

**HARNETT COUNTY
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2023

HARNETT COUNTY, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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November 30, 2023

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Board of County Commissioners
Harnett County, North Carolina

We are pleased to present the Comprehensive Annual Financial Report ("CAFR") of Harnett County (the "County") for the fiscal year ended June 30, 2023. The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Martin, Starnes & Associates, CPA's, P.A. and that firm's unmodified opinion is included in the Financial Section of this report.

The report itself is presented by the County, which is responsible for the accuracy of the data and for the completeness and fairness of its presentation, including all disclosures. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

North Carolina General Statutes Chapter 15, the Local Government Budget and Fiscal Control Act, requires that units of local governments have an audit of their accounts including a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States (GAAP) as soon as possible after the close of each fiscal year by a certified public accountant. The audited financial report is submitted to the Local Government Commission (LGC), which is established by statute to oversee local government financial affairs. The Commission is authorized to issue rules and regulations regarding such audits. The LGC approves all audit contracts for audits of units of local government. LGC policy requires audited financial reports to be submitted within four months of the end of the fiscal year. If the audited financial report is submitted later than five months after the end of the fiscal year the audit contract must be amended, and that amendment approved by the LGC before final payment is made to the auditor.

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. The Harnett County MD&A can be found immediately following the report of the independent auditors.

HARNETT COUNTY GOVERNMENT PROFILE

The County, formed in 1855, is in the South-Central portion of North Carolina. It lies partially in the Coastal Plain and partially in the Piedmont section. Harnett County is one of the fastest growing counties in the United States based on the US Census Bureau's certified population estimate for 2021 of 138,832. The county seat, the Town of Lillington, has a population of 4,501 while the City of Dunn, the largest municipality located in the County, has a population of 8,534. Also located within the County are the Town of Coats with a population of 2,229, Erwin with a population of 4,692 and Angier with a population of 6,099. All five municipalities comprise approximately 18.77% of the total County population.

The County contains 601 square miles of land. The Cape Fear River, which flows from the northwest to the southeast part of the County, is the County's main drainage system. The chief tributaries include the Upper Little River system, Lower Little River, and the Black River. Generally, the eastern two-thirds of the County exhibits topographic features common to the Coastal Plain of North Carolina. It is an area of level to gently rolling terrain with elevations ranging from 100 to 300 feet above sea level. Undeveloped lands are covered by pines and low-growing shrubs. The major underlying geological formation includes sedimentary rocks consisting mostly of unconsolidated sands and clays. Topographic features in the western part of the County resemble the Piedmont region of North Carolina. It is an area of steeper hills with elevations as high as 450 feet above sea level. Undeveloped lands are also covered by pines and low-growing shrubs. The major underlying geological formation includes crystalline rocks, such as granite and slate.

The County is governed by a Board of Commissioners (the "Board"). The Board consists of five members who are elected from districts, on a partisan basis, by a district vote and serve staggered four-year terms. Elections for the Board are held in November of even-numbered years. The Commissioners take office at the first meeting in December following the November election. At that time, the Board elects a Chairman and a Vice Chairman from among its members. Commissioners hold policy-making and legislative authority. They are also responsible for adopting the budget and appointing the County Manager. The manager is responsible for implementing policies, managing daily operations, and appointing department heads.

The County provides its citizens with a wide range of services including public safety, human services, culture and recreation development, environmental protection, sanitation, and general government services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are the Harnett County Board of Education, Central Carolina Community College, the Mid-Carolina Council of Governments, and Sandhills Mental Health. This report includes the County's activities in maintaining these services.

As required by generally accepted accounting principles in the United States, the financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The County has one component unit, the Harnett County Industrial Facility and Pollution Control Financing Authority, which has no financial transactions or account balances; therefore, it does not appear in the basic financial statements. The Harnett Water and Sewer Districts (the "Districts") are blended component units of the County, although they are legally separate entities, they are in substance, part of the County's operations. The Districts exist to provide and maintain a water system for the county residents within the districts. Under State law G.S. 162A-89J, the County's board of commissioners also serves as the governing board for the Districts; therefore, the Districts are reported as enterprise funds in the County's financial statements and do not issue separate financial statements. The County entered into an agreement during the fiscal year 1998, with each existing District that transferred all assets, liabilities (excluding bond indebtedness, loans, and installment notes, along with accrued interest payable), operational rights, and responsibilities to the County. The County agreed to pay the Districts an amount equal to debt service costs for the respective Districts for the duration of the respective bonds, loans, and notes. The County maintains the Districts' assets, provides water and sewer operations and makes payments on outstanding debts on behalf of the respective Districts. Therefore, the County's financial statements reflect the assets and debts in the Harnett County Public Utilities Fund.

The County has 28 public schools and a community college (Central Carolina Community College). A 29th school, Northwest Harnett Elementary School is under construction and projected to be open for students for the 2023-2024 school year. The County has evaluated its relationship with each of these entities. The school administrative units and the community college are entities independent of the County because County allocations do not constitute a major portion of their revenues, and because the County has no authority to designate their management. These entities are excluded from this report. The notes to the combined financial statements provide a detailed explanation of the County's relationship to each of these entities and the reasons for their exclusion. The reader is referred to the annual financial reports issued by each of these entities.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. As a part of the County's single audit (discussed in more detail in a later paragraph), the independent auditor performed a review of the County's internal control structure. This review was not an audit and no opinion was issued on the County's internal control structure.

LOCAL ECONOMY

Harnett County is located in Central North Carolina and is one of the fastest growing counties in the state. The County is home to five municipalities - Angier, Coats, Dunn, Erwin, and Lillington – and also expands to residents in Fuquay-Varina and Sanford. Harnett County is optimally located between North Carolina's capital city of Raleigh, the internationally recognized Research Triangle Park (RTP) to the north, and the nation's largest military installation, Fort Liberty, to the south. Harnett County's proximity to the metropolitan areas of Raleigh, Durham, Chapel Hill, and RTP as well as Fayetteville and Fort Liberty, enhances the profitability and connectivity for businesses and industries in the region.

North Carolina is divided into seven metropolitan statistical areas (MSA's) and Harnett County is located between two of the seven – Cumberland and Wake County. Interstate 95, located in eastern Harnett County, provides easy north-south access. Interstate 40, located seven miles north of the Harnett County line, provides equally important east-west access. In addition, the County is located within two hours of the deep-water ports of Wilmington and Morehead City, and 45 miles from the Raleigh-Durham International Airport. Thirteen universities including Duke University in Durham, the University of North Carolina at Chapel Hill, and North Carolina State University, in Raleigh, are within a one-hour drive. These attributes, plus an excellent workforce, make Harnett County an attractive location for industries who are seeking to relocate or expand in North Carolina.

The Cape Fear River runs through the heart of Harnett County, offering a variety of cultural and quality of life experiences for residents and visitors. The County also possesses abundant natural resources including nearly 6,000 acres of park land and 26 miles of hiking and walking trails. Harnett County is home to Raven Rock State Park and some of the best white water rapids in the region, along the Cape Fear River.

Founded in 1887, Campbell University, located in Buies Creek, is one of the largest private, higher education institutions in North Carolina. The University is home to more than 6,000 students across four campuses and online - Buies Creek, Camp Lejeune, Fort Liberty, and Raleigh. The Buies Creek Campus, located in Harnett County, hosts approximately 5,100 undergraduate and graduate students.

Known for its high-quality education with a low student-teacher ratio, Campbell offers more than 100 undergraduate tracks along with graduate programs such as Norman Adrian Wiggins School of Law, College of Pharmacy and Health Sciences, Lundy-Fetterman School of Business; Catherine W. Wood

School of Nursing, Jerry M. Wallace School of Osteopathic Medicine, Education, Divinity, and Engineering. The University's School of Osteopathic Medicine is the first and only osteopathic medical school in the state and continues to have a significant impact on the residents of Harnett County and Southeastern N.C.

Central Carolina Community College (CCCC) serves three counties – Chatham, Lee and Harnett - offering degree, diploma, and certificate opportunities in more than 130 college-level programs of study and over 750 curriculum courses across the three campuses. CCCC has a current enrollment of more than 5,100 curriculum students and offers five associates degrees including Arts, Engineering, Science, Fine Arts, and Applied Science. CCCC was ranked number one out of 58 North Carolina public community colleges by Niche, a website that reviews neighborhoods and schools, on their list of "2020 Best Community Colleges." Additionally, CCCC earned Military Friendly(R) School designation in 2023-2024 which is determined by Viqtory with input from the Military Friendly(R) Advisory Council of independent leaders in the higher education and military recruitment community.

CCCC Harnett County Campus hosts a variety of programs that include Accounting, Culinary Arts, Laser and Photonics as well as a Pre-Associate in Arts, Engineering, and Science for transfer to a four-year institution. CCCC has developed an innovative partnership with the Harnett County Public Schools to offer an Early College Program. This program is designed to target students that could benefit from accelerated learning opportunities. In 2020, the Harnett County Board of Commissioners entered into an agreement with CCCC to begin funding the "Harnett Promise." This successful program continues to provide eligible students graduating in Harnett County two years of free CCCC tuition.

Harnett County Economic Development provides a comprehensive approach for target sector business recruitment, retention, and expansion. Program initiatives seek to develop business parks, create speculative building partnerships, foster relationships with businesses, and support advocacy and marketing efforts to position Harnett County for quality jobs and investment. Recent highlights of the County's efforts include:

- The creation of Harnett County's 2032 Strategic Plan which is designed to provide a clear vision for the future and includes five strategic goals that reflect the County's priorities for the next three years: Superior Education; Organizational Excellence; Healthy & Safe Community; Economic Strength; and Informed & Engaged Citizens.
- Cape Fear Valley/Harnett Health began construction of a 70,000-square-foot, comprehensive Cancer Center and Medical Arts Building at Central Harnett Hospital in Brightwater Business Park in Lillington. This new project will expand access to comprehensive cancer care and other specialty practices in Harnett County.
- Harnett Health expanded their footprint in Lillington with the purchase of 26 additional acres across 11 lots in Brightwater Technology Park from the Harnett County Economic Development Partnership (HCEDP). Development plans are in the early stages; however, a new adolescent behavioral healthcare unit is included.

- Harnett Regional Jetport continues to undergo improvement projects to include: an expansion of the apron to provide space for additional aircraft maneuvering while at the ramp; the addition of ten new transient tie-down spots to provide out-of-town customers with ample parking; a runway rehabilitation project on the runway and taxiway; and the construction of a new 7,000+ square-foot, two-story terminal to house both the Harnett Regional Jetport and Harnett County Economic Development Departments.
- Harnett County District H Tourism Development Authority (Harnett County Tourism Authority) continues to expand its marketing efforts, attracting tourism and visitor activities throughout the County via the “Visit Harnett” brand.

