REVIEWED
By SLGFD at 7:44 am, May 04, 2022

BRUNSWICK REGIONAL WATER AND SEWER H2GO

Report of Audit

For the Fiscal Year Ended June 30, 2021

H2GO

BRUNSWICK REGIONAL WATER AND SEWER H2GO
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W GREENE PLLC

Independent Auditor's Report

To the Board of Commissioners
Brunswick Regional Water and Sewer H2GO
Leland, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, and the aggregate remaining fund information of the Brunswick Regional Water and Sewer H2GO (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District'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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Brunswick Regional Water and Sewer H2GO as of June 30, 2021, and the respective changes in financial position and cash flows 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, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions 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 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 any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Brunswick Regional Water and Sewer H2GO's basic financial statements. The combining and individual fund statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, and other schedules, are the responsibility of management and were derived from and relates 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. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

W Greene PLLC

Whiteville, North Carolina
March 29, 2022

As management of Brunswick Regional Water and Sewer H2GO, we offer readers of the Brunswick Regional Water and Sewer H2GO's financial statements this narrative overview and analysis of the financial activities of Brunswick Regional Water and Sewer H2GO for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of Brunswick Regional Water and Sewer H2GO exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $95,056,559.
- The government's total net position increased by $21,108,043, partially due to the gain on transfer of assets of $11,145,694.
- Brunswick Regional Water and Sewer H2GO's total debt increased by $56,319,662.

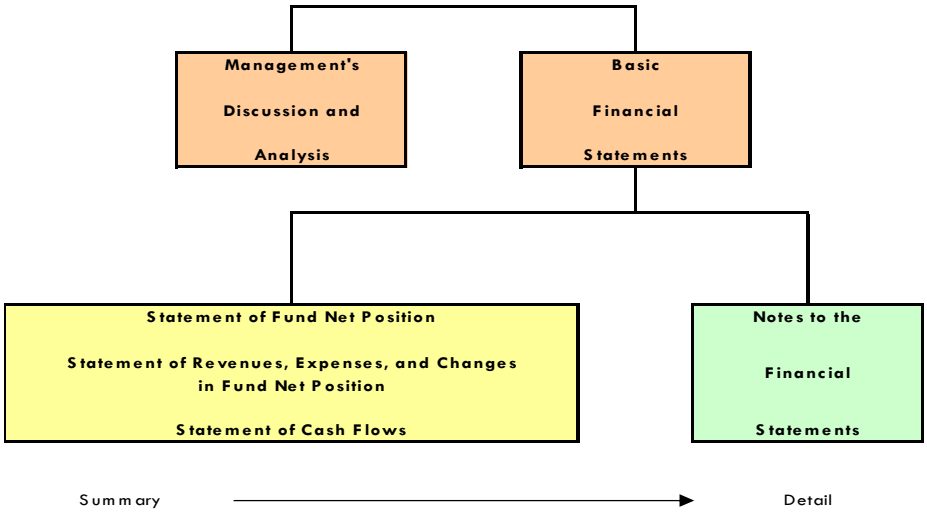
Overview of the Financial Statements

Brunswick Regional Water and Sewer H2GO's primary mission is to provide water and sewer services to the surrounding area. The District does not provide other basic government services or programs. The District's operations, capital expansion projects, and debt payments are funded almost entirely through rates, fees, and other charges for these water and sewer services. As such, Brunswick Regional Water and Sewer H2GO is considered to be, and therefore presents its financial report, as a stand-alone enterprise fund.

As a stand-alone enterprise fund, the District's basic financial statements consist of; Statement of Fund Net Position, Statement of Revenues, Expenses, and Changes in Fund Net Position, Statement of Cash Flows and Notes to the Financial Statements (see Figure 1).These statements, together with the Management's Discussion and Analysis, provide both short-term and long-term financial information about, and implications for the District's position. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Brunswick Regional Water and Sewer H2GO.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The Statement of Fund Net Position – The statement of fund net position presents the District's basic financial position through disclosure of information about Brunswick Regional Water and Sewer H2GO's assets and liabilities. Net position represents the difference between total assets and total liabilities.

The Statement of Revenues, Expenses, and Changes in Fund Net Position – Similar to private sector statements, the statement of revenues, expenses, and changes in fund net position provides information regarding the District's total economic resource inflow and outflow (accrual method of accounting). The difference between these inflows and outflows represents the change in net position, which ties this statement to the statement of net position.

The Statement of Cash Flows – Deals specifically with the flow of cash and cash equivalents arising from operating, financing and investing activities. Because the District's Statement of Revenues, Expenses, and Changes in Fund Net Position is a measurement of the flow of total economic resources, operating income usually differs from net cash flow from operations. To enhance the reader's understanding of this difference, the Statement of Cash Flows also includes a reconciliation between these two amounts. In accordance with accounting principles generally accepted in the United States of America, a reconciliation of cash and cash equivalents is also presented in this statement.

Fund Financial Statements

Proprietary Funds – Brunswick Regional Water and Sewer H2GO has one type of proprietary fund. Enterprise funds are used to report the business type activities that the District charges customers to provide. Brunswick Regional Water and Sewer H2GO uses enterprise funds to account for its water and sewer activity.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Brunswick Regional Water and Sewer H2GO has one fiduciary fund, which is an custodial fund.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements are on pages 24 through 44 of this report.

Interdependence with Other Entities – The District is subject to changes in investment earnings and asset values associated with U.S. Treasury securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found after the notes to the financial statements.

Financial Analysis

Brunswick Regional Water and Sewer H2GO's Net Position

Figure 2

	Business-Type Activities	
	2021	2020
Current and other assets	$ 62,002,892	$ 18,774,647
Capital assets	118,104,022	83,297,427
Deferred outflows of resources	565,388	433,018
Total assets	180,672,302	102,505,092
Long-term liabilities outstanding	80,030,414	25,106,226
Other liabilities	5,575,666	3,435,364
Deferred inflows of resources	9,663	14,986
Total liabilities	85,615,743	28,556,576
Net position:		
Net investment in capital assets	36,507,467	57,711,152
Unrestricted	58,549,092	16,237,364
Total net position	$ 95,056,559	$ 73,948,516

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of Brunswick Regional Water and Sewer H2GO exceeded liabilities and deferred inflows by $95,056,559 as of June 30, 2021. The District's net position increased by $21,108,043 for the fiscal year ended June 30, 2021. However, a large portion (38.41%) reflects the District's net investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. Brunswick Regional Water and Sewer H2GO uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Brunswick Regional Water and Sewer H2GO's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The remaining balance of $58,549,092 is unrestricted.

