	13,415,468	1.71
8,795,702	4,610,388	13,406,090	1.97
9,058,912	4,271,696	13,330,608	1.89
9,525,909	4,451,484	13,977,393	2.22

Coverage

100% Parity	120% Parity
2.34	2.56
1.40	1.60
2.99	3.19
1.56	1.89
1.66	1.95
1.80	2.10
1.71	1.98
1.97	2.26
1.89	2.27
2.22	2.52

Demographic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	(1) Population	(2) Personal Income (in thousands)	(2) Per Capita Income	(1) Median Age	(3) School Enrollment	(4) Unemployment Rate
2011	110,148	3,405,071	30,914	48.0	11,969	10.3%
2012	112,409	3,574,233	31,797	48.4	12,026	10.3%
2013	115,284	3,756,974	32,589	48.8	12,201	9.1%
2014	119,050	3,924,028	32,961	49.3	12,416	6.9%
2015	122,957	4,204,982	34,199	49.6	12,240	7.1%
2016	127,152	4,457,288	35,055	49.9	12,290	5.8%
2017	131,644	4,820,537	36,618	50.4	12,401	4.8%
2018	137,103	5,378,884	39,232	50.9	12,425	5.0%
2019	142,088	5,845,674	41,141	51.0	12,363	5.0%
2020	146,135	not available	not available	51.8	12,444	5.4%

Notes:

- (1) State Data Center; projection as of June 30, 2020; 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

<u>Name of Employer</u>	<u>Type of Business</u>	<u>Fiscal Year 2020</u>			<u>Fiscal Year 2011</u>		
		<u>Employees</u>	<u>Rank</u>	<u>% Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% Total County Employment</u>
Brunswick County Board of Education	Education	1,853	1	3.55%	1,955	1	4.49%
County of Brunswick	Local Government	1,092	2	2.09%	961	2	2.21%
Wal-Mart Associates Inc.	Retail Chain	995	3	1.91%	750	4	1.72%
Brunswick Novant Medical	Medical Care Facility	800	4	1.53%	450	6	1.03%
Duke Energy (Formerly Progress Energy)	Utility	750	5	1.44%	833	3	1.91%
Food Lion LLC	Grocery Chain	718	6	1.37%	455	5	1.05%
Lowe's Food	Grocery Chain	611	7	1.17%	n/a	n/a	n/a
Brunswick Community College	Education	450	8	0.86%	358	9	0.82%
Lowe's Home Centers	Retail Chain	329	9	0.63%	n/a	n/a	n/a
Dosher Memorial	Medical Care Facility	304	10	0.58%	362	8	0.83%
DAK Americas	Dacron Poly. Fiber	n/a	n/a	n/a	383	7	0.88%
Ports America/Marine Terminals Corp.	Trade/Transportation	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>325</u>	10	0.75%
Totals		<u>7,902</u>		15.13%	<u>6,832</u>		15.71%

Source: NC Employment Security Commission; total county employment



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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function:										
General government	104.5	100.5	95.5	95	95	95	97	98	100	101
Public safety	336	338	339	362	361	367	379	397	436	451
Central services	91	90	78	79	84	85	86	87	91	91
Human services	230	220	218	220	213	218	217	218	222	223
Environmental protection	8	8	8	7	7	7	7	7	7	8
Cultural and recreation	42	39	39	39	39	39	43	43	45	45
Economic and physical development	34	32	32	27	27	22	22	25	25	27
Utilities	<u>115.5</u>	<u>117.5</u>	<u>118.5</u>	<u>118</u>	<u>120</u>	<u>123</u>	<u>127</u>	<u>131</u>	<u>136</u>	<u>146</u>
Total	<u>961</u>	<u>945</u>	<u>928</u>	<u>947</u>	<u>946</u>	<u>956</u>	<u>978</u>	<u>1,006</u>	<u>1,062</u>	<u>1,092</u>

Source: County Finance Department

Note: This schedule represents the number of approved permanent FTE's as of June 30, 2020.