LONG-TERM FINANCIAL PLANNING

Harnett County continues to prepare for the future through various initiatives that will enhance the services provided by the County well into the new century. Utilizing policy initiatives, as well as infrastructure improvements, the County is making great strides in many areas. As a demonstration of the County's commitment to financial planning and fiscal health, unassigned fund balance in the general fund was \$41,650,551 or 28.96% of total general fund expenditures and transfers out.

Harnett County continues to respond to the needs associated with being among the fastest growing counties in the state. Economic Development strategies and activities are focused on real estate/product development, existing businesses and industries, business attraction, community and partner engagement, and service delivery. Harnett County is in the forefront of economic development efforts in North Carolina and have prepared our County for investment in a growing economy. It should be noted that this success requires the continued involvement of the County as well as a variety of private and public groups dedicated to its success. The major partner of the County in this regard is the Harnett County Economic Development Partnership (HCEDP) - a 501(c)(3) nonprofit organization supporting the attraction and expansion of businesses creating living-wage jobs and investment.

Assistance to our existing businesses and industries continues through a strong existing industry support program. Regular visits and communications, including recognition of contributions to job growth aids, help to maintain a strong bond between companies and the Economic Development Department. These efforts place Harnett County in the forefront of economic development efforts in North Carolina and have prepared our County for investment in a growing economy. Continued growth requires that the County continue developing infrastructure and, at the same time, ensure that the growth experienced by our communities takes place in a planned and strategic manner. The capital needs of public education will continue to challenge our community as well as the needs of other services.

Infrastructure improvements continue throughout the County in response to the growth which the County continues to experience. A map which details the location and size of the waterlines throughout the County can be viewed on the County's website at www.harnett.org by clicking on Departments, GIS/E-911 Addressing, and then GIS Viewer.

Highway 87, a four-lane highway continues to see strong growth from the major presence at Fort Liberty as thousands of new residents have chosen homes along the corridor. The United States Army Forces Command Headquarters and the United States Army Reserve Command began operation at Fort Liberty in October, 2011. These headquarters continue to aid in luring defense related companies into the area so they can have strong relationships with the entities who contract for all defense services and support those in uniform. Additional public/private efforts will be required to meet the need not only in western Harnett County but in other areas with access to Fort Liberty and Raleigh.

Improvements also continue in a variety of departments and in a variety of service areas. Several ordinances and planning policies continue to be revised and strengthened to deal with ongoing development issues and challenges. Finally, in regard to overall public service, departments continue to strive to improve the level of service provided our citizens. As a result, Harnett County Government has become a model for other counties in our State. This recognition, as well as the enhanced services we provide our citizens, is the result of these efforts and the dedication of our employees.

FINANCIAL INFORMATION

The North Carolina Local Government Budget and Fiscal Control Act govern all local governments and their agencies in North Carolina. The budget is an integral part of a unit's accounting system and daily operations and the County's budgets are adopted as required by the North Carolina General Statutes by July 1 of each year. Formal budgetary accounting is employed as a management control for all funds of the County. Annual budget ordinances are adopted each fiscal year, and amended as required, for the General Fund, all debt service funds, all special revenue funds and for the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the capital project funds. In accordance with State law, the County's budget is prepared on the modified accrual basis, and its accounting records are maintained on that basis. Under modified accrual accounting, revenues are recorded when measurable and available. Expenditures are recorded when a fund liability is incurred, except for unmatured principal and interest on long-term debt and certain compensated absences. Governmental Fund Types, such as the County's General Fund, Special Revenue Funds and Capital Project Funds are reported on the modified accrual basis in the financial statements. The County's Trust and Agency Funds are reported on the accrual basis to recognize receivables and payables. The County's Enterprise funds are reported on the full accrual basis in the financial statements, under which revenues are recorded when earned and expenses are recorded when incurred.

For internal accounting purposes, budgetary control is maintained on a specific line-item basis using an encumbrance system. As purchase orders are issued, corresponding appropriations are reserved for later payment. If an over-encumbrance of balances would result, purchase orders are not written until additional appropriations are made available.

The legal level of control over expenditures is at the department level for the General Fund, Special Revenue funds, and Enterprise funds. The balances in the Capital Reserve Funds will be appropriated when transferred to the General Fund or their respective capital project funds. The County Manager is authorized by the budget ordinance to transfer amounts between line-item expenditures within a department without limitation with an official report on such transfers at the next regular meeting of the board of commissioners. These changes should not result in changes in recurring obligations such as salaries. The manager may not transfer amounts between departments of the same fund or transfer amounts between funds or from any contingency appropriation within a fund. All other transfers, as well

as any revisions that alter the total expenditures of any fund, require prior approval by the board of commissioners. County management is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, (2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

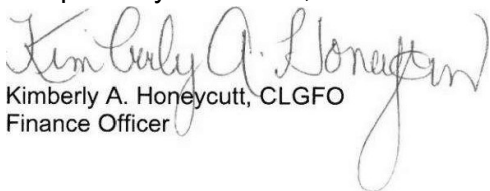
The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The County is self-insured for workers compensation up to \$1 per loss and excess coverage is through Safety National with limits in accordance with current North Carolina workers compensation statutes. Safety National also provides employers liability with limits of \$1,000,000. The County also carries flood insurance through the National Flood Insurance Plan and is also eligible and has purchased commercial flood insurance.

Additional information on the County's risk management can be found in Note 8 in the notes to the financial statement.

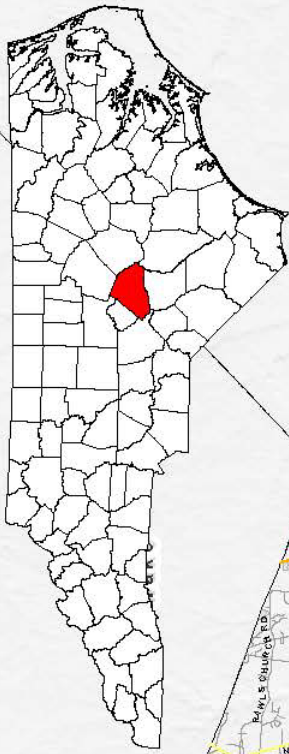
ACKNOWLEDGMENTS

Preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Finance Department. Each member of the Finance Department has my sincere appreciation for their contributions. I would also like to thank the members of the Board of Commissioners and the County Manager for their continued support throughout the past year.

Respectfully submitted,



Kimberly A. Honeycutt, CLGFO
Finance Officer



Johnston

Sampson

Cumberland

Chatham

Lee

Moore

Harnett COUNTY

NORTH CAROLINA

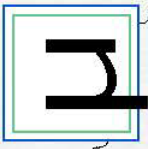
COUNTY MAP

- School
- Campbell University
- Airport
- Park
- Fire Station
- City Limits
- Waterbody
- Interstate
- US Highway
- NC Highway
- County Boundary

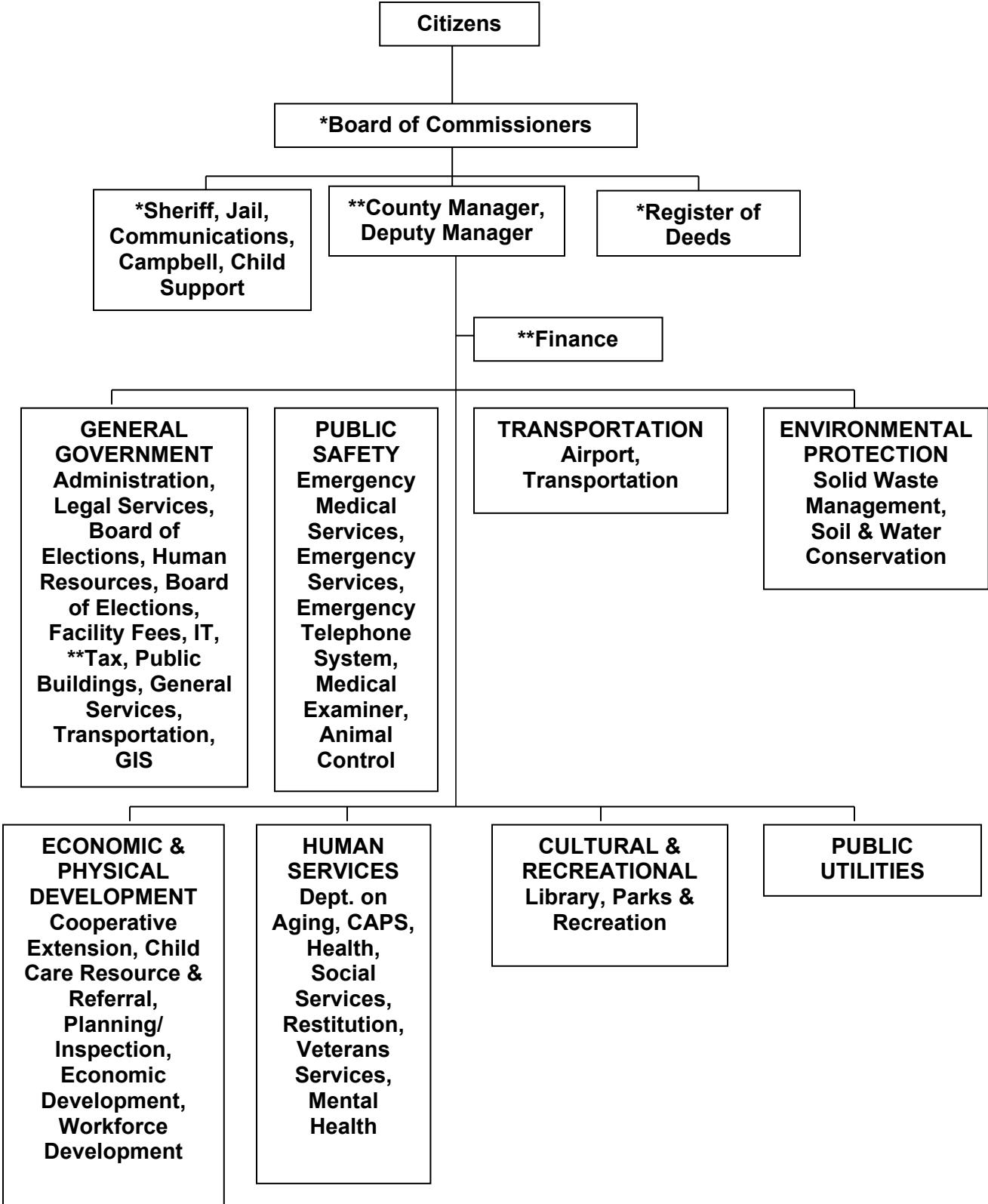
Scale: 1:240,000



Map Prepared by Harnett County GIS
 Date: 11/11/2015
 Projection: StatePlane North Carolina FIPS 3200 Feet
 Datum: North American 1983
 Harnett County GIS Department
 101 W. Harnett Boulevard Suite 100
 Utopia, NC 27545
 Phone: 910-814-8253
 Fax: 910-814-8251
 Email: gis@harnett.org
 Web: www.gis.harnett.org



**HARNETT COUNTY
ORGANIZATIONAL CHART**



* Elected Positions
** Appointed Positions

HARNETT COUNTY, NORTH CAROLINA

Board of County Commissioners

District 1



Barbara McKoy

District 2



William Morris
Vice-Chairman

District 3



W. Brooks Matthews

District 4



Lewis Weatherspoon

District 5



Matthew Nicol
Chairman

County Officers

Brent Trout, County Manager

Coley Price, Assistant County Manager

Mike Morrow, Assistant County Manager

Kimberly A. Honeycutt, CLGFO, Finance Officer

Allen L. Coats, CLGFO, Deputy Finance Officer

Wayne A. Coats, Sheriff

Matthew Willis, Register of Deeds

Dwight Snow, County Attorney

Allison Fenderson, Chairman, Board of Elections

FINANCIAL SECTION

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

“A Professional Association of Certified Public Accountants and Management Consultants”

Independent Auditor’s Report

To the Board of Commissioners
Harnett County
Lillington, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Harnett County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Harnett County, North Carolina, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Opioid Settlement Fund, Special Districts Fund and ARPA Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Post-Employment Benefits' Schedule of Changes in the Net OPEB Liability and Related Ratios, County Contributions, and Investment Returns, the Local Governmental Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Net Pension Liability and Net Pension Liability as a Percentage of Covered Payroll be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the

basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Harnett County's basic financial statements. The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules, 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, Costs 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. Such information is the responsibility of management and was derived from, and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023, on our consideration of Harnett County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose 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 Harnett 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 Harnett County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 30, 2023

Management's Discussion and Analysis

As management of Harnett County, we offer readers of Harnett County's financial statements this narrative overview and analysis of the financial activities of Harnett County for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here, in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

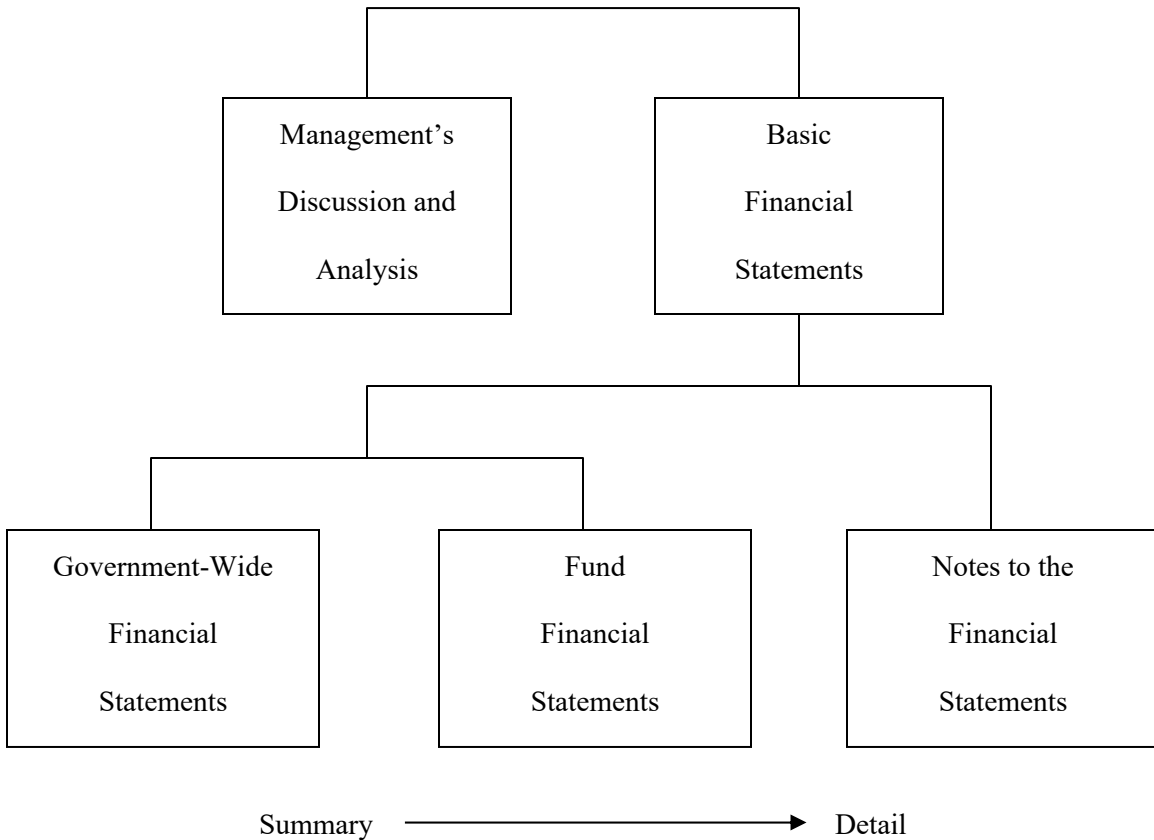
Financial Highlights

- The assets and deferred outflows of resources of Harnett County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$446,246,832 (net position).
- The government's total net position increased by \$59,635,641. This increase was due to an increase in the receipt of charges for services, operating grants and contributions, and local option sales tax for the governmental activities.
- As of the close of the current fiscal year, Harnett County's governmental funds reported combined ending fund balances of \$165,660,695, an increase of \$19,593,091 in comparison with the prior year. Approximately 16% of this total amount, or \$26,803,835, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$51,201,876, or 31.77%, of total General Fund expenditures and transfers out for the fiscal year.
- Harnett County's long-term obligations decreased by \$18,548,918 (8.12%) during the current fiscal year. This decrease was due to no additional debt proceeds in the current year and scheduled principal payments.
- Harnett County has Aa2/AA- General Obligation Bond Ratings and Aa3/A+ Limited Obligation Bond and Certificate of Participation Ratings from Moody's Investors Services and Standard and Poor's, respectively. Additionally, while the County no longer has public Revenue Bond debt outstanding, Moody's Investors Service maintains a Revenue Bond rating of Aa3.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Harnett County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see 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 financial condition of Harnett County.

**Required Components of Annual Financial Report
Figure 1**



Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the **government-wide financial statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits C through N) are **fund financial statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide 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 fund statement. The next section of the basic financial statements is the **notes to the financial statements**. The notes explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's nonmajor governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the County's basic services, such as general government, public safety, environmental protection, transportation, economic and physical development, human services, cultural and recreational, and education. Property taxes and federal and state grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and solid waste services offered by Harnett County.

The government-wide financial statements are part of basic financial statements 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. Harnett 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 Harnett County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Harnett 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 Balances. 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 – Harnett County has one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Harnett County uses enterprise funds to account for its water and sewer activity and for its solid waste management fund. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Harnett County has two fiduciary trust funds, one of which is an OPEB trust fund for reporting purposes and a LEOSA trust fund for reporting purposes and two custodial funds.

Internal Service Funds – The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County has six internal service funds.

Notes to the 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 directly follow the basic financial statements of this report.

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

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$446,246,832 as of June 30, 2023. The County's net position increased by \$59,635,641 for the fiscal year ended June 30, 2023.

The largest portion totaling \$360,168,549 reflects the County's net investment in capital assets (e.g., land, buildings, machinery, and equipment). Harnett County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Harnett County'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. An additional portion of the County's net position totaling \$57,114,767 (12.80%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$28,963,516 is unrestricted.

Harnett County's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Assets						
Cash and cash equivalents	\$ 151,547,410	\$ 120,029,974	\$ 102,181,178	\$ 89,379,414	\$ 253,728,588	\$ 209,409,388
Taxes receivable, net	638,416	598,078	-	-	638,416	598,078
Accounts receivable, net	26,394,050	6,007,029	7,184,080	7,038,183	33,578,130	13,045,212
Due from other governments	12,741,392	13,251,049	-	-	12,741,392	13,251,049
Internal balance	(2,842,811)	(2,635,037)	2,842,811	2,635,037	-	-
Note receivable	2,175,500	2,175,500	-	-	2,175,500	2,175,500
Inventories	83,562	26,132	897,750	905,064	981,312	931,196
Prepaid items	89,463	1,657	-	-	89,463	1,657
Restricted assets:						
Cash and cash equivalents	41,120,827	59,394,962	2,001,899	2,042,795	43,122,726	61,437,757
Net pension asset	179,924	251,852	-	-	179,924	251,852
Capital assets:						
Land and construction in progress	40,071,709	34,614,664	42,905,566	38,735,850	82,977,275	73,350,514
Other capital assets, net	70,018,021	69,768,922	289,610,903	297,053,797	359,628,924	366,822,719
Total assets	<u>342,217,463</u>	<u>303,484,782</u>	<u>447,624,187</u>	<u>437,790,140</u>	<u>789,841,650</u>	<u>741,274,922</u>
Deferred Outflows of Resources	<u>31,393,287</u>	<u>26,443,494</u>	<u>4,602,906</u>	<u>3,718,289</u>	<u>35,996,193</u>	<u>30,161,783</u>
Liabilities						
Accounts payable	13,671,025	16,202,421	1,801,860	2,406,260	15,472,885	18,608,681
Customer deposits	-	-	2,001,899	2,042,795	2,001,899	2,042,795
Unearned revenue	26,143,870	20,142,238	229,964	226,233	26,373,834	20,368,471
Current portion of compensated absences	2,350,715	2,396,354	568,872	661,017	2,919,587	3,057,371
Claims payable - current	150,000	150,000	-	-	150,000	150,000
Long-term liabilities:						
Non-current portion of compensated absences	783,572	798,784	189,623	220,339	973,195	1,019,123
Claims payable - non-current	249,154	84,261	-	-	249,154	84,261
Due in less than one year	18,482,442	17,532,417	3,653,576	3,752,576	22,136,018	21,284,993
Due in more than one year	247,690,559	243,826,271	48,298,551	48,303,071	295,989,110	292,129,342
Total liabilities	<u>309,521,337</u>	<u>301,132,746</u>	<u>56,744,345</u>	<u>57,612,291</u>	<u>366,265,682</u>	<u>358,745,037</u>
Deferred Inflows of Resources	<u>11,434,838</u>	<u>22,220,845</u>	<u>1,890,491</u>	<u>3,859,632</u>	<u>13,325,329</u>	<u>26,080,477</u>
Net Position						
Net investment in capital assets	66,070,060	57,578,059	294,098,489	293,777,712	360,168,549	351,355,771
Restricted for:						
Stabilization by state statute	32,555,406	20,252,985	-	-	32,555,406	20,252,985
Register of Deeds	403,129	454,813	-	-	403,129	454,813
General government	14,398	6,860	-	-	14,398	6,860
Public safety	24,111,063	3,477,381	-	-	24,111,063	3,477,381
Memorials	30,771	219,569	-	-	30,771	219,569
Unrestricted	(70,530,252)	(75,414,982)	99,493,768	86,258,794	28,963,516	10,843,812
Total net position	<u>\$ 52,654,575</u>	<u>\$ 6,574,685</u>	<u>\$ 393,592,257</u>	<u>\$ 380,036,506</u>	<u>\$ 446,246,832</u>	<u>\$ 386,611,191</u>

As with many counties in the State of North Carolina, the County's unrestricted net position is low or negative due primarily to the portion of the County's outstanding debt incurred for the County Board of Education (the "school system") and the Central Carolina Community College (CCCC). Under North Carolina law, the County is responsible for providing capital funding for the school systems. The County has chosen to meet its legal obligation to provide the school systems capital funding by using a mixture of County funds. The assets funded by the County, however, are owned and utilized by the school systems. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$148.6 million of the outstanding debt on the County's financial statements was related to assets included in the school systems' financial statements. However, the school system's related debt is installment purchases financed by the governmental funds and are repaid from the resources of the General Fund. Accordingly, 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 which they become due.