Several particular aspects of the District's financial operations positively influenced the total unrestricted governmental net position:

- Significant increases in collection of fees for services.

Brunswick Regional Water and Sewer H2GO's Changes in Net Position

Figure 3

	Business-Type Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	$ 9,309,625	$ 7,413,695
Water & Sewer Taps and Meter Purchases	363,677	245,944
System Development Fees	891,215	1,192,160
Recovery Fees	107,700	150,600
Administrative Fees	51,460	38,420
Irrigation Fees	1,668,470	1,310,232
Penalties and Interest	14,134	91,538
Other Operating Revenue	9,715,600	4,430,678
Capital Grants and Contributions	-	-
Non-Operating Revenues:		
Gain on Transfer of Assets	11,145,694	56,142,848
Investment Earnings	85,263	201,793
Total revenues	33,352,838	71,217,908
Expenses:		
Administration	3,235,006	2,835,840
Water Treatment and Distribution	3,400,478	3,269,225
Wastewater Collection	2,453,711	2,561,495
Wastewater Treatment	1,901,164	380,215
Bad Debts	-	-
Amortization	-	-
Depreciation	1,391,231	1,233,448
Amortization	1,118,167	704,833
Interest Expense	2,062,773	693,932
Total expenses	15,562,530	11,678,988
Increase(Decrease) in net position before capital contributions	17,790,308	59,538,920
Capital Contributions	3,317,735	2,859,728
Change in net position	21,108,043	62,398,648
Net position, July 1	73,948,516	11,549,868
Prior Period Adjustment	-	-
Net position, June 30	$ 95,056,559	$ 73,948,516

Business-type activities. Business-type activities increased the District's net position by $21,108,043.

Capital Asset and Debt Administration

Capital assets. Brunswick Regional Water and Sewer H2GO's investment in capital assets for its business–type activities as of June 30, 2021, totals $118,104,022 (net of accumulated depreciation and amortization). These assets include buildings, land, vehicles, infrastructure, and equipment.

Major capital asset transactions during the year include the following:

- Continued progress on capital projects and infrastructure expansion.
- Acquisition of vehicles and equipment.

Brunswick Regional Water and Sewer H2GO's Capital Assets

Figure 4

	(Net of Depreciation amd Amortization) Business-Type Activities	
	2021	2020
Land	$ 1,552,596	$ 1,070,624
Buildings	61,177	47,774
Vehicles and Equipment	1,223,258	666,046
Water and Sewer System	54,673,129	43,773,005
Construction in Progress	19,768,271	17,299,811
Wastewater Treatment Rights	40,825,591	20,440,167
Total	$ 118,104,022	$ 83,297,427

Additional information on the District's capital assets can be found on page 31 in the Notes to the Financial Statements.

Long-term Debt. As of June 30, 2021, Brunswick Regional Water and Sewer H2GO had total long-term debt outstanding of $81,596,555 (not including compensated absences and net pension liability) Of this, $-0- is debt backed by the full faith and credit of Brunswick Regional Water and Sewer H2GO.

Brunswick Regional Water and Sewer H2GO's Outstanding Debt
Revenue Bonds and Interlocal Agreements

Figure 5

	Business-Type Activities	
	2021	2020
Revenue Bonds	$ 45,452,765	$ 3,908,097
Interlocal Agreements	36,143,790	21,678,178
Total	$ 81,596,555	$ 25,586,275

Brunswick Regional Water and Sewer H2GO's long-term debt increased by $56,010,280 during the fiscal year.

Additional information regarding Brunswick Regional Water and Sewer H2GO's long-term debt can be found beginning on page 40 in the Notes to the Financial Statements.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Water and sewer revenues are expected to increase for the 21-22 budget year. General operating expenses will increase as compared to the previous year.

Requests for Information

This report is designed to provide an overview of the District finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the following:

Scott Hook
Finance Officer
Brunswick Regional Water and Sewer H2GO
P.O. Box 2230
Leland, NC 28451

H2GO

Basic Financial Statements

BRUNSWICK REGIONAL WATER & SEWER H2GO
Statement of Fund Net Position
Proprietary Fund
June 30, 2021

	Water and Sewer Fund
ASSETS	
Current Assets	
Cash and Investments	$ 57,195,118
Accounts Receivable (net)	3,101,233
Due from Other Governments	396,935
Inventory	521,159
Restricted Cash and Investments	788,447
Total Current Assets	62,002,892
Noncurrent Assets	
Capital Assets	
Land, Nondepreciable Improvements, and Construction in Progress	21,320,867
Other Capital Assets, Net of Depreciation	55,957,564
Wastewater Treatment Rights, Net of Amortization	40,825,591
Total Capital Assets	118,104,022
Total Noncurrent Assets	118,104,022
Total Assets	180,106,914
DEFERRED OUTFLOWS OF RESOURCES	
Pension Deferrals	565,388
Total Deferred Outflows of Resources	$ 565,388

The notes to the financial statements are an integral part of this statement.

BRUNSWICK REGIONAL WATER & SEWER H2GO
Statement of Fund Net Position (Continued)
Proprietary Fund
June 30, 2021

	Water and Sewer Fund
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	$ 2,048,139
Due to Other Governments	-
Customer Deposits	788,447
Revenue Bonds Payable - Current	464,438
Interlocal Agreements	2,274,642
Total Current Liabilities	5,575,666
Noncurrent Liabilities	
Net Pension Liability	983,049
Compensated Absences Payable	189,890
Revenue Bonds Payable - Noncurrent	44,988,327
Interlocal Agreements	33,869,148
Total Noncurrent Liabilities	80,030,414
Total Liabilities	85,606,080
DEFERRED INFLOWS OF RESOURCES	
Pension Deferrals	9,663
Total Deferred Inflows of Resources	9,663
NET POSITION	
Net Investment in Capital Assets	36,507,467
Unrestricted	58,549,092
Total Net Position	$ 95,056,559

The notes to the financial statements are an integral part of this statement.