COUNTY OF BRUNSWICK, NORTH CAROLINA

Operating Indicators by Function/Program

Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
General Government				
Number of registered voters	77,204	79,635	81,954	85,047
Number of marriage licenses issued	927	1,014	864	903
Number of tax bills issued excluding motor vehicles	144,614	142,666	152,792	152,075
Law enforcement:				
Civil papers issued	11,552	9,040	8,863	7,646
Offenses reported	21,630	15,315	5,476	5,122
Uniform mileage	2,227,127	2,411,854	2,131,207	1,818,162
Emergency Services:				
Fire Protection:				
Number of calls answered	10,879	10,761	12,364	15,107
Number of inspections conducted	951	854	1,009	1,336
Emergency Medical Services:				
Number of calls answered	13,595	14,489	17,214	19,520
Number of transports	8,068	8,678	11,269	12,952
Code enforcement/building permits:				
Number of zoning and solid waste violations	423	421	540	440
Number of building permits:				
Single-family	916	1,038	1,517	1,967
Commercial	340	438	226	226
Culture and Recreation:				
Number of athletic fields rented	115	85	61	63
Youth recreation:				
Certified coaches	245	199	205	238
Sports teams	98	100	103	119
Participants	2,466	3,306	3,330	6,922
Adult recreation:				
Sports teams	63	57	55	48
Participants	1,744	3,678	3,700	3,136
Fitness program participants	1,500	2,141	2,201	1,536
Library system total circulation	537,085	541,305	547,559	539,487
Solid waste:				
Waste received (tons per 1,000 population)	1,106	980	864	898
Ratio of recyclable to total waste received	5.9%	6.8%	8.0%	21.7%
Public Utilities:				
Water customers	33,770	34,394	34,984	36,028
Water average daily treatment (in gallons)	13,487,920	13,545,000	13,385,000	13,628,000
Wastewater customers	9,647	10,475	12,142	13,841
Wastewater average daily treatment (in gallons)	3,146,983	3,504,000	4,250,000	5,202,500
Education:				
Number of teachers	742	758	779	795
Number of students	11,969	12,026	12,201	12,416
Number of charter students	636	688	725	769

Sources: Various government departments.

Table 18

Fiscal Year					
2015	2016	2017	2018	2019	2020
84,823	91,413	95,047	99,099	100,613	108,464
946	916	872	918	759	737
153,744	155,864	154,982	161,248	158,454	159,583
8,380	11,301	11,823	12,522	11,864	10,159
4,686	5,390	5,414	4,812	5,653	5,739
1,948,884	2,133,688	22,248,160	2,380,425	2,366,513	2,476,215
15,131	15,428	18,508	19,029	25,073	23,266
1,715	1,643	1,512	2,211	2,590	3,416
20,361	17,338	17,889	18,242	19,866	23,348
14,093	10,689	11,047	11,069	10,999	11,695
583	613	319	421	482	515
1,918	2,077	2,336	2,584	2,512	2,516
208	318	321	450	251	202
134	63	75	83	68	19
275	525	248	198	267	120
126	182	195	177	165	101
3,730	3,938	3,145	3,029	3,120	1,404
50	36	46	40	43	20
2,700	720	1,748	1,520	1,830	400
n/a	n/a	n/a	n/a	n/a	n/a
544,822	542,239	545,216	544,130	551,271	423,790
899	966	966	957	1,233	1,022
22.1%	24.3%	22.0%	20.4%	18.4%	24.0%
37,112	38,760	40,101	41,557	42,934	44,583
13,558,885	14,138,190	15,024,000	15,277,210	15,860,783	16,417,474
14,514	15,847	16,579	17,719	18,816	19,825
5,764,442	5,995,560	5,645,539	6,162,226	7,062,559	6,819,022
791	784	803	824	816	793
12,240	12,290	12,401	12,425	12,363	12,444
880	1,002	1,093	1,199	1,274	1,303

COUNTY OF BRUNSWICK, NORTH CAROLINA

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
Law enforcement:				
Sheriff stations	15	15	15	15
Deputy patrol units	51	51	51	50
Detention center capacity	440	440	440	440
Emergency services:				
Rescue stations	9	9	9	9
EMS vehicles	13	13	15	16
Culture and recreational:				
Community centers	7	7	7	7
Parks	13	13	13	13
Libraries (branches)	5	5	5	5
Public Utilities:				
Miles of water mains	949	969	980	999
Maximum daily water capacity (in gallons)	30,000,000	30,000,000	30,000,000	30,000,000
Miles of wastewater mains	462	501	521	547
Maximum daily wastewater capacity (in gallons)	9,180,000	9,080,000	10,130,000	10,955,000
(1) Education:				
Number of schools	19	19	19	19
Number of charter schools	1	1	1	1
Community colleges	1	1	1	1

Sources: Various government departments.

Table 19

Fiscal Year					
2015	2016	2017	2018	2019	2020
13	10	5	5	5	5
50	50	57	57	60	60
440	440	440	440	440	440
9	9	9	9	9	8
21	21	21	22	25	25
5	5	5	4	4	4
13	13	13	13	13	13
5	5	5	5	5	5
1,013	1,029	1,044	1,053	1,066	1,097
30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000
550	569	581	593	599	623
10,855,555	10,855,555	10,855,555	10,855,555	10,855,555	10,855,555
19	19	19	19	19	19
2	2	2	2	2	2
1	1	1	1	1	1



MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Commissioners
Brunswick County
Bolivia, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2020, and the related Notes to the Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 30, 2020. Our report includes a reference to other auditors who audited the financial statements of the Brunswick County Board of Alcoholic Control, as described in our report on Brunswick County's financial statements. The financial statements of the Brunswick County Board of Alcoholic Control, the Brunswick County Airport Commission, and the Brunswick County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable non-compliance associated with the Brunswick County Board of Alcoholic Control, the Brunswick County Airport Commission, or the Brunswick County Tourism Development Authority.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P. A.
Hickory, North Carolina
October 30, 2020

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

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

Independent Auditor's Report

Board of Commissioners
Brunswick County
Bolivia, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Brunswick County, North Carolina's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Brunswick County's major federal programs for the year ended June 30, 2020. Brunswick County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Brunswick County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Brunswick County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Brunswick County's compliance.

Opinion on Each Major Federal Program

In our opinion, Brunswick County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Brunswick County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Brunswick County's internal control over compliance with the requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Brunswick County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2020-001 that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

October 30, 2020

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

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

Independent Auditor's Report

Board of Commissioners
Brunswick County
Bolivia, North Carolina

Report on Compliance for Each Major State Program

We have audited Brunswick County, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Brunswick County's major state programs for the year ended June 30, 2020. Brunswick County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Brunswick County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; applicable sections of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Brunswick County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Brunswick County's compliance.

Opinion on Each Major State Program

In our opinion, Brunswick County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Brunswick County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Brunswick County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Brunswick County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2020-001 that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

October 30, 2020

BRUNSWICK COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

1. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? Yes

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major federal programs:

<u>Federal Program</u>	<u>CFDA Number</u>
Medicaid Cluster	93.778
Coronavirus Relief Fund (CRF)	21.019
Special Supplement Nutrition Program for Woman Infants and Children	10.557
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243

Dollar threshold used to distinguish between Type A and Type B Programs \$793,119

Auditee qualified as low-risk auditee? Yes

BRUNSWICK COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

State Awards

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? Yes

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? Yes

Identification of major state programs:

State Aid to Airports
Public School Building Capital Fund
Medicaid Cluster

2. Financial Statements Findings

None reported

BRUNSWICK COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

3. Federal Award Findings, Responses, and Questioned Costs

US Department of Health and Human Services

Passed-through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program

CFDA # 93.778

Grant Number: XIX-MAP20

Finding: 2020-001

Significant Deficiency

Eligibility

Criteria: In accordance with 45 CFR 435, documentation must be maintained to support eligibility determinations.

Condition: The County Department of Social Services failed to properly complete a correct budget. Upon further review, the applicants were eligible.

Context: Of the 1,999,085 casefiles, we examined 60 and determined that three (5%) applicants received benefits during the fiscal year without a properly calculated budget in the file.

Effect: Casefiles had incorrect budget documents, which could allow benefits to be provided to individuals who are not eligible.

Cause: Caseworker failed to properly calculate a budget for eligibility documentation.

Questioned Costs: None. The County was able to substantiate that the applicants were eligible to receive benefits.

Recommendation: Caseworkers should review eligibility determinations and ensure all budget calculations are reviewed for accuracy before approving benefits.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with this finding. Please refer to the Corrective Action Plan.

BRUNSWICK COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

4. State Award Findings, Responses, and Questioned Costs

N.C. Department of Health and Human Services

Program Name: Medical Assistance Program

Finding: 2020-001 – In accordance with 45 CFR 435, documentation must be maintained to support eligibility determinations. See Finding 2020-001 in Section 3 – Federal Award Findings, Responses, and Questioned Costs.