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

- continued diligence in the collection of current year property taxes by achieving a collection percentage of 99.43% for real and personal property.
- an increase in sales tax revenue.
- continued low cost of debt due to the County's bond rating.

Harnett County's Changes in Net Position
Figure 3

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:						
Program revenues:						
Charges for services	\$ 53,071,332	\$ 37,707,274	\$ 58,240,230	\$ 57,740,507	\$ 111,311,562	\$ 95,447,781
Operating grants and contributions	29,480,854	9,041,339	-	-	29,480,854	9,041,339
Capital grants and contributions	-	-	10,654,949	7,766,687	10,654,949	7,766,687
General revenues:						
Property taxes	92,631,013	85,540,859	-	-	92,631,013	85,540,859
Local option sales tax	48,835,887	44,617,913	-	-	48,835,887	44,617,913
Other taxes and licenses	5,460,901	1,848,542	378,939	333,365	5,839,840	2,181,907
Unrestricted intergovernmental	45,001	15,078	-	-	45,001	15,078
Investment earnings	8,523,762	146,776	573,605	1,559	9,097,367	148,335
Total revenues	<u>238,048,750</u>	<u>178,917,781</u>	<u>69,847,723</u>	<u>65,842,118</u>	<u>307,896,473</u>	<u>244,759,899</u>
Expenses:						
General government	20,108,801	19,397,236	-	-	20,108,801	19,397,236
Public safety	62,024,084	58,526,377	-	-	62,024,084	58,526,377
Transportation	585,124	414,281	-	-	585,124	414,281
Environmental protection	440,337	265,800	-	-	440,337	265,800
Economic and physical development	11,356,233	4,715,574	-	-	11,356,233	4,715,574
Human services	30,330,752	24,138,142	-	-	30,330,752	24,138,142
Cultural and recreation	4,265,525	3,091,532	-	-	4,265,525	3,091,532
Education	54,820,083	62,205,098	-	-	54,820,083	62,205,098
Interest on long-term debt	8,037,921	8,454,218	-	-	8,037,921	8,454,218
Landfill	-	-	6,401,955	6,243,062	6,401,955	6,243,062
Water and sewer	-	-	49,890,017	39,523,538	49,890,017	39,523,538
Total expenses	<u>191,968,860</u>	<u>181,208,258</u>	<u>56,291,972</u>	<u>45,766,600</u>	<u>248,260,832</u>	<u>226,974,858</u>
Change in net position	46,079,890	(2,290,477)	13,555,751	20,075,518	59,635,641	17,785,041
Net position, July 1	<u>6,574,685</u>	<u>8,865,162</u>	<u>380,036,506</u>	<u>359,960,988</u>	<u>386,611,191</u>	<u>368,826,150</u>
Net position, June 30	<u>\$ 52,654,575</u>	<u>\$ 6,574,685</u>	<u>\$ 393,592,257</u>	<u>\$ 380,036,506</u>	<u>\$ 446,246,832</u>	<u>\$ 386,611,191</u>

Governmental Activities. Governmental activities increased the County's net position by \$46,079,890. Key elements of this increase are as follows:

- The most significant change in the governmental activities net position over the prior fiscal year was charges for services reported which increased \$15,364,058 or 40.7%. This change reflected an increase in activity for several areas. These areas included the Article 46 Sales Tax which is the local option sales tax restricted for education capital and debt funding; Article 44, which is the restricted portion of the sales tax expansion base; Special Districts which restricts the collection of ad valorem and sales tax for the fire districts and the Asset Forfeiture Fund which accounts for the assets seized as a result of criminal activity.
- Another significant impact in revenues was attributed to an \$8,376,986 or 5,707% increase in investment earnings over the prior year. Through a defined plan of action, the County has worked to invest in its human and capital assets while at the same time, setting aside funds to meet needs which previously would not have been possible unless through the issuance of debt. The County's fiscal management involves the strategic allocation and monitoring of financial resources in order to achieve long-term stability. The County's successful fiscal management has resulted in an increase in fund balance that has allowed the County to save and invest idle funds and take advantage of increasing interest rates allowing earnings to fund future needs. An integral part of this plan also included an investment policy which allows the County to invest idle funds.
- Harnett County has historically recognized strong collection percentages for ad valorem taxes. The collection rate continues to be strong with the fiscal year ending 2023 at a rate of 99.43% compared to a collection rate of 99.46% for the year ending 2022. Total property valuation grew from \$9,901,786,809 in fiscal year 2022 to \$10,736,765,508 in fiscal year 2023.
- Collections of local option sales tax remained strong for the Governmental Funds increasing to \$48,835,887 from \$44,617,913. The County continues to educate its citizens on the importance of using the zip-plus-four when ordering online to ensure that local option sales tax are captured. The total sales tax collection of \$48,835,887, included allocations to the General Fund, Special Districts for Fire Protection and Education for the payment of debt service.
- Property taxes increased by \$7,090,154 or 8.3% from \$85,540,859 for Fiscal Year 2022 to \$92,631,013 for Fiscal Year 2023. The County remains strong in its collection of taxes as evidenced by a collection rate to 99.43%.

Overall expenses for Governmental Activities increased to \$191,978,860 from \$181,208,258 over the prior year. A highlight of these include:

- Expenditures for Economic and Physical Development increased to \$11,356,233 from \$4,715,574 or 140.82%. Contributing to this increase was primarily due to increased expenditures for the Aircraft Apron and Helipad design, Jetport Master Plan, and Broadband Development capital projects.
- Expenditures for Human Services increased to \$30,330,752 from \$24,138,142 or 25.65%. Contributing to this increase was additional funding for salaries as the County works to attract and retain personnel to address staffing shortages.
- Expenditures for Public Safety increased to \$62,024,084 from \$58,526,377 or 5.98%. Contributing to this increase was additional funding for salaries as the County works to attract and retain law enforcement and emergency medical personnel to address staffing shortages. In addition, this expenditures increased for capital outlay for public safety.

Business-Type Activities. Business-type activities increased Harnett County's net position by \$13,555,751. Key elements of this increase are as follows:

- Revenues increased due to the growth of water and sewer connections that Public Utilities provides for its citizens, in residential water sales, as well as neighboring counties in the sale of water to Moore and Johnston County. This activity continues to make Public Utilities one of the largest providers in the state. With that distinction, the number of customers and service connections continue to grow from year to year. Public Utilities' continually monitors the impact of their fee structure each year and its impact on the associated revenue bonds. In response, fees are adjusted to maintain the required debt coverage and to maintain consistency with cost-of-living impact.
- The increase in the net position of the business-type activities was also due to an increase in the Operating Grants and Contributions associated with system infrastructure.
- The landfill services provided by Solid Waste continue to positively impact the revenue generated. Solid Waste continues to improve their financial position through the collection of accounts receivable and landfill activity.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Harnett County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Harnett County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Harnett County. At the end of the current fiscal year, the County's fund balance available in the General Fund was \$103,449,151, while total fund balance reached \$125,116,051. The County currently has an available fund balance of 64.18% of general fund expenditures and transfers out, while total fund balance represents 77.63% of the same amount. The increase in the County's fund balance can be attributed to many areas. The tax collection percentage of the County continues to remain a strong point of its strengthening fund balance. For 2023, the County's tax collection rate was 99.43%.

At June 30, 2023, the governmental funds of Harnett County reported a combined fund balance of \$165,660,695, a 13.41% increase over last year. The primary reason for this increase was increases in local options sales tax and various other revenue streams while keeping expenditures monitored and below budget.

Proprietary Funds. Harnett County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the fiscal year amounted to \$8,196,987, and those for the Water and Sewer Fund equaled \$88,453,970. The total growth in net position for both funds was \$2,459,066 and \$10,888,911, respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of Harnett County's business-type activities.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the 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 appropriations by \$22,373,904. Following are the main components of this increase:

- \$4,481,939 was to budget additional funding for Human Services expenditures which included salaries, medical supplies, LIHWAP and Foster Care program expenses, and capital outlay for mobile medical unit.
- \$6,523,456 was to budget additional restricted intergovernmental revenues for various grant programs.
- \$11,403,697 was to budget additional funding for Public Safety expenditures which included salaries associated with law enforcement and emergency medical personnel to address staffing recruitment and retention.

Capital Asset and Debt Administration

Capital Assets. Harnett County’s capital assets for its governmental and business–type activities as of June 30, 2023, totals \$442,606,199 (net of accumulated depreciation). These assets include buildings, land, construction in progress, buildings, land improvements, furniture, computer hardware, computer software, fixtures, machinery and equipment, park facilities, vehicles and plant distribution, and collection systems.

Major capital asset transactions during the year include:

- Purchases of vehicles and software for the Sheriff, Emergency Services, Animal Service, Planning and Social Services Departments.
- Addition of construction in progress on water and sewer plant facilities and airport construction projects
- Addition of several contributed water lines

Harnett County’s Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,577,178	\$ 3,577,178	\$ 2,760,532	\$ 2,760,532	\$ 6,337,710	\$ 6,337,710
Plant, distribution, and collection systems	-	-	276,330,481	282,708,088	276,330,481	282,708,088
Buildings	61,842,964	62,525,283	11,848,382	13,004,796	73,691,346	75,530,079
Land improvements	1,007,295	2,288,100	-	-	1,007,295	2,288,100
Equipment	1,475,016	1,137,755	880,212	692,843	2,355,228	1,830,598
Vehicles	2,967,535	2,922,391	551,828	648,070	3,519,363	3,570,461
Leased assets	2,725,211	895,393	-	-	2,725,211	895,393
Construction in progress	36,494,531	31,037,486	40,145,034	35,975,318	76,639,565	67,012,804
Total	<u>\$ 110,089,730</u>	<u>\$ 104,383,586</u>	<u>\$ 332,516,469</u>	<u>\$ 335,789,647</u>	<u>\$ 442,606,199</u>	<u>\$ 440,173,233</u>

Additional information on Harnett County’s capital assets can be found in Note 2 beginning on page 58 of this report.

Long-Term Debt. As of June 30, 2023, Harnett County had total debt outstanding of \$210,011,538. Of this amount, \$97,453,000 represents general obligation bonds issued by the County’s governmental funds and water and sewer districts to fund the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County.

At June 30, 2023, the County’s outstanding debt consisted of:

Harnett County’s Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Installment purchases -						
Direct placement	\$ 39,753,538	\$ 41,468,456	\$ -	\$ -	\$ 39,753,538	\$ 41,468,456
General obligation bonds	86,250,000	91,250,000	11,203,000	11,452,000	97,453,000	102,702,000
Limited obligation bonds	48,060,000	56,540,000	13,105,000	14,330,000	61,165,000	70,870,000
Revenue bonds	-	-	11,640,000	13,520,000	11,640,000	13,520,000
Total	<u>\$ 174,063,538</u>	<u>\$ 189,258,456</u>	<u>\$ 35,948,000</u>	<u>\$ 39,302,000</u>	<u>\$ 210,011,538</u>	<u>\$ 228,560,456</u>

Harnett County’s total debt decreased by \$18,548,918 (8.12%) during the past fiscal year, primarily due to scheduled debt payments in the current year.

As mentioned in the financial highlights section of this document, Harnett County held the following ratings:

- General Obligation: Moody’s – Aa2
Standard & Poor’s - AA-
- Revenue: Moody’s – Aa3
- COPS/LOBS: Moody’s – Aa3
Standard & Poor’s - A+

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for Harnett County is approximately \$888,915,692.

Additional information on Harnett County’s long-term debt can be found in Note 2 beginning on page 63 of this report.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for Harnett County, according to the American Community Survey (ACS) for the fiscal year ending June 30, 2023 has been estimated to be 4.2% which is an increase from a rate of 1.3% a year ago.
- G.S. 105-287 requires that units of local government reappraise real property at least once every eight years. The County, on the recommendation of the NC Department of Revenue, has adopted a resolution to move to a four-year appraisal cycle. The County’s next reappraisal is scheduled for January 1, 2026. The total property valuation for the fiscal year ended 2023 was \$10,736,765,508 up from \$9,901,786,809 for fiscal year ended 2022.
- Total sales tax collections continued to increase during the fiscal year ended June 30, 2023 to \$48,835,887 from \$44,617,913 from the year ended June 30, 2022, an increase of 9.45% over last year’s collections. The County will continue to monitor and budget conservatively.
- Harnett County’s population remained stable for the fiscal year. The American Community Survey (ACS) one year estimates have estimated Harnett County’s population at 136,820.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities. Collections from property taxes, sales tax and revenues from sales and services are expected to lead the increase in revenue projections, and the County will use these increases to finance programs currently in place. Harnett County continually evaluates property on a yearly basis. The County's continued aggressive tax collection effort provides an analysis of future income.

Expenditures in the General Fund have been budgeted at \$158,069,637 and include amounts appropriated for interfund transfers for debt service and capital reserve. The budget decreased over the fiscal year ended 2023 budget due to reduced appropriations for capital reserve made during the fiscal year in accordance with the County's fiscal policy which directs a defined distribution of excess fund balance to capital reserves, one-time expenditures and the reduction of debt principal. This decrease was offset due to funds budgeted for salaries for staff retention and to ensure that the County remains competitive in attracting exceptional talent to serve the citizens of Harnett County. The County adopts a seven-year capital plan for the General Fund in the prior fiscal year and approves capital purchases as part of a defined CIP plan each fall for the upcoming year. This proactive plan addresses upcoming capital needs and the transfer of funds to meet these needs and contains an appropriation for maintenance of the school's facilities. The 2023-2024 budget has been developed with the purpose of supporting the strategic goals and priorities of the County Commissioners. The budget provides the funding needed by the schools, community college and other departments to continue to provide the quality service and support that the citizens of Harnett County expect. The County continues to experience rapid growth and the Board of Commissioners understands this growth and the potential impact it has upon the County. The 2024 Budget contains an appropriation from fund balance in the amount of \$4,985,964.

Business-Type Activities. Harnett Regional Water increased fees for the 2023-2024 fiscal year. A complete list of the fees can be found on the county's website at www.harnett.org/budget/downloads/FY24approveddocument.pdf, Attachment A. The rates for Solid Waste remained unchanged for landfill activity. Expenditures for public utilities and solid waste for the fiscal year have been budgeted at \$43,338,000 and \$8,789,000 respectively. These budgeted expenditures will cover personnel, supplies, and operating costs associated with the increasing demand for utility and landfill services due to growth.

Requests for Information

This report is designed to provide an overview of the County's 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 Director of Finance, Harnett County, P.O. Box 760, 455 McKinney Parkway, Lillington, North Carolina 27546.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a summary overview of the financial position of all funds and account groups and of the operating results of all funds. They also serve as a condensed introduction to the more detailed statements that follow.

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HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 151,547,410	\$ 102,181,178	\$ 253,728,588
Taxes receivable, net	638,416	-	638,416
Accounts receivable, net	19,244,567	7,184,080	26,428,647
Due from other governments	12,741,392	-	12,741,392
Lease receivable	36,842	-	36,842
Internal balance	(2,842,811)	2,842,811	-
Inventories	83,562	897,750	981,312
Prepaid items	89,463	-	89,463
Restricted assets:			
Cash and cash equivalents	41,120,827	2,001,899	43,122,726
Total current assets	222,659,668	115,107,718	337,767,386
Non-current assets:			
Net pension asset	179,924	-	179,924
Note receivable	2,175,500	-	2,175,500
Lease receivable	139,809	-	139,809
Accounts receivable, net	6,972,832	-	6,972,832
Capital assets:			
Land and construction in progress	40,071,709	42,905,566	82,977,275
Other capital assets, net	67,292,810	289,610,903	356,903,713
Right to use assets, net	2,725,211	-	2,725,211
Total non-current assets	119,557,795	332,516,469	452,074,264
Total assets	342,217,463	447,624,187	789,841,650
Deferred Outflows of Resources:			
Pension deferrals	19,266,711	3,184,682	22,451,393
OPEB deferrals	6,228,325	1,099,116	7,327,441
Charge on refunding	5,898,251	319,108	6,217,359
Total deferred outflows of resources	31,393,287	4,602,906	35,996,193
Liabilities:			
Current liabilities:			
Accounts payable	13,671,025	1,801,860	15,472,885
Customer deposits payable from restricted assets	-	2,001,899	2,001,899
Unearned revenue	26,143,870	229,964	26,373,834
Current portion of compensated absences	2,350,715	568,872	2,919,587
Claims payable current	150,000	-	150,000
Due within one year	18,482,442	3,653,576	22,136,018
Total current liabilities	60,798,052	8,256,171	69,054,223

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Non-current liabilities:			
Non-current portion of compensated absences	783,572	189,623	973,195
Claims payable, non-current	249,154	-	249,154
Net pension liability - LEOSSA	4,076,595	-	4,076,595
Net pension liability - LGERS	26,849,362	4,738,124	31,587,486
Net OPEB liability	40,668,687	7,176,826	47,845,513
Due in more than one year	176,095,915	36,383,601	212,479,516
Total non-current liabilities	248,723,285	48,488,174	297,211,459
Total liabilities	309,521,337	56,744,345	366,265,682
Deferred Inflows of Resources:			
Pension deferrals	1,144,319	104,623	1,248,942
OPEB deferrals	10,119,918	1,785,868	11,905,786
Lease deferrals	168,981	-	168,981
Prepaid taxes	1,620	-	1,620
Total deferred inflows of resources	11,434,838	1,890,491	13,325,329
Net Position:			
Net investment in capital assets	66,070,060	294,098,489	360,168,549
Restricted for:			
Stabilization by state statute	32,555,406	-	32,555,406
Register of Deeds' pension plan	262,473	-	262,473
Register of Deeds	140,656	-	140,656
General government	14,398	-	14,398
Public safety	24,111,063	-	24,111,063
Human services	30,771	-	30,771
Unrestricted	(70,530,252)	99,493,768	28,963,516
Total net position	\$ 52,654,575	\$ 393,592,257	\$ 446,246,832

The accompanying notes an integral part of the financial statements.

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HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 20,108,801	\$ 24,194,043	\$ 4,077,093	\$ -
Public safety	62,024,084	22,431,210	11,691,195	-
Transportation	585,124	-	1,580,790	-
Environmental protection	440,337	-	71,464	-
Economic and physical development	11,356,233	-	54,312	-
Human services	30,330,752	6,446,079	11,434,286	-
Cultural and recreational	4,265,525	-	571,714	-
Education	54,820,083	-	-	-
Interest on long-term debt	8,037,921	-	-	-
Total governmental activities	<u>191,968,860</u>	<u>53,071,332</u>	<u>29,480,854</u>	<u>-</u>
Business-Type Activities:				
Water and sewer	49,890,017	49,744,356	-	10,654,949
Solid waste	6,401,955	8,495,874	-	-
Total business-type activities	<u>56,291,972</u>	<u>58,240,230</u>	<u>-</u>	<u>10,654,949</u>
Total primary government	<u>\$ 248,260,832</u>	<u>\$ 111,311,562</u>	<u>\$ 29,480,854</u>	<u>\$ 10,654,949</u>

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs:			
Primary Government:			
Governmental Activities:			
General government	\$ 8,162,335	\$ -	\$ 8,162,335
Public safety	(27,901,679)	-	(27,901,679)
Transportation	995,666	-	995,666
Environmental protection	(368,873)	-	(368,873)
Economic and physical development	(11,301,921)	-	(11,301,921)
Human services	(12,450,387)	-	(12,450,387)
Cultural and recreational	(3,693,811)	-	(3,693,811)
Education	(54,820,083)	-	(54,820,083)
Interest on long-term debt	(8,037,921)	-	(8,037,921)
Total governmental activities	(109,416,674)	-	(109,416,674)
Business-Type Activities:			
Water and sewer	-	10,509,288	10,509,288
Solid waste	-	2,093,919	2,093,919
Total business-type activities	-	12,603,207	12,603,207
Total primary government	(109,416,674)	12,603,207	(96,813,467)
General Revenues:			
Ad valorem taxes	92,631,013	-	92,631,013
Local option sales tax	48,835,887	-	48,835,887
Other taxes and licenses	5,460,901	378,939	5,839,840
Unrestricted intergovernmental revenues	45,001	-	45,001
Interest earned on investments, unrestricted	8,523,762	573,605	9,097,367
Total general revenues	155,496,564	952,544	156,449,108
Change in net position	46,079,890	13,555,751	59,635,641
Net Position:			
Beginning of year - July 1	6,574,685	380,036,506	386,611,191
End of year - June 30	\$ 52,654,575	\$ 393,592,257	\$ 446,246,832

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

HARNETT COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	ARPA Fund	Opioid Settlement Fund	Special Districts Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and investments	\$ 108,580,190	\$ 901,073	\$ -	\$ 366,320	\$ 18,763,387	\$ 128,610,970
Taxes receivable, net	574,270	-	-	64,146	-	638,416
Accounts receivable, net	4,425,556	-	8,546,766	960,926	12,283,775	26,217,023
Due from other funds	2,143,757	-	-	-	-	2,143,757
Due from other governments	12,741,392	-	-	-	-	12,741,392
Note receivable	2,175,500	-	-	-	-	2,175,500
Lease receivable	176,651	-	-	-	-	176,651
Inventories	83,562	-	-	-	-	83,562
Prepaid items	89,463	-	-	-	-	89,463
Restricted assets:						
Restricted cash and cash equivalents	6,000,000	19,410,247	843,108	-	14,867,472	41,120,827
Total assets	<u>\$ 136,990,341</u>	<u>\$ 20,311,320</u>	<u>\$ 9,389,874</u>	<u>\$ 1,391,392</u>	<u>\$ 45,914,634</u>	<u>\$ 213,997,561</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 5,129,419	\$ -	\$ -	\$ 476,161	\$ 5,087,876	\$ 10,693,456
Due to other funds	-	-	-	-	2,143,757	2,143,757
Unearned grant revenue	6,000,000	19,410,247	-	-	733,623	26,143,870
Total liabilities	<u>11,129,419</u>	<u>19,410,247</u>	<u>-</u>	<u>476,161</u>	<u>7,965,256</u>	<u>38,981,083</u>
Deferred Inflows of Resources:						
Prepaid taxes	1,620	-	-	-	-	1,620
Lease deferral	168,981	-	-	-	-	168,981
Unavailable revenue	-	-	8,546,766	-	-	8,546,766
Property tax receivable	574,270	-	-	64,146	-	638,416
Total deferred inflows of resources	<u>744,871</u>	<u>-</u>	<u>8,546,766</u>	<u>64,146</u>	<u>-</u>	<u>9,355,783</u>
Fund Balances:						
Non-spendable:						
Leases	7,670	-	-	-	-	7,670
Inventories	83,562	-	-	-	-	83,562
Prepaid items	89,463	-	-	-	-	89,463
Note receivable	2,175,500	-	-	-	-	2,175,500
Restricted:						
Restricted for stabilization by state statute	19,310,705	-	-	960,926	12,283,775	32,555,406
Restricted for Register of Deeds	-	-	-	-	140,656	140,656
Restricted for general government	-	-	-	-	14,398	14,398
Restricted for education	-	-	-	-	14,087,800	14,087,800
Restricted for public safety	-	19,410,247	843,108	-	3,857,708	24,111,063
Restricted for health and human services	-	-	-	-	30,771	30,771
Committed:						
Committed for general government	-	-	-	-	677,844	677,844
Committed for economic development	-	-	-	-	7,636,309	7,636,309
Committed for culture and recreation	-	-	-	-	498,352	498,352
Committed for education	-	-	-	-	4,424,234	4,424,234
Committed for debt service	21,684,428	-	-	-	-	21,684,428
Assigned	30,562,847	-	-	-	76,557	30,639,404
Unassigned	51,201,876	(18,509,174)	-	(109,841)	(5,779,026)	26,803,835
Total fund balances	<u>125,116,051</u>	<u>901,073</u>	<u>843,108</u>	<u>851,085</u>	<u>37,949,378</u>	<u>165,660,695</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 136,990,341</u>	<u>\$ 20,311,320</u>	<u>\$ 9,389,874</u>	<u>\$ 1,391,392</u>	<u>\$ 45,914,634</u>	<u>\$ 213,997,561</u>

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

HARNETT COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - modified accrual	\$ 165,660,695
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	110,089,730
Net pension asset	179,924
Net pension liability - LGERS	(26,849,362)
Net pension liability - LEOSSA	(4,076,595)
Net OPEB liability	(40,668,687)
Deferred outflows of resources related to pensions are not reported in the funds.	19,266,711
Deferred outflows of resources related to OPEB are not reported in the funds.	6,228,325
Deferred inflows of resources related to pensions are not reported in the funds.	(1,144,319)
Deferred inflows of resources related to OPEB are not reported in the funds.	(10,119,918)
Deferred outflow related to bond refunding is not available to pay for current-period expenditures and, therefore, are deferred in the funds.	5,898,251
Long-term debt and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	
Long-term liabilities	(194,578,357)
Compensated absences	(3,134,287)
Accrued interest payable	(1,666,604)
Consolidation of Internal Service Fund	18,383,886
Deferred inflows of resources in the governmental funds are used to offset accounts receivable expected to be available within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position.	<u>9,185,182</u>
Net position of governmental activities (Exhibit A)	<u>\$ 52,654,575</u>

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General	ARPA Fund	Opioid Settlement Fund	Special Districts Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Ad valorem taxes	\$ 79,931,250	\$ -	\$ -	\$ 12,659,425	\$ -	\$ 92,590,675
Other taxes and licenses	50,583,700	-	-	3,713,088	-	54,296,788
Unrestricted intergovernmental revenues	45,001	-	-	-	-	45,001
Restricted intergovernmental revenues	24,945,746	7,001,497	825,731	-	17,361,303	50,134,277
Permits and fees	1,142,203	-	-	-	1,476,815	2,619,018
Sales and services	13,554,258	-	-	-	388,269	13,942,527
Investment earnings	5,954,689	880,076	17,351	-	1,671,646	8,523,762
Other general revenues	5,281,029	-	-	-	-	5,281,029
Total revenues	<u>181,437,876</u>	<u>7,881,573</u>	<u>843,082</u>	<u>16,372,513</u>	<u>20,898,033</u>	<u>227,433,077</u>
Expenditures:						
Current:						
General government	20,805,215	-	-	-	2,645,348	23,450,563
Public safety	44,945,561	5,752,049	-	12,664,583	1,547,145	64,909,338
Transportation	454,271	-	-	-	-	454,271
Environmental protection	440,337	-	-	-	-	440,337
Economic and physical development	3,492,106	-	-	-	6,243,767	9,735,873
Human services	28,853,658	-	-	-	537,526	29,391,184
Cultural and recreation	4,245,949	-	-	-	-	4,245,949
Education	28,109,857	-	-	3,084,477	23,625,749	54,820,083
Debt service:						
Principal repayments	16,683,427	-	-	-	-	16,683,427
Interest and fees	7,072,844	-	-	-	-	7,072,844
Total expenditures	<u>155,103,225</u>	<u>5,752,049</u>	<u>-</u>	<u>15,749,060</u>	<u>34,599,535</u>	<u>211,203,869</u>
Revenues over (under) expenditures	<u>26,334,651</u>	<u>2,129,524</u>	<u>843,082</u>	<u>623,453</u>	<u>(13,701,502)</u>	<u>16,229,208</u>
Other Financing Sources (Uses):						
Lease liability issued	236,537	-	-	-	-	236,537
Subscription liabilities issued	3,127,346	-	-	-	-	3,127,346
Transfers to other funds	(9,436,358)	(1,249,448)	-	-	(4,100,432)	(14,786,238)
Transfers from other funds	1,657,410	-	-	-	13,128,828	14,786,238
Total other financing sources (uses)	<u>(4,415,065)</u>	<u>(1,249,448)</u>	<u>-</u>	<u>-</u>	<u>9,028,396</u>	<u>3,363,883</u>
Net change in fund balances	21,919,586	880,076	843,082	623,453	(4,673,106)	19,593,091
Fund Balances:						
Beginning of year - July 1	<u>103,196,465</u>	<u>20,997</u>	<u>26</u>	<u>227,632</u>	<u>42,622,484</u>	<u>146,067,604</u>
End of year - June 30	<u>\$ 125,116,051</u>	<u>\$ 901,073</u>	<u>\$ 843,108</u>	<u>\$ 851,085</u>	<u>\$ 37,949,378</u>	<u>\$ 165,660,695</u>

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

HARNETT COUNTY, 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, 2023

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D) \$ 19,593,091

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 90 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:
the following revenue types:

Property taxes	40,338
Grant revenues	8,546,766

Expenses related to compensated absences and debt premiums that do not require current financial resources are not reported as expenditures in the governmental funds statement.	2,278,140
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Pension expense - LEOSSA	(214,044)
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Pension expense - LGERS	(1,900,029)
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Pension expense - ROD	(7,670)
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OPEB plan expense	(1,707,799)
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Expenses related to accrued interest and prepaid tax penalties that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(38,314)
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Deferred charges related to refunded debt that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(926,763)
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Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	13,076,511
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Depreciation and amortization expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(6,703,082)
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Loss on sale of asset	(667,285)
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Principal repayments and refunding of debt are reported as expenditures in the governmental funds statements. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	16,683,427
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Consolidation of Internal Service Fund	1,390,486
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Long-term liabilities from the issuance of debt and the issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, proceeds from the issuance of debt are not a revenue, rather they are an increase in liabilities.	<u>(3,363,883)</u>
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Change in net position of governmental activities (Exhibit B)	<u>\$ 46,079,890</u>
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The accompanying notes are an integral part of the financial statements.

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from Final Budget Over/Under</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Ad valorem taxes	\$ 77,645,000	\$ 77,645,000	\$ 79,931,250	\$ 2,286,250
Other taxes and licenses	37,254,917	37,254,917	50,583,700	13,328,783
Unrestricted intergovernmental revenues	14,000	14,000	45,001	31,001
Restricted intergovernmental revenues	17,986,091	24,509,547	24,945,746	436,199
Permits and fees	1,128,000	1,128,000	1,142,203	14,203
Sales and services	9,819,796	10,798,845	13,554,258	2,755,413
Investment earnings	250,000	250,000	5,954,689	5,704,689
Other general revenues	4,538,892	5,335,817	5,281,029	(54,788)
Total revenues	<u>148,636,696</u>	<u>156,936,126</u>	<u>181,437,876</u>	<u>24,501,750</u>
Expenditures:				
General government	22,136,361	24,716,954	20,805,215	3,911,739
Public safety	42,490,369	53,894,066	44,945,561	8,948,505
Transportation	969,421	1,131,699	454,271	677,428
Environmental protection	474,170	474,170	440,337	33,833
Economic and physical development	3,944,995	3,986,325	3,492,106	494,219
Human services	29,365,233	33,847,172	28,853,658	4,993,514
Cultural and recreation	4,061,930	5,104,319	4,245,949	858,370
Education	29,595,722	30,757,400	28,109,857	2,647,543
Debt service:				
Principal repayments	15,318,154	16,818,154	16,683,427	134,727
Interest and fees	7,076,763	7,076,763	7,072,844	3,919
Total expenditures	<u>155,433,118</u>	<u>177,807,022</u>	<u>155,103,225</u>	<u>22,703,797</u>
Revenues over (under) expenditures	<u>(6,796,422)</u>	<u>(20,870,896)</u>	<u>26,334,651</u>	<u>47,205,547</u>
Other Financing Sources (Uses):				
Transfers to other funds	(13,543,813)	(38,301,526)	(9,436,358)	28,865,168
Transfers from other funds	12,602,285	21,537,082	1,657,410	(19,879,672)
Lease liability issued	-	250,000	236,537	(13,463)
Subscription liabilities issued	-	3,500,000	3,127,346	(372,654)
Appropriated fund balance	<u>7,737,950</u>	<u>33,885,340</u>	<u>-</u>	<u>(33,885,340)</u>
Total other financing sources (uses)	<u>6,796,422</u>	<u>20,870,896</u>	<u>(4,415,065)</u>	<u>(25,285,961)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>21,919,586</u>	<u>\$ 21,919,586</u>
Fund Balance:				
Beginning of year - July 1			<u>103,196,465</u>	
End of year - June 30			<u>\$ 125,116,051</u>	

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

HARNETT COUNTY, NORTH CAROLINA

MAJOR SPECIAL REVENUE FUND - OPIOID SETTLEMENT FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2023

	2023			
	Original Budget	Final Budget	Actual	Variance Over/Under
Revenues:				
Investment earnings	\$ -	\$ -	\$ 17,351	\$ 17,351
Restricted intergovernmental	-	825,731	825,731	-
Total revenues	-	825,731	843,082	17,351
Expenditures:				
Public safety:				
Operating expenditures	-	825,731	-	825,731
Total expenditures	-	825,731	-	825,731
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	843,082	<u>\$ 843,082</u>
Fund Balance:				
Beginning of year - July 1			<u>26</u>	
End of year - June 30			<u>\$ 843,108</u>	

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

HARNETT COUNTY, NORTH CAROLINA

MAJOR SPECIAL REVENUE FUND - ARPA FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	2023			
	Original Budget	Final Budget	Actual	Variance Over/Under
Revenues:				
Restricted intergovernmental	\$ 10,015,000	10,015,000	7,001,497	\$ (3,013,503)
Investment earnings	-	-	880,076	-
Total revenues	<u>10,015,000</u>	<u>10,015,000</u>	<u>7,881,573</u>	<u>(3,013,503)</u>
Expenditures:				
Public safety:				
Operating expenditures	<u>5,752,051</u>	<u>5,752,051</u>	<u>5,752,049</u>	<u>2</u>
Total expenditures	<u>5,752,051</u>	<u>5,752,051</u>	<u>5,752,049</u>	<u>2</u>
Revenues over (under) expenditures	4,262,949	4,262,949	2,129,524	(2,133,425)
Other Financing Sources (Uses):				
Transfer in (out)	<u>(4,262,949)</u>	<u>(4,262,949)</u>	<u>(1,249,448)</u>	<u>3,013,501</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	880,076	<u>\$ 880,076</u>
Fund Balance:				
Beginning of year - July 1			<u>20,997</u>	
End of year - June 30			<u>\$ 901,073</u>	

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

HARNETT COUNTY, NORTH CAROLINA

**MAJOR SPECIAL REVENUE FUND - SPECIAL DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	2023			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:				
Ad valorem taxes	\$ 12,547,502	\$ 14,841,670	\$ 12,659,425	\$ (2,182,245)
Other taxes and licenses	<u>2,000,000</u>	<u>4,000,000</u>	<u>3,713,088</u>	<u>(286,912)</u>
Total revenues	<u>14,547,502</u>	<u>18,841,670</u>	<u>16,372,513</u>	<u>(2,469,157)</u>
Expenditures:				
Public safety	12,547,502	14,841,670	12,664,583	2,177,087
Education	<u>2,000,000</u>	<u>4,000,000</u>	<u>3,084,477</u>	<u>915,523</u>
Total expenditures	<u>14,547,502</u>	<u>18,841,670</u>	<u>15,749,060</u>	<u>3,092,610</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	623,453	<u>\$ 623,453</u>
Fund Balance:				
Beginning of year - July 1			<u>227,632</u>	
End of year - June 30			<u>\$ 851,085</u>	

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
Assets:				
Current assets:				
Cash and cash investments	\$ 91,260,141	\$ 10,921,037	\$ 102,181,178	\$ 22,936,440
Accounts receivable, net	6,833,349	350,731	7,184,080	376
Inventory	897,750	-	897,750	-
Restricted assets:				
Cash and investments, restricted	2,001,899	-	2,001,899	-
Total current assets	100,993,139	11,271,768	112,264,907	22,936,816
Non-current assets:				
Land and construction in progress	41,351,977	1,553,589	42,905,566	-
Other capital assets, net	284,888,893	4,722,010	289,610,903	-
Total non-current assets	326,240,870	6,275,599	332,516,469	-
Total assets	427,234,009	17,547,367	444,781,376	22,936,816
Deferred Outflows of Resources:				
Pension deferrals	2,760,059	424,623	3,184,682	-
OPEB deferrals	952,567	146,549	1,099,116	-
Charge on refunding	319,108	-	319,108	-
Total deferred outflows of resources	4,031,734	571,172	4,602,906	-
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	1,232,647	413,970	1,646,617	1,310,965
Claims payable	-	-	-	150,000
Accrued interest	155,243	-	155,243	-
Prepaid fees	201,014	28,950	229,964	-
Customer deposits payable from restricted assets	2,001,899	-	2,001,899	-
Compensated absences, current	522,209	46,663	568,872	-
Current portion of long-term debt	3,517,540	136,036	3,653,576	-
Total current liabilities	7,630,552	625,619	8,256,171	1,460,965
Non-current liabilities:				
Compensated absences, non-current	174,069	15,554	189,623	-
Claims payable	-	-	-	249,154
Non-current portion of long-term debt	34,523,236	1,860,365	36,383,601	-
Net OPEB liability	6,219,916	956,910	7,176,826	-
Net pension liability	4,106,373	631,751	4,738,124	-
Total non-current liabilities	45,023,594	3,464,580	48,488,174	249,154
Total liabilities	52,654,146	4,090,199	56,744,345	1,710,119

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

HARNETT COUNTY, NORTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
Deferred Inflows of Resources:				
OPEB deferrals	1,547,752	238,116	1,785,868	-
Pension deferrals	90,673	13,950	104,623	-
Total deferred inflows of resources	<u>1,638,425</u>	<u>252,066</u>	<u>1,890,491</u>	-
Net Position:				
Net investment in capital assets	288,519,202	5,579,287	294,098,489	-
Unrestricted	88,453,970	8,196,987	96,650,957	21,226,697
Total net position	<u>\$ 376,973,172</u>	<u>\$ 13,776,274</u>	390,749,446	<u>\$ 21,226,697</u>
Adjustment to reflect consolidation of internal service funds			<u>2,842,811</u>	
Net position			<u>\$ 393,592,257</u>	

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
Operating Revenues:				
Charges for services	\$ 43,497,347	\$ 8,431,403	\$ 51,928,750	\$ -
County contributions	-	-	-	15,604,378
Other operating revenues	6,071,200	32,506	6,103,706	-
Total operating revenues	<u>49,568,547</u>	<u>8,463,909</u>	<u>58,032,456</u>	<u>15,604,378</u>
Operating Expenses:				
Water distribution and sewage treatment	29,331,969	-	29,331,969	-
Solid waste	-	6,140,123	6,140,123	-
Benefits and premiums	-	-	-	14,006,118
Depreciation	19,354,075	245,854	19,599,929	-
Total operating expenses	<u>48,686,044</u>	<u>6,385,977</u>	<u>55,072,021</u>	<u>14,006,118</u>
Operating income (loss)	<u>882,503</u>	<u>2,077,932</u>	<u>2,960,435</u>	<u>1,598,260</u>
Non-Operating Revenues (Expenses):				
Solid waste disposal tax	-	378,939	378,939	-
Interest earned on investments	555,432	18,173	573,605	-
Interest and fees	(1,203,973)	(15,978)	(1,219,951)	-
Total non-operating revenues (expenses)	<u>(648,541)</u>	<u>381,134</u>	<u>(267,407)</u>	<u>-</u>
Income (loss) before capital contributions	233,962	2,459,066	2,693,028	1,598,260
Capital contributions	<u>10,654,949</u>	<u>-</u>	<u>10,654,949</u>	<u>-</u>
Change in net position	10,888,911	2,459,066	13,347,977	1,598,260
Net Position:				
Beginning of year - July 1	<u>366,084,261</u>	<u>11,317,208</u>		<u>19,628,437</u>
End of year - June 30	<u>\$ 376,973,172</u>	<u>\$ 13,776,274</u>		<u>\$ 21,226,697</u>
Adjustment to reflect consolidation of internal service funds			<u>207,774</u>	
Change in net position			<u>\$ 13,555,751</u>	

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
Cash Flows from Operating Activities:				
Cash received from customers	\$ 48,351,358	\$ 8,338,359	\$ 56,689,717	\$ 15,604,378
Cash paid for goods and services	(19,736,455)	(4,862,116)	(24,598,571)	(13,680,960)
Cash paid to employees for services	(8,841,290)	(1,154,883)	(9,996,173)	-
Other revenues	-	378,939	378,939	-
Customer deposits paid	(40,896)	-	(40,896)	-
Net cash provided (used) by operating activities	<u>19,732,717</u>	<u>2,700,299</u>	<u>22,433,016</u>	<u>1,923,418</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(4,933,682)	(738,120)	(5,671,802)	-
Principal paid on long-term debt	(3,049,000)	(305,000)	(3,354,000)	-
Interest and fees	(1,203,973)	(15,978)	(1,219,951)	-
Net cash provided (used) by capital and related financing activities	<u>(9,186,655)</u>	<u>(1,059,098)</u>	<u>(10,245,753)</u>	<u>-</u>
Cash Flows from Investing Activities:				
Interest on investments	<u>555,432</u>	<u>18,173</u>	<u>573,605</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	11,101,494	1,659,374	12,760,868	1,923,418
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>82,160,546</u>	<u>9,261,663</u>	<u>91,422,209</u>	<u>21,013,022</u>
End of year - June 30	<u>\$ 93,262,040</u>	<u>\$ 10,921,037</u>	<u>\$ 104,183,077</u>	<u>\$ 22,936,440</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 882,503	\$ 2,077,932	\$ 2,960,435	\$ 1,598,260
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	19,354,075	245,854	19,599,929	-
Other revenues	-	378,939	378,939	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(163,964)	(90,828)	(254,792)	-
Increase (decrease) in accounts payable and accrued liabilities	(753,519)	18,059	(735,460)	325,158
Increase (decrease) in unearned revenues	5,181	(1,450)	3,731	-
(Increase) decrease in inventory	7,314	-	7,314	-
Increase (decrease) in customer deposits	(40,896)	-	(40,896)	-
(Increase) decrease in deferred outflows - pension	(984,945)	(151,530)	(1,136,475)	-
(Increase) decrease in deferred outflows of resources for OPEB	79,994	12,307	92,301	-
Increase (decrease) in deferred inflows of resources for OPEB	(40,599)	(6,245)	(46,844)	-
Increase (decrease) in net pension liability	2,941,529	452,543	3,394,072	-
Increase (decrease) deferred inflows - pension	(1,665,991)	(256,306)	(1,922,297)	-
Increase (decrease) in accrued vacation pay	(109,762)	(13,099)	(122,861)	-
Increase (decrease) in OPEB payable	221,797	34,123	255,920	-
Net cash provided (used) by operating activities	<u>\$ 19,732,717</u>	<u>\$ 2,700,299</u>	<u>\$ 22,433,016</u>	<u>\$ 1,923,418</u>
Non-Cash Transactions:				
Contributed capital from developers	<u>\$ 10,654,949</u>	<u>\$ -</u>	<u>\$ 10,654,949</u>	<u>\$ -</u>

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	<u>Custodial Funds</u>	<u>Pension Trust Funds</u>
Assets:		
Cash and investments	\$ 334,240	\$ -
Taxes receivable for other governments, net	174,420	-
Restricted cash and cash equivalents	<u>-</u>	<u>1,441,386</u>
Total assets	<u>508,660</u>	<u>1,441,386</u>
Liabilities:		
Due to other governments	301,919	-
Accounts payable	<u>17,877</u>	<u>-</u>
Total liabilities	<u>319,796</u>	<u>-</u>
Net Position:		
Restricted for:		
Individuals, organizations, and other governments	188,864	-
Defined benefit pensions	-	318,301
Post-employment benefits other than pensions	<u>-</u>	<u>1,123,085</u>
Total net position	<u>\$ 188,864</u>	<u>\$ 1,441,386</u>

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Custodial Funds</u>	<u>Pension Trust Funds</u>
Additions:		
Employer contributions:	\$ -	\$ 1,449,582
Investment income:	-	18,565
Ad valorem taxes for other governments	14,306,645	-
Collections on behalf of inmates	<u>590,411</u>	<u>-</u>
Total additions	<u>14,897,056</u>	<u>1,468,147</u>
Deductions:		
Benefit payments	-	1,330,422
Tax distributions to other governments	14,308,863	-
Payments on behalf of inmates	<u>611,538</u>	<u>-</u>
Total deductions	<u>14,920,401</u>	<u>1,330,422</u>
Change in net position	(23,345)	137,725
Net position, July 1	<u>212,209</u>	<u>1,303,661</u>
End of year - June 30	<u>\$ 188,864</u>	<u>\$ 1,441,386</u>

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

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HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1. Summary of Significant Accounting Policies

The accounting principles of Harnett County (the ‘County’) and its component units conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member Board of Commissioners is one of the 100 counties established in North Carolina under North Carolina General Statutes (“G.S.”) 153A-10. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. One component unit of the County has no financial transactions or account balances; therefore, it does not appear in the basic financial statements. The blended component units, although they are legally separate entities, are in substance, part of the County’s operations.

Blended Component Units

Harnett Water and Sewer Districts

Harnett County Water and Sewer Districts (the “Districts”) exist to provide and maintain a water system for the County residents within the Districts. Under state law G.S. 162A-89J, the County’s Board of Commissioners also serves as the governing board for the Districts. Therefore, the Districts are reported as enterprise funds in the County’s financial statements.

The County has the following nine water and sewer districts, which are accounted for as enterprise funds:

Northeast Metro Water and Sewer District	Southwest Water and Sewer District
Bunnlevel/Riverside Water and Sewer District	South Central Water and Sewer District
Southeast Water and Sewer District	West Central Water and Sewer District
East Central Water and Sewer District	Northwest Water and Sewer District
Riverside Water and Sewer District	

The County entered into an agreement during fiscal year 1998, with each District and which will encompass additional Districts as they are created, that transferred all assets, liabilities (excluding bond indebtedness, loans, and installment notes, along with accrued interest payable), operational rights, and responsibilities to the County. In consideration for this agreement, along with related accrued interest payables, the County agreed to pay the Districts an amount equal to debt service costs for the respective Districts for the duration of the respective bonds, loans, and notes.

The County maintains the Districts’ assets, provides water and sewer operations and makes payments on outstanding debts on behalf of the respective Districts. Therefore, the County’s financial statements reflect the assets and debts in the Harnett County Public Utilities Fund. The Board of Commissioners sits as the Board of each District. No separate financial statements are issued by these Districts as they have no operations, only certain outstanding debt that is paid on their behalf by the County pursuant to the agreement noted above.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Other Component Unit

Harnett County Industrial Facility and Pollution Control Financing Authority

Harnett County Industrial Facility and Pollution Control Financing Authority (the “Authority”) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member Board of Commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Authority does not issue separate financial statements.

B. Basis of Presentation, Measurement Focus – Basis of Accounting

Government-Wide Statements. The Statement of New Position and the Statement of Activities display information about the primary government (the County). These statements include financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues included (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 or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the County’s funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. 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, if any, are aggregated and reported as nonmajor 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 and investment earnings, result from non-exchange transactions or ancillary activities.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The County reports the following major governmental funds:

General Fund. The General Fund is the County's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Opioid Settlement Fund. The Opioid Settlement Fund is a Special Revenue Fund used to account for settlement proceeds that are restricted for use for a particular purpose. This fund tracks the activities of that funding which will occur at least over 18 years.

Special Districted Fund. This fund is used to account for the revenues of 18 rescue/fire districts and one special school district in Harnett County.

ARPA Fund. This fund is used for the restricted funds related to federal funding provided through ARPA. These funds are restricted for their intended purpose.

The County reports the following nonmajor governmental funds:

Special Revenue Funds. The special revenue funds account for the proceeds of special revenue sources that are legally restricted to the expenditure for special purposes. All of these funds are special revenue funds: Emergency Telephone System; Law Enforcement; Public Safety; Emergency Radio System; Automation Enhancement & Preservation; Emergency Response Planning; Sheriff's Execution; Wings over Harnett; WIA Youth Program; Asset Forfeiture; Veterans Court; Electronics Management; Fines and Forfeitures; Representative Payee; General Government.

Capital Project Funds. The capital project funds account for financial resources to be used for the acquisition or construction of major capital facilities. The County reports the following capital project funds: Northwest Elementary School; Jetport Master Plan; Airfield Lighting Rehabilitation; Broadband Development; Benhaven Elementary School; Government Complex Park; Government Complex South; Oakridge River Rd Tower; Animal Services Needs Assessment Study; Campbell Stadium Sidewalk; Erwin Elementary School; Johnsonville Elementary Renovations; Former Benhaven Elementary; Harnett County Riverside Drainage Assessment; Jetport Terminal; QSCB 2016 Capital Project; Streamflow Rehabilitation Assistance Program; Emergency Watershed Protection; Old Detention Center Demo; Aircraft Apron and Helipad Design, Shawtown Area Community Center; 2022 G.O. Bonds Series 2021; Neil's Creek Park; Park Improvements; Jetport Expansion; 2023 G.O. Bonds Series 2020 and 2023 G.O. Bonds Series 2017.

The County reports all enterprise funds as major. Harnett County maintains one enterprise fund to account for the operations of the water and sewer districts. The County maintains nine additional funds to account for the debt service for each district. The County maintains a separate enterprise fund for the operations of the landfill. The County's enterprise funds consist of the following:

Harnett County Public Utilities Fund. The Harnett County Public Utilities Fund is used to account for the operations of the nine water and sewer districts, which provide water and sewer to the residents of the County.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Individual Water and Sewer Funds. The individual water and sewer funds are used to account for the debt service for each of the water and sewer districts. These funds are consolidated with the Public Utilities Fund for reporting. These funds are the Northeast Metro Water and Sewer District, the South Central Water and Sewer District, the West Central Water and Sewer District, the Northwest Water and Sewer District, the Southwest Water and Sewer District, the Bunnlevel/Riverside Water and Sewer District, the Southeast Water and Sewer District, the East Central Water and Sewer District, and Riverside Water and Sewer District.

The Harnett County Public Utilities Fund also includes the following projects:

Southwest Wastewater Pump Station & Force Main Capital Project; School Wastewater Extensions Project; Northwest Harnett Utility Extension Project; North Harnett WWTP Capacity Project; and Advanced Meter Infrastructure Project.

Solid Waste Management Fund. The Solid Waste Management Fund is used to account for the operations of the Harnett County Landfill.

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 County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

Internal Service Funds. The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, on a cost-reimbursement basis. Harnett County has six internal services funds: the Workers' Compensation Fund, the Group Insurance Fund, the Employee Clinic Fund, the Medical Insurance Fund, the Dental Insurance Fund and the Unemployment Insurance Fund. The Workers' Compensation Fund is used to account for the County's decision to finance workers' compensation insurance coverage internally rather than through a private insurance carrier. The Employee Clinic Fund is used to account for operations at the clinic that is exclusively for employees of Harnett County. The Medical Insurance Fund is used to account for the claims and payments for self-insured health insurance within the County. The Dental Insurance Fund is used to account for dental insurance premiums and payments for employees of the County. The Unemployment Insurance Fund is used to account for the funds set aside for unemployment claims processed by the North Carolina Department of Commerce, Division of Employment Security. The Group Insurance Fund is used to account for liabilities that have been incurred from prior years when the County was previously fully insured.

Internal services funds are accounted for in the governmental and business-type activities in the government-wide financial statements and the individual fund data is provided in the Internal Service Fund section of the report.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Trust Funds. Trust funds account for resources that are required to be held in trust for the members and beneficiaries of defined benefit plans, defined contribution plans or other postemployment benefit plans. The Other Postemployment Benefits (OPEB) Trust Fund accounts for the County's contributions for healthcare coverage provided to qualified retirees. The Law Enforcement Officer's Special Separation Allowance Trust Fund accounts for the County's contributions for separation allowance payments provided to qualified law enforcement retirees.

C. 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 current financial resources measurement focus and 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 under the economic resources measurement focus, except for the agency funds, which have no measurement focus. The government-wide, proprietary, and fiduciary 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 County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. 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. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization 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 recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, 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 leases and IT subscriptions are reported as other financing sources.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because they amount is not susceptible to accrual. As 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 this change in the law, the state of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles 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 to 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 and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the state at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because, generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. Formal budgetary accounting is employed as a management control for all funds of the County. Annual budget ordinances are adopted each fiscal year, and amended as required, for the General Fund, all special revenues funds and for the enterprise funds. All annual appropriation lapse at the fiscal year-end. Project ordinances are adopted for the capital project funds, and Veterans Court Fund. All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record transactions.

The Workers' Compensation Fund, Employee Clinic Fund, Medical Self-Insurance Fund, Dental Self-Insurance Fund, Unemployment Insurance Fund, and Group Insurance Fund (internal services funds) operate under financial plans that were adopted by the governing board at the time the County's budget ordinance was approved.

The legal level of control over expenditures is at the department level for the General Fund, special revenues funds, and enterprise funds. The balances in the capital reserve funds will be appropriated