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BRUNSWICK REGIONAL WATER & SEWER H2GO
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2021

	Water and Sewer Fund
Operating Revenues	
Charges for Services	$ 9,309,625
Impact Fees	891,215
Administrative Fees	51,460
Irrigation Fees	1,668,470
Meter Purchase and Tap Fees	363,677
Recovery Fees	107,700
Penalties and Interest	14,134
Other Operating Revenues	9,715,600
Total Operating Revenues	22,121,881
Operating Expenses	
Administration	3,235,006
Water Distribution	3,400,478
Wastewater Collection	2,453,711
Wastewater Treatment	1,901,164
Depreciation	1,391,231
Amortization	1,118,167
Total Operating Expenses	13,499,757
Operating Income (Loss)	8,622,124
Nonoperating Revenues (Expenses)	
Transfer of Assets	11,145,694
Investment Earnings	85,263
Interest Expense	(2,062,773)
Total Nonoperating Revenues (Expenses)	9,168,184
Income (Loss) before Contributions and and Transfers	17,790,308
Capital Contributions	3,317,735
Change in Net Position	21,108,043
Net Position - Beginning of Year	73,948,516
Net Position - End of Year	$ 95,056,559

The notes to the financial statements are an integral part of this statement.

BRUNSWICK REGIONAL WATER & SEWER H2GO
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	Water and Sewer Fund
Cash Flows from Operating Activities	
Cash Received from Customers and Users	$ 21,158,569
Cash Paid for Goods and Services	(7,524,305)
Cash Paid to Employees for Services	(2,978,930)
Customer Deposits Received	118,788
Customer Deposits Returned	(50,590)
Net Cash Provided(Used) by Operating Activities	10,723,532
Cash Flows from Capital Financing Activities	
Acquisition of Capital Assets	(14,112,047)
Debt Proceeds	58,665,895
Cash Transferred	(12,663,793)
Capital Contributions	3,317,735
Interest Paid on Debt	(1,457,233)
Principal Paid on Debt	(2,655,614)
Net Cash Provided(Used) by Capital Financing Activities	31,094,943
Cash Flows from Investing Activities	
Interest on Investments	85,263
Net Increase(Decrease) in Cash and Cash Equivalents	41,903,738
Cash and Cash Equivalents - Beginning of Year	16,079,827
Cash and Cash Equivalents - End of Year	$ 57,983,565

The notes to the financial statements are an integral part of this statement.

BRUNSWICK REGIONAL WATER & SEWER H2GO
Statement of Cash Flows (Continued)
Proprietary Fund
For the Year Ended June 30, 2021

	Water and Sewer Fund
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	$ 8,622,124
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities	
Depreciation	1,391,231
Amortization	1,118,167
Changes in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	(963,312)
(Increase) Decrease in Inventory	(372,822)
(Increase) Decrease in Due from Other Governments	11,627
(Increase) Decrease in Deferred Outflows of Resources for Pensions	(132,370)
Increase (Decrease) in Net Pension Liability	265,909
Increase (Decrease) in Deferred Inflows of Resources for Pensions	(5,323)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	720,630
Increase (Decrease) in Due to Other Governments	(44,000)
Increase (Decrease) in Customer Deposits	68,198
Increase (Decrease) in Compensated Absences Payable	43,473
Total Adjustments	2,101,408
Net Cash Provided(Used) by Operating Activities	$ 10,723,532

The notes to the financial statements are an integral part of this statement.

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	$ -
Accounts Receivable	-
Total Assets	-
LIABILITIES	
Accounts Payable	-
Total Liabilities	-
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	-
Total Net Position	$ -

The notes to the financial statements are an integral part of this statement.

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021

	Custodial Fund
Additions	
Collections on behalf of others	$ 2,780,374
Investment Earnings	
Interest	-
Total Additions	2,780,374
Deductions	
Distribution of Collections	3,008,501
Net Increase (Decrease) in Fiduciary Net Position	(228,127)
Net Position - Beginning of Year	228,127
Net Position - End of Year	$ -

The notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Brunswick Regional Water and Sewer H2GO conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Brunswick Regional Water and Sewer H2GO is a municipal corporation that is governed by a five-member board. As required by generally accepted accounting principles, these financial statements present the District. The District does not have any component units that should be presented.

B. Basis of Presentation

The Brunswick Regional Water and Sewer H2GO is a single enterprise fund, the Water and Sewer Fund, which is used to account for the District's water and sewer operations.

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 revenues are ancillary activities such as investment earnings.

The District reports the following major enterprise fund.

Water and Sewer Fund. This fund is used to account for the District's water and sewer operations.

The District reports the following fund type.

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the District holds on behalf of others. The District maintained one custodial fund.

C. Measurement Focus and Basis of Accounting

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

Proprietary Fund Financial Statements. The proprietary fund financial statements are reported using the economic resources measurement focus. The proprietary fund financial statements are reported using 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 District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. The District also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for the District include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgetary Data

The District's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the Enterprise Fund and the Enterprise Fund Capital Reserve Funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Enterprise Capital Projects Funds. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than $1,500. All amendments must be approved by the governing board. 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.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the District are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The District may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the District 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 District 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).

The District's investments are generally reported at fair value. The NCCMT – Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

2. Cash and Cash Equivalents

All cash is essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

Customer deposits held by the District before any services are supplied are restricted to the service for which the deposit was collected.

Restricted Cash		
Business-type Activities		
Water and Sewer Fund		
Customer Deposits	$	788,447
Total Restricted Cash	$	788,447

4. Unbilled Service Revenues

An amount of $1,757,855 has been accrued for estimated water and sewer usage and minimum fees earned, but not billed through June 30, 2021.

5. 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 and reviewing the remaining balances due to the District. As of June 30, 2021, the District reported an allowance for doubtful accounts in the amount of $70,000.

6. Inventory and Prepaid Items

The inventories of the District are valued at cost (first-in, first-out), which approximates market. The inventories of the District's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expensed as the items are used.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

7. Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: machinery, equipment and vehicles, $10,000 and land, buildings and infrastructure, $100,000. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003 are not recorded. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Water Distribution System	50
Buildings	40
Other Equipment	5-10
Vehicles	5
Intangible Assets	15

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District has one item that meets this criterion, pension deferrals for the 2021 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District has one item that meets this criterion, pension deferrals.

9. Long-Term Obligations

In the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities, or proprietary fund type statement of net position. 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. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

10. Compensated Absences

The vacation policy of the District provides that an employee shall earn 6 days of vacation during the first year of employment, 12 days during the second through fourth years of employment, 18 days during the fifth through ninth year of employment, and 24 days for ten or more years of employment. The vacation policy provides for an unlimited accumulation of earned vacation days. Vacation is fully vested when earned. The District has recorded an expense and a liability for compensated absences and the salary related payments are recorded as the leave is earned. The District has assumed the last-in, first-out method of using accumulated compensation time.

The District's sick leave policy provides for an accumulation of 8 hours of sick leave per month of employment. There is no limit on the accumulation of earned sick leave. Since the District has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

Net position in 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 externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Brunswick Regional Water and Sewer H2GO employer contributions are recognized when due and the Brunswick Regional Water and Sewer H2GO has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

II. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All the deposits of the District 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 District's agents in its name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the District, these deposits are considered to be held by the District's agents in its name. 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 District or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the District under the Pooling Method, the potential exists for under-collateralization. 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 District has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance The District complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021, the District's deposits had a carrying amount of $57,437,643 and a bank balance of $58,084,260. Of the bank balance, $750,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2021, the District’s petty cash funds totaled $900.

2. Investments

At June 30, 2021, the Brunswick Regional Water and Sewer H2GO had the following investments and maturities.

Investments by Type	Valuation Measurement Method	Fair Value at 6/30/2021	Maturity
US Government Agencies	Fair Value Level 1	-	1 – 15 years
NC Capital Management Trust – Government Portfolio	Fair Value Level 1	545,022	Less than 6 months
Total:		$ 545,022	

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

2. Investments (Continued)

Credit Risk. The District 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. The District's investments in US Agencies (Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and Federal Home Loan Mortgage Corporation) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The District's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2021.

Concentration of Credit Risk. The District places no limit on the amount that the District may invest in any one issuer

3. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2021 are net of the following allowances for doubtful accounts:

Fund		06/30/2021
Enterprise Fund:		
Water and Sewer – Accounts Receivable	$	70,000
Total	$	70,000

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

4. Capital Assets

Capital asset activity for the District for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Water and Sewer Fund				
Capital assets not being depreciated:				
Land	$ 1,070,624	$ 700,833	$ 218,861	$ 1,552,596
Construction in Progress	17,299,811	13,097,521	10,629,061	19,768,271
Total capital assets not being depreciated	18,370,435	13,798,354	10,847,922	21,320,867
Capital assets being depreciated:				
Buildings	221,576	65,500	11,263	275,813
Equipment	416,897	155,727	-	572,624
Vehicles	1,663,316	583,555	187,067	2,059,804
Water and Sewer System	57,088,609	62,367,093	48,108,328	71,347,374
Total capital assets being depreciated	59,390,398	63,171,875	48,306,658	74,255,615
Less accumulated depreciation for:				
Buildings	173,802	52,097	11,263	214,636
Equipment	303,636	79,467	-	383,103
Vehicles	1,110,531	102,603	187,067	1,026,067
Water and Sewer System	13,315,604	3,358,641		16,674,245
Total accumulated Depreciation	14,903,573	3,592,808	198,330	18,298,051
Total capital assets being depreciated, net	44,486,825			55,957,564
Water and Wastewater Fund capital assets, net	**$ 62,857,260**			**$ 77,278,431**

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

4. Capital Assets

Capital asset activity for the District for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Water and Sewer Fund				
Capital assets being amortized:				
Wastewater treatment rights	$ 21,145,000	$ 23,239,724	$ -	$ 44,384,724
Total capital assets being amortized	21,145,000	23,239,724	-	44,384,724
Less accumulated amortization for:				
Wastewater treatment rights	704,833	2,854,300	-	3,559,133
Total accumulated amortization	704,833	2,854,300	-	3,559,133
Total capital assets being amortized, net	20,440,167			40,825,591
Water and Sewer Fund capital assets, net	**$ 83,297,427**			**$ 118,104,022**

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Brunswick Regional Water and Sewer H2GO is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, 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 post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Brunswick Regional Water and Sewer H2GO employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Brunswick Regional Water and Sewer H2GO's contractually required contribution rate for the year ended June 30, 2021, was 10.15% of compensation for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the District were $213,206 for the year ended June 30, 2021.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

Refunds of Contributions – District 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, 2021, the District reported a liability of $983,049 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020, utilizing update procedures incorporating the actuarial assumptions. The District's proportion of the net pension liability was based on a projection of the District'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 (measurement date), the District's proportion was 0.02751%, which was an increase of 0.00125% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of $341,421. At June 30, 2021, the District 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
Differences between expected ad actual experience	$ 124,142	$ -
Changes of assumptions	73,158	-
Net difference between projected and actual earnings on pension plan investments	138,338	-
Changes in proportion and differences between District contributions and proportionate share of contributions	16,544	9,663
District contributions subsequent to the measurement date	213,206	-
Total	$ 565,388	$ 9,663

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

$213,206 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2022	$	99,971
2023		128,237
2024		73,369
2025		40,942
2026		-
Thereafter		-
Total	$	342,519

Actuarial Assumptions. The total pension liability in the December 31, 2019 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, 2019 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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	6.0%	4.0%
Total	100%	

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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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 District's proportionate share of the net pension asset to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability (asset)	$ 1,994,500	$ 983,049	$ 142,463

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

b. Supplemental Retirement Income Plan

Plan Description. The District 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 those employed by Brunswick Regional Water and Sewer H2GO. 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 is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. 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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Supplemental Retirement Income Plan (Continued)

Funding Policy. Article 12E of G.S. Chapter 143 requires the Brunswick Regional Water and Sewer H2GO to contribute each month an amount equal to five percent of each employee's salary, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were $94,206 from the District and $56,103 from the employees. No amounts were forfeited.

2. Deferred Outflows and Inflows of Resources

Deferred outflows of resources reported on the Statement of Net Position is comprised of the following:

	Amount
Contributions to Pension Plan in Current Fiscal Year	$ 213,206
Difference between expected and actual experience	124,142
Changes of assumptions	73,158
Net difference between projected and actual	138,338
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,544
Charge on refunding	-
Total	$ 565,388

Deferred inflows of resources at year-end is comprised of the following:

	Amount
Changes in proportion and differences between employer contributions and proportionate share of contributions	$ 9,663
Total	$ 9,663

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

3. Risk Management

The District 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 District participates in the three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools the District obtains general liability of $3 million and auto liability of $1 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage up to a $5 million lifetime limit. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property in excess of $1,000,000 and $5,000,000 up to statutory limits for workers' compensation. The pools are reinsured for annual employee health claims in excess of $150,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The District carries no flood insurance through the National Flood Insurance Plan (NFIP), as they are considered to be in a low-risk area.

The District carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 159-29, the District's employees that have access to $100 or more at any given time of the District's funds are performance bonded through a commercial surety bond. The finance officer and director are each individually bonded for $250,000. The remaining employees that have access to funds are bonded under a blanket bond for $150,000 per occurrence.

4. Claims, Judgments and Contingent Liabilities

At June 30, 2021, the District was a defendant to various lawsuits. In the opinion of the District's management and the attorney, the ultimate effect of these legal matters will not have a material adverse effect on the District's financial position.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

5. Long-Term Obligations

a. Revenue Bonds

Effective July 2012, the District refinanced the following revenue bonds by issuing Water and Sewer Revenue Bonds, Series 2012 in the amount of $6,855,000: Sewer System Revenue bonds, Series 2004A in the amount of $2,752,000, Sewer System Revenue bonds, Series 2004B in the amount of $1,303,000, Sewer System Revenue bonds, Series 2006 in the amount of $2,095,000, and Sewer System Revenue Bonds, Series 2006B in the amount of $705,000.

Debt at June 30, 2021 is comprised of the following:

Water and Sewer System Revenue Bonds, Series 2020, due in annual principal payments ranging from $1,723,000 to $2,777,000, plus interest at 2.65 percent through August 2040.	$ 42,000,000
Water and Sewer System Revenue Bonds, Series 2012, due in annual principal payments ranging from $396,394 to $523,033, plus interest at 2.00 percent through July 2027.	3,452,765
Total Revenue Bonds	$ 45,452,765

The future payments of the revenue bond are as follows:

Year Ending June 30	Principal	Interest
2022	$ 464,438	$ 1,182,056
2023	2,196,727	1,149,937
2024	2,253,202	1,094,180
2025	2,309,866	1,036,988
2026	2,368,723	978,332
2027-2031	11,143,809	3,989,908
2032-2036	11,541,000	2,526,523
2037-2041	13,175,000	891,394
Total	$ 45,452,765	$ 12,849,318

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

5. Long-Term Obligations (Continued)

a. Revenue Bonds (Continued)

The District is in compliance with the covenants as to rates, fees, rentals and charges in Section 5.01 of the Bond Order, authorizing the issuance of the Water and Sewer Revenue Bonds, Series 2012. Section 5.01(c)(3) of the Bond Order requires the debt service coverage ratio to be no less than 110%. The debt service coverage ratio calculation for the year ended June 30, 2021, is as follows:

Operating revenues	$ 22,121,881
Operating expenses*	10,990,359
Operating income	11,131,522
Nonoperating revenues (expenses)**	85,263
Income available for debt service	11,216,785
Debt service, principal and interest paid (Subordinated Indebtedness only)	-
Debt service, principal and interest paid (Other Improvements to System Financing only)	4,718,387
Income available for debt service (before Revenue Bond)	6,498,398
Debt service, principal and interest paid (Revenue bond only)	$ 533,494
Debt service coverage ratio	1218%

* Per rate covenants, this does not include the depreciation expense of $1,391,231 and amortization of $1,118,167.

** Per rate covenants, this does not include interest of $2,062,773.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

5. Long-Term Obligations (Continued)

b. Interlocal Agreements

The District has incurred the following liability through joint service agreements with Brunswick County. In these agreements, the District shares in the costs and debt of certain sewer infrastructure financed by the County. These agreements require principal payments due annually with semiannual interest payments, at an annual interest rate of 1.84% to 5.00%.

Annual debt service requirements to maturity for interlocal agreements are as follows:

Year Ending June 30	Business Type Activities Principal	Interest
2022	$ 2,274,642	$ 1,535,464
2023	1,629,148	1,453,321
2024	1,280,000	1,385,900
2025	1,340,000	1,321,900
2026	1,415,000	1,254,900
2027-2031	8,185,000	5,141,250
2032-2036	10,245,000	3,087,500
2037-2040	9,775,000	893,400
Total	$ 36,143,790	$ 16,073,635

c. Changes in Long-Term Liabilities

Business-type activities:	Balance 07/01/20	Increases	Decreases	Balance 06/30/21	Current Portion of Balance
Revenue Bonds	$ 3,908,097	$ 42,000,000	$ 455,332	$ 45,452,765	$ 464,438
Interlocal Agreements	21,678,178	16,665,895	2,200,282	36,143,790	2,274,642
Compensated Absences	146,417	43,473	-	189,890	-
Net Pension Liability (LGERS)	717,140	265,909	-	983,049	-
Business-type activity long-term liabilities	$ 26,449,832	$ 58,975,277	$ 2,655,614	$ 82,769,494	$ 2,739,080

Compensated absences are accounted for on a LIFO basis, assuming that employees are taking leave as it is earned.

II. DETAIL NOTES ON ALL FUNDS (Continued)

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2021, consist of the following:

From the Water and Sewer Fund to the Water and Sewer Capital Reserve Fund	$	8,809,401
From the Water and Sewer Fund to the AMI Infrastructure and Meter Change Out Fund		70,060
From the Water and Sewer Capital Reserve Fund to the Regional Lift Station Capital Project Fund		10,832
From the Compass Pointe Sewer Infrastructure Capital Project Fund to the Water and Sewer Fund		1,365,415
From the Water and Sewer Capital Reserve Fund to the Water and Sewer Fund		163,472
From the Water and Sewer Fund to the Water Treatment Plant Capital Project Fund		6,966,268
From the Water and Sewer Capital Reserve Fund to the Wastewater Treatment Plant Capital Project Fund		804,545
Total	$	18,189,993

Transfers are used to move unrestricted revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

III. NET INVESTMENT IN CAPITAL ASSETS

Capital Assets	$	118,104,022
Less: Long-Term Debt		81,596,555
Add: Unexpended Debt Proceeds		-
Net Investment in Capital Assets	$	36,507,467

IV. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 29, 2022, which is the date the financial statements were available to be issued.

V. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures over Appropriations

For the year ended June 30, 2021, the expenditures made in the District's Water and Sewer Fund exceeded appropriations made by the governing board for administrative by $1,578,949. This over-expenditure occurred because of unbudgeted expenditures. Management and the Board will more closely review the budgeted expenditure reports to ensure compliance in the future.

VI. CHANGE IN ACCOUNTING PRINCIPLE

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the District performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, any fund balance and net position were reclassified from the agency funds to the custodial funds.

Required Supplementary

Financial Data

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years*

	Local Government Employees' Retirement System							
	2021	2020	2019	2018	2017	2016	2015	2014
Brunswick Regional Water and Sewer H2GO's proportion of the net pension liability (asset) (%)	0.02751%	0.02626%	0.02663%	0.02336%	0.02060%	0.02158%	0.02036%	0.01960%
Brunswick Regional Water and Sewer H2GO's proportion of the net pension liability (asset) ($)	$ 983,049	$ 717,140	$ 631,755	$ 356,876	$ 437,625	$ 96,850	$ (120,072)	$ 236,255
Brunswick Regional Water and Sewer H2GO's covered-employee payroll	$1,800,961	$1,635,326	$1,539,992	$1,375,007	$ 1,193,340	$1,097,680	$1,011,774	$ 944,361
Brunswick Regional Water and Sewer H2GO's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	54.58%	43.85%	41.02%	25.95%	36.67%	8.82%	(11.87%)	25.02%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Brunswick Regional Water and Sewer H2GO's Contributions
Required Supplementary Information
Last Eight Fiscal Years

Local Government Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 213,206	$ 161,186	$ 126,768	$ 115,450	$ 99,688	$ 79,596	$ 77,606	$ 71,532
Contributions in relation to the contractually required contribution	213,206	161,186	126,768	115,450	99,688	79,596	77,606	71,532
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Brunswick Regional Water and Sewer H2GO's covered employee payroll	$ 2,100,547	$ 1,800,961	$ 1,635,326	$ 1,539,992	$ 1,375,007	$ 1,193,340	$ 1,097,680	$ 1,011,774
Contributions as a percentage of covered-employee payroll	10.15%	8.95%	7.75%	7.50%	7.25%	6.67%	7.07%	7.07%

H2GO

Individual Fund Statements and Schedules

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Operating Revenues			
Water Charges		$ 4,531,126	
Sewer Charges		4,778,499	
Impact Fees		191,215	
Administrative Fees		51,460	
Irrigation Fees		1,668,470	
Meter Purchase and Taps		363,677	
Recovery Fees		107,700	
Penalties and Interest		14,134	
Other Operating Revenues		9,552,890	
Total Operating Revenues	$ 22,087,084	21,259,171	$ (827,913)
Nonoperating Revenues			
Investment Earnings	85,000	21,904	(63,096)
Total Nonoperating Revenues	85,000	21,904	(63,096)
Total Revenues	22,172,084	21,281,075	(891,009)
Expenditures			
Administration			
Salaries and Wages		1,585,776	
Operating Expenditures		1,573,303	
Capital Outlay		-	
Debt Service			
Principal Retirement		2,655,614	
Interest and other charges		2,062,773	
Total Administration	6,298,517	7,877,466	(1,578,949)
Water Distribution			
Salaries and Wages		633,168	
Operating Expenditures		2,600,799	
Capital Outlay		-	
Total Water Distribution	3,949,348	3,233,967	715,381
Wastewater Collections			
Salaries and Wages		648,384	
Operating Expenditures		1,775,607	
Capital Outlay		-	
Total Wastewater Collections	2,856,698	2,423,991	432,707
Wastewater Treatment			
Salaries and Wages		155,075	
Operating Expenditures		1,740,216	
Capital Outlay		-	
Total Wastewater Treatment	1,984,851	1,895,291	89,560
Total Expenditures	15,089,414	15,430,715	(341,301)

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Water and Sewer Fund
Schedule of Revenues and Expenditures (Continued)
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenue Over (Under) Expenditures	$ 7,082,670	$ 5,850,360	$ (1,232,310)
Other Financing Sources (Uses)			
Appropriated Fund Balance	7,381,131	-	(7,381,131)
Capital Contributions	-	3,317,735	3,317,735
Transfer of Assets	880,000	9,699,340	8,819,340
Loan Proceeds	-	24,914,092	24,914,092
Transfers In:			
Water and Sewer Capital Reserve Fund	163,472	163,472	-
Compass Pointe Sewer Infrastructure Capital Project Fund	1,365,415	1,365,415	-
Transfers Out:			
Water and Sewer Capital Reserve Fund	(9,836,360)	(8,809,401)	1,026,959
Water Treatment Plant Capital Project Fund	(6,966,268)	(6,966,268)	-
AMI Infrastructure & Meter Change Out Fund	(70,060)	(70,060)	-
Total Other Financing Sources (Uses)	(7,082,670)	23,614,325	30,696,995
Revenue Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ 29,464,685	$ 29,464,685

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Water and Sewer Fund
Schedule of Revenues and Expenditures (Continued)
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenue Over (Under) Expenditures and Other Financing Sources (Uses)		$ 29,464,685	
Reconciling Items:			
Depreciation Expense		(1,391,231)	
Amortization Expense		(1,118,167)	
Capital Outlay		-	
Loan Proceeds		(24,914,092)	
Principal Retirement		2,655,614	
Increase (Decrease) in Deferred Outflows of to Pension Plan in Current Fiscal Year		132,370	
(Increase) Decrease in Net Pension Liability		(265,909)	
(Increase) Decrease in Deferred Inflows of Resources for Pension Deferrals		5,323	
Transfers Out			
Water and Sewer CRF		8,809,401	
Water Treatment Plant CPF		6,966,268	
AMI Infrastructure & Meter Change Out Fund		70,060	
Transfers In			
Compass Pointe Sewer Infrastructure CPF		(1,365,415)	
Water and Sewer CRF		(163,472)	
Impact Fees			
Compass Pointe Sewer Infrastructure CPF		525,000	
Recovery Fees			
Compass Pointe Sewer Infrastructure CPF		175,000	
Other Revenue			
Water Treatment Plant CPF		217,976	
AMI Infrastructure & Meter Change Out Fund		6,097	
Operation Round Up		1,996	
Transfer of Assets		1,446,354	
Other Expenditures		(149,815)	
Total Reconciling Items		(8,356,642)	
Change in Net Position		$ 21,108,043	

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Operation Round Up
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Operation Round Up Revenue	$ 5,000	$ 1,996	$ (3,004)
Total Revenues	5,000	1,996	(3,004)
Expenditures			
Administrative	5,000	2,363	2,637
Total Expenditures	5,000	2,363	2,637
Other Financing Sources (Uses)			
Appropriated Fund Balance	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenditures	$ -	$ (367)	$ (367)

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Water and Sewer Capital Reserve Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings			
Interest	$ -	$ -	$ -
Total Revenues	-	-	-
Other Financing Sources (Uses)			
Special Item: Gain on Transfer of Assets	-	-	-
Transfers in:			
Water and Sewer Fund	-	8,809,401	8,809,401
Transfers out:			
Water and Sewer Fund	(163,472)	(163,472)	-
Wastewater Treatment Plant			
Capital Project Fund	(804,545)	(804,545)	-
Regional Lift Station			
Capital Project Fund	(10,832)	(10,832)	
Appropriated Fund Balance	978,849	-	(978,849)
Total Other Financing Sources (Uses)	-	7,830,552	7,830,552
Revenues and Other Sources Over (Under) Expenditures	$ -	$ 7,830,552	$ 7,830,552

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Water and Sewer Debt Service Reserve Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings			
Interest	$ -	$ -	$ -
Total Revenues	-	-	-
Other Financing Sources (Uses)			
Transfer from Other Funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenditures	$ -	$ -	$ -

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Water Treatment Plant Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual: Prior Years	Actual: Current Year	Actual: Totals to Date	Variance Positive (Negative)
Revenues					
Interest	$ -	$ -	$ 63,359	$ 63,359	$ 63,359
Other	-	11,597	154,617	166,214	166,214
Total Revenues	-	11,597	217,976	229,573	229,573
Expenditures					
Other	65,000	-	141,355	141,355	(76,355)
Capital Outlay	39,473,095	6,695,543	12,066,573	18,762,116	20,710,979
Contingency	1,810,000	-	-	-	1,810,000
Total Expenditures	41,348,095	6,695,543	12,207,928	18,903,471	22,444,624
Revenues Over (Under) Expenditures	(41,348,095)	(6,683,946)	(11,989,952)	(18,673,898)	22,674,197
Other Financing Sources (Uses)					
Transfers in:					
Water and Sewer Fund	6,966,268	10,875,805	6,966,268	17,842,073	10,875,805
Loan Proceeds	33,751,803	-	33,751,803	33,751,803	-
Transfer of Assets	-	(7,041,613)	-	(7,041,613)	(7,041,613)
Appropriated Fund Balance	630,024	-	-	-	(630,024)
Total Other Financing Sources (Uses)	41,348,095	3,834,192	40,718,071	44,552,263	3,204,168
Revenues and Other Sources Over (Under) Expenditures	$ -	$ (2,849,754)	$ 28,728,119	$ 25,878,365	$ 25,878,365

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Water Line Extension Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Totals to Date	Variance Positive (Negative)
Revenues					
Investment Earnings					
Interest	$ -	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-	-
Expenditures					
Engineering	556,970	350,107	14,875	364,982	191,988
Construction	6,197,787	2,836,337	3,600	2,839,937	3,357,850
Total Expenditures	6,754,757	3,186,444	18,475	3,204,919	3,549,838
Revenues Over (Under) Expenditures	(6,754,757)	(3,186,444)	(18,475)	(3,204,919)	3,549,838
Other Financing Sources (Uses)					
Transfers in:					
Water and Sewer Fund	4,660,000	3,717,070	-	3,717,070	(942,930)
Transfer of Assets	-	(619,296)	-	(619,296)	(619,296)
Appropriated Fund Balance	2,094,757	-	-	-	(2,094,757)
Total Other Financing Sources (Uses)	6,754,757	3,097,774	-	3,097,774	(3,656,983)
Revenues and Other Sources Over (Under) Expenditures	$ -	$ (88,670)	$ (18,475)	$ (107,145)	$ (107,145)

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Compass Pointe Sewer Infrastructure Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Totals to Date	Variance Positive (Negative)
Revenues					
Operating Revenues					
Impact Fees	3,855,600	$ 3,644,400	$ 525,000	$ 4,169,400	
Recovery Fees	1,281,000	1,219,000	175,000	1,394,000	
Total Revenues	$ 5,136,600	4,863,400	700,000	5,563,400	$ (426,800)
Expenditures					
Engineering	(5,602)	83,601	-	83,601	(89,203)
Construction	38	603,462	-	603,462	(603,424)
Total Expenditures	(5,564)	687,063	-	687,063	(692,627)
Revenues Over (Under) Expenditures	5,142,164	4,176,337	700,000	4,876,337	(265,827)
Other Financing Sources (Uses)					
Transfers Out:					
Water and Sewer Fund	(7,531,622)	(1,786,878)	(1,365,415)	(3,152,293)	4,379,329
Appropriated Fund Balance	2,389,458	-	-	-	(2,389,458)
Total Other Financing Sources (Uses)	(5,142,164)	(1,786,878)	(1,365,415)	(3,152,293)	1,989,871
Revenues and Other Sources Over (Under) Expenditures	$ -	$ 2,389,459	$ (665,415)	$ 1,724,044	$ 1,724,044

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Regional Lift Station Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Totals to Date	Variance Positive (Negative)
Revenues					
Impact Fees	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-
Other Revenues	65,830	65,830	-	65,830	-
Total Revenues	65,830	65,830	-	65,830	-
Expenditures					
Administration	-	-	-	-	-
Construction	3,374,552	496,110	64,430	560,540	2,814,012
Engineering Fees	148,931	281,494	-	281,494	(132,563)
Easements	3,820	1,179	558	1,737	2,083
Permits and Licenses	-	-	-	-	-
Contingency	-	-	-	-	-
Total Expenditures	3,527,303	778,783	64,988	843,771	2,683,532
Revenues Over (Under) Expenditures	(3,461,473)	(712,953)	(64,988)	(777,941)	2,683,532
Other Financing Sources (Uses)					
Transfers in:					
Water and Sewer Fund	-	4,229,000	-	4,229,000	4,229,000
Capital Reserve	10,832	-	10,832	10,832	-
Transfer of Assets	-	(3,456,891)	-	(3,456,891)	(3,456,891)
Appropriated Fund Balance	3,450,641	-	-	-	(3,450,641)
Total Other Financing Sources (Uses)	3,461,473	772,109	10,832	782,941	(2,678,532)
Revenues and Other Sources Over (Under) Expenditures	$ -	$ 59,156	$ (54,156)	$ 5,000	$ 5,000

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Pump Station and Collection System Upgrade Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Totals to Date	Variance Positive (Negative)
Revenues					
Impact Fees	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-
Other Revenues	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures					
Administration	-	-	-	-	-
Construction	1,085,000	317,678	28,440	346,118	738,882
Contingency	-	-	-	-	-
Total Expenditures	1,085,000	317,678	28,440	346,118	738,882
Revenues Over (Under) Expenditures	(1,085,000)	(317,678)	(28,440)	(346,118)	738,882
Other Financing Sources (Uses)					
Transfers in:					
Water and Sewer Fund	1,085,000	1,085,000	-	1,085,000	-
Appropriated Fund Balance	-	-		-	-
Total Other Financing Sources (Uses)	1,085,000	1,085,000	-	1,085,000	-
Revenues and Other Sources Over (Under) Expenditures	$ -	$ 767,322	$ (28,440)	$ 738,882	$ 738,882

BRUNSWICK REGIONAL WATER AND SEWER H2GO
AMI Infrastructure and Meter Change Out Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Totals to Date	Variance Positive (Negative)
Revenues					
Impact Fees	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-
Other Revenues	-	227,172	6,097	233,269	233,269
Total Revenues	-	227,172	6,097	233,269	233,269
Expenditures					
Administration	-	227,176	6,097	233,273	(233,273)
Capital Outlay	4,271,660	3,500,518	949,538	4,450,056	(178,396)
Contingency	108,340	-	-	-	108,340
Total Expenditures	4,380,000	3,727,694	955,635	4,683,329	(303,329)
Revenues Over (Under) Expenditures	(4,380,000)	(3,500,522)	(949,538)	(4,450,060)	(70,060)
Other Financing Sources (Uses)					
Transfers In:					
Water and Sewer Fund	400,000	400,000	70,060	470,060	70,060
Transfers Out:					
Water and Sewer Capital Reserve Fund	3,980,000	3,980,000	-	3,980,000	-
Appropriated Fund Balance	-	-	-	-	-
Total Other Financing Sources (Uses)	4,380,000	4,380,000	70,060	4,450,060	70,060
Revenues and Other Sources Over (Under) Expenditures	$ -	$ 879,478	$ (879,478)	$ -	$ -

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Wastewater Treatment Plant Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Totals to Date	Variance Positive (Negative)
Revenues					
Interest	$ -	$ -	$ -	$ -	$ -
Other Revenues	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures					
Construction	804,545	-	728,708	728,708	75,837
Total Expenditures	804,545	-	728,708	728,708	75,837
Revenues Over (Under) Expenditures	(804,545)	-	(728,708)	(728,708)	75,837
Other Financing Sources (Uses)					
Transfers in:					
Capital Reserve	804,545	-	804,545	804,545	-
Appropriated Fund Balance	-	-	-	-	-
Total Other Financing Sources (Uses)	804,545	-	804,545	804,545	-
Revenues and Other Sources Over (Under) Expenditures	$ -	$ -	$ 75,837	$ 75,837	$ 75,837

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Highway 17 Sewer Expansion II Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Totals to Date	
Revenues					
Interest	$ -	$ -	$ -	$ -	$ -
Other Revenues	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures					
Engineering	86,354	-	32,200	32,200	54,154
Capital Outlay	1,360,000	-	223,125	223,125	1,136,875
Contingency	-	-	-	-	-
Total Expenditures	1,446,354	-	255,325	255,325	1,191,029
Revenues Over (Under) Expenditures	(1,446,354)	-	(255,325)	(255,325)	1,191,029
Other Financing Sources (Uses)					
Transfers In:					
Water and Sewer Fund	-	-	-	-	-
Transfer of Assets	1,446,354	-	1,446,354	1,446,354	-
Total Other Financing Sources (Uses)	1,446,354	-	1,446,354	1,446,354	-
Revenues and Other Sources Over (Under) Expenditures	$ -	$ -	$ 1,191,029	$ 1,191,029	$ 1,191,029

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Leland Sewer Trust Custodial Fund
ASSETS	
Cash and Cash Equivalents	$ -
Accounts Receivable	-
Total Assets	-
LIABILITIES	
Accounts Payable	-
Total Liabilities	-
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	-
Total Net Position	$ -

BRUNSWICK REGIONAL WATER AND SEWER H2GO
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021

	Leland Sewer Trust Custodial Fund
Additions	
Collections on behalf of others	$ 2,780,374
Investment Earnings	
Interest	-
Total Additions	2,780,374
Deductions	
Distribution of Collections	3,008,501
Net Increase (Decrease) in Fiduciary Net Position	(228,127)
Net Position - Beginning of Year	228,127
Net Position - End of Year	$ -

H2GO