COUNTY OF BRUNSWICK

Fiscal Operations Department
David R. Sandifer County Administration Building
30 Government Center Drive NE
Post Office Box 249
Bolivia, North Carolina 28422
Telephone (910) 253-2070 Fax (910) 253-2068

Julie A. Miller, CPA
Director of Fiscal Operations

Aaron C. Smith, CPA
Deputy Finance Officer

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2020

1. Federal Award Findings, Responses, and Questioned Costs

Finding: 2020-001

Name of Contact Person: Catherine Lytch, DSS Director

Corrective Action: Management concurs and has already implemented a process of reviewing previously approved files for corrections to go along with the process of reviewing new files to ensure caseworkers are obtaining all required and reviewing all required evidence and maintaining it in the casefile.

The sited internal control errors where a typing error by the caseworker. While Brunswick County strives to ensure that all case work is completed accurately, it is understood that human error will occur. This is also recognized by the State, as the State's threshold for internal control errors is 10%. Brunswick County's current finding resulted in a 5% error rate, which is within the State's acceptable margin.

Proposed Completion Date: Immediately.

2. State Award Findings, Responses, and Questioned Costs

Finding 2020-001 also applies to State requirements and State Awards. See Corrective Action/Management's Responses at corresponding Federal Corrective Action Plan above.



BRUNSWICK COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

None.

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
Federal Awards:					
<u>U.S. Department of Agriculture</u>					
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
<u>SNAP Cluster</u>					
State Administrative Matcing Grant for the Supplemental Nutrition Assistance Program - Administration	10.561	205NC406S2514	975,103	-	-
State Administrative Matcing Grant for the Supplemental Nutrition Assistance Program Fraud - Administration	10.561	205NC406S2514	41,894	-	-
Total SNAP Cluster:			1,016,997	-	-
Division of Public Health Administration:					
WIC Special Supplement Nutrition Program for Women, Infants and Children	10.557	13A2 5403 GF, 13A2 5403 GG, 13A2 5404 GF, 13A2 5404 GG, 13A2 5405 GF, 13A2 5405 GG, 13A2 5409 GF, 13A2 5409 GG, 13A2 5416 GG, 13A2 570H JG, 13A2 570K JQ	523,216	-	-
Total U.S. Department of Agriculture			1,540,213	-	-
<u>U.S. Department of Interior</u>					
Payment in Lieu of Taxes (PILT)	15.226		4,362	-	-
<u>U.S. Department of Health and Human Services</u>					
<u>Adminsitration for Children and Families</u>					
Passed-through the N.C. Department of Health and Human Services					
Division of Social Services					
Refugee and Entrant Assistance Cluster (Note 3)					
Refugee and Entrant Assistance State/Replacement Designee Administered Program	93.566	2001NCRMA	534	-	-
Total Refugee and Entrant Assistance Cluster			534	-	-
<u>Temporary Assistance for Needy Families (TANF)</u>					
Division of Public Health					
Temporary Assistance for Needy Families (TANF)	93.558	2001NCTANF	10,687	-	-
Division of Social Services					
Temporary Assistance for Needy Families - Work First Administration	93.558	2001NCTANF	96,750	-	-
Temporary Assistance for Needy Families - Work First Service	93.558	2001NCTANF	461,498	-	-
Total TANF			568,935	-	-
Division of Social Services					
Promoting Safe and Stable Families	93.556	G2001NCFPCV	58,833	-	-
Child Support Enforcement - IV-D Administration	93.563	2001NCCES	862,024	-	-
Child Support Enforcement - IV-D Offset Fees - Federal	93.563	2001NCCES	6,125	-	-
Child Support Enforcement - IV-D Offset Fees - ESC	93.563	2001NCCES	30	-	-
Low Income Home Energy Assistance	93.568	G20B1NCLIEA	448,901	-	-
Low Income Home Energy Assistance - Administration	93.568	G20B1NCLIEA	58,048	-	-
Low Income Home Energy Assistance - Crisis Intervention Payments	93.568	G20B1NCLIEA	195,900	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	20901NCCWSS	49,836	-	-
Social Services Block Grant - Other Services and Training	93.667	G2001NCSOSR	183,865	-	-
Social Services Block Grant - In-Home Services	93.667	G2001NCSOSR	3,156	-	-
Social Services Block Grant - In-Home Services	93.667	G2001NCSOSR	5,774	-	-
Social Services Block Grant - Adult Day Care	93.667	G2001NCSOSR	1,558	1,501	-
Social Services Block Grant - Adult Day Care over 60	93.667	G2001NCSOSR	9,029	9,893	-
John H Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2001NCCILP	14,580	3,645	-
<u>Foster Care and Adoption Cluster: (Note 3)</u>					
Adoption Assistance - Administration					
Adoption Assistance - IV-E Adoption Training	93.659	2001NCADPT	6,641	-	-
Adoption Assistance - IV-E Adoption/Off Training	93.659	2001NCADPT	4,125	-	-
Adoption Assistance - IV-E Optional Adoption Training	93.659	2001NCADPT	10,546	-	-
IV-E Administration Foster Care	93.658	2001NCFOST	87,413	36,053	-
Foster Care Title IV-E - Child Protective Services	93.658	2001NCFOST	129,336	50,785	-
Foster Care Title IV-E - Foster Care Training	93.658	2001NCFOST	4,607	-	-
Foster Care Title IV-E - Foster Care/Off Training	93.658	2001NCFOST	463,533	-	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
Federal Awards:					
<u>Foster Care and Adoption Cluster: (Note 3)-cont.</u>					
Direct Benefit Payments					
Foster Care Title IV-E - IV-E Administration County Paid to CCI	93.658	2001NCFOST	101,360	50,680	-
Foster Care Title IV-E - Family Foster Care Max	93.658	2001NCFOST	736	269	-
Foster Care Title IV-E - IV-E Foster Care	93.658	2001NCFOST	187,829	41,823	-
Foster Care Title IV-E - IV-E Foster Care & Extended Max	93.658	2001NCFOST	25,327	6,652	-
IV-E Max Level III	93.658	2001NCFOST	2,716	-	-
COVID-19 - Foster Care Title IV-E - Supplemental Payments	93.658		28,422	-	-
Total Foster Care and Adoption Cluster			1,052,591	186,262	-
<u>Direct Benefit Payments</u>					
John H Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2001NCCILP	27,042	-	-
<u>Subsidized Child Care Cluster (Note 3)</u>					
<u>Child Care Development Fund Cluster</u>					
Division of Social Services					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration	93.596	2001NCCDDF	154,456	-	-
Division of Child Development					
Total Child Care Development Fund Cluster/Subsidized Childcare Cluster			154,456	-	-
<u>Centers for Medicare and Medicaid Services</u>					
Passed-through the N.C. Department of Health and Human Services					
Division of Medical Assistance					
<u>Medicaid Cluster:</u>					
Administration:					
Medical Assistance Program - Adult Care Home Case Management Special	93.778	XIX-MAP 20	38,951	2,085	-
Medical Assistance Program - Medical Assistance Claim	93.778	XIX-MAP 20	16,919	-	-
Medical Assistance Program - Medical Assistance Administration	93.778	XIX-MAP 20	2,161,554	-	-
Medical Assistance Program - Medical Transportation Administration	93.778	XIX-MAP 20	137,062	-	-
Medical Assistance Program - State County Special Assistance	93.778	XIX-MAP 20	48,592	-	-
Total Medicaid Cluster			2,403,078	2,085	-
Children's Health Insurance Program-N.C. Health Choice	93.767	CHIP 20	55,988	355	-
<u>Centers for Disease Control and Prevention</u>					
Passed-through the N.C. Department of Health and Human Services					
Division of Public Health					
Hospital Preparedness Program(HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements					
Project Grants and Cooperative Agreements for Tuberculosis	93.074	1264 2680 M8	39,296	-	-
Control Programs	93.116	1460 272A NF, 1460 272B NF	50	-	-
Immunization Cooperative Agreements	93.268	1331 631C EJ, 1331 631D EJ, 1331 623C VJ, 1331 623D VJ, 1331 625C VL, 1331 625D VL	17,314	-	-
NC Cooperative Agreement for Emergency Response: Public Health					
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Reponse	93.354	CDC-RFA-TP18-1802 619 COVID-19 Crisis Response	114,310	-	-
Preventative Health and Health Services Block Grant	93.991		30,921	-	-
Cancer Prevention & Control Programs for State, Territorial and Tribal Organizations	93.898	1320 310A D7	32,500	-	-
HIV Cluster (Note 3)					
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	1311 462B NB, 1311 462C NB	100	-	-
Total HIV Cluster			100	-	-
<u>Health Resources and Service Administration</u>					
Passed-through N.C. Department of Health and Human Services					
Division of Public Health					
Maternal and Child Health Services Block Grant to the States	93.994	1271 5318 AP, 1271 5351 AP, 1271 5745 AP, 13A1 5735 AP, 13A1 5740 AP	50,930	20,416	-
<u>Office of Assistant Secretary for Health</u>					
Passed-through N.C. Department of Health and Human Services					
Family Planning Services	93.217	13A1 592D FP, 13A1 592A FP	60,517	-	-
Total Passed-through N.C. Department of Health and Human Services			8,050,796	224,157	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>
Federal Awards:					
<u>Substance Abuse and Mental Health Services Administration</u>					
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI081046-01, 02	343,336	-	-
Total U.S. Department of Health and Human Services			6,849,557	224,157	-
<u>U.S. Department of Housing and Urban Development</u>					
<u>Housing Voucher Cluster</u>					
Administration					
Section 8 Housing Choice Voucher Program	14.871		224,501	-	-
Direct Benefits					
Section 8 Housing Choice Voucher Program	14.871		1,879,810	-	-
Total Housing Voucher Cluster			2,104,311	-	-
Total U.S. Department of Housing and Urban Development			2,104,311	-	-
<u>U.S. Department of Justice</u>					
State Criminal Alien Assistance Program	16.606	2020-AP-BX-1172	10,167	-	-
Equitable Sharing Program	16.922		3,599	-	-
Total U.S. Department of Justice			13,766	-	-
<u>U.S. Department of Treasury</u>					
Passed-through NC Office of Management and Budget, NC Pandemic Recovery Office					
COVID-19 Coronavirus Relief Fund (CRF)	21.019		5,345,571	-	-
<u>U.S. Department of Homeland Security</u>					
Passed-through N.C. Department of Public Safety:					
Division of Emergency Management					
Disaster Grants-Public Assistance(Presidentially Declared Diaster)	97.036	FEMA-4393-DR-NC	8,642,488	2,710,510	-
Disaster Grants-Public Assistance(Presidentially Declared Diaster)	97.036	FEMA-4412-DR-NC	33,465	10,458	-
Disaster Grants-Public Assistance(Presidentially Declared Diaster)	97.036	FEMA-4465-DR-NC	1,015,843	324,719	-
Hazard Mitigation Grant Program (HMGP)	97.039	4393-0011	182,135	60,712	-
Emergency Management Performance Grant	97.042	EMA-2017-EP-00002-S01	53,279	-	-
Port Security Grant Program	97.056	EMW-2018-PU-00305-S01	4,178	-	-
Total U.S. Department of Homeland Security			9,931,388	3,106,399	-
<u>Department of Transportation</u>					
Passed-through N.C. Department of Transportation					
Airport Improvement Program - Corp Hangar Construction	20.106	36237.45.18.1	357,654	-	-
COVID-19 Airport Improvement Program - CARES Act	20.106	36237.45.18.3	69,000	-	-
Airport Improvement Program	20.106	36237.45.17.1	78,998	-	-
Total U.S. Department of Transportation			505,652	-	-
<u>National Endowment for the Humanities</u>					
Passed through NC State Library to eliglbe NC Libraries					
COVID-19 Grants to States - Library Services and Technology Act ((LSTA) Grants	45.310	LS-00-19-0034-19	3,000	-	-
<u>U.S. Department of Defense-Army Corps of Engineers</u>					
Navagation Projects - Mosquito Control Project (AIWW Contract)	12.107	W912PM-16-P-0022	71,285	-	-
Navagation Projects - Mosquito Control Project (AIWW Contract)	12.107	W912PM-16-P-0023	68,214	-	-
Total U.S. Department of Defense			139,499	-	-
Total Federal Assistance			26,437,319	3,330,556	-
State Grants:					
<u>N.C. Department of Administration</u>					
Veterans Service		NCDMVA2020	-	2,182	-
Total N.C. Department of Administration			-	2,182	-
<u>N.C. Department of Health and Human Services</u>					
Division of Social Services					
Administration					
Energy Assist Private Grants			-	16,414	-
St. Child Welfare/CPS/CS LD			-	114,155	-
AFDC Incent/Prog-Integrit			-	1,638	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>
State Grants:					
<u>N.C. Department of Health and Human Services-cont.</u>					
Direct Benefit Payments					
FC At Risk Maximization			-	3,517	-
SFHF Maximization			-	123,121	-
State Foster Home HIV			-	14,128	-
State Foster Home			-	121,110	-
Division of Public Health					
Food and Lodging Fees		1153 4752 SZ	-	39,135	-
CHA/CHIP Peer Review		1161 4110 00	-	90,261	-
Healthy Community Activities		1261 5503 00	-	3,785	-
General Communicable Disease Control		1175 4510 00	-	13,292	-
Breast and Cervical Cancer Programs		1320 5599 00	-	30,855	-
Child Health		1270 5745 00	-	1,764	-
Family Planning State		13A1 5735 00	-	13,927	-
Maternal Health (HMHC)		13A1 5740 00	-	34,585	-
Women's Health Service Fund		13A1 6016 FR	-	9,947	-
HIV/STD State		1311 4356 BN	-	500	-
STD Drugs		1311 4536 RQ	-	177	-
Gonorrhea Partner Services		1311 4601 BN	-	45	-
Tuberculosis		1460 4551 00	-	4,595	-
School Nurse Funding Initiative		1332 5358 00	-	150,000	-
Total N.C. Department of Health and Human Services			-	786,951	-
<u>N.C. Department of Environmental Quality</u>					
Soil and Water Technical Assistance		18-024-4070	-	27,100	-
Soil and Water - State Aid			-	3,600	-
Community Waste Reduction and Recycling Grant 2018		Contract No. 7559	-	45,875	-
Brunswick Waterway Park Improvements - Holden Beach Phase I & II		7156	-	85,628	-
Total N.C. Department of Environmental Quality			-	162,203	-
<u>N.C. Department of Public Safety</u>					
Juvenile Crime Prevention Council Programs			-	200,822	144,136
Total N.C. Department of Public Safety			-	200,822	144,136
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund (Lottery)			-	800,000	-
Total N.C. Department of Public Instruction			-	800,000	-
<u>N.C. Office of State Budget & Management</u>					
NC Grants in Aid - Fight Opioid Abuse		Agreement #5867-E	-	10,000	-
Total N.C. Office of State Budget & Management			-	10,000	-
<u>N.C. Department of Transportation</u>					
State Aid to Airports Approach Clearing Runway 5 & 23	DOT-8	46333.3.1	-	192,647	-
State Aid to Airports Improvements West Terminal Building Parking					
New Corporate Hanger	DOT-8	36244.58.11.1	-	254,665	-
State Aid to Airports Airport Expansion	DOT-8	36244.58.9.1	-	113,111	-
State Aid to Airports Terminal Area Water/Sewer Construction	DOT-8	36244.58.10.1	-	5,008	-
State Aid to Airports New West Terminal Building Construction		36244.58.10.2	-	143,059	-
State Aid to Airports New West Terminal Building	DOT-8	36244.58.10.3	-	152,220	-
State Aid to Airports West Apron Expansion Phase II	DOT-8	36244.58.10.4	-	74,836	-
State Aid to Airports Update ALP and Exhibit A	DOT-8	36244.58.8.2	-	108,125	-
State Aid to Airports Land Acquisition Services for West Apron	DOT-8	36244.58.11.2	-	1,434,011	-
State Aid to Airports - SUT Corporate Hangar Construction	DOT-8	36244.58.12.1	-	47,240	-
Rural Operating Assistance Program Cluster					
ROAP Elderly and Disabled Transportation Assistance Program	DOT-CL	36220.10.9.1	-	122,228	-
ROAP Employment Transportation Assistance Program	DOT-CL	36236.11.8.1	-	33,664	-
ROAP Rural General Public Program (RGP)	DOT-CL	36228.22.9.1	-	114,556	-
Total Rural Operating Assistance Program Cluster			-	270,448	-
Total N.C. Department of Transportation			-	2,795,370	-
<u>N.C. Department of Cultural and Natural Resources</u>					
Division of State Library					
Aid to Public Libraries		FY 2020	-	148,239	-
Total N.C. Department of Cultural and Natural Resources			-	148,239	-
Total State Assistance			-	4,905,767	144,136
Total Assistance			\$ 26,437,319	8,236,323	\$ 144,136

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
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Notes to the Schedule of Expenditures of Federal and State Financial Awards:

1. Basis of Presentation
The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of Brunswick County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title II US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Award and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Brunswick County, it is not intended to and does not present the financial position, changes in net position or cash flows of Brunswick County.

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

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

4. Coronavirus Relief Funds
Brunswick County received \$5,345,571 of funding from the Coronavirus Relief Fund (21.019). At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Brunswick County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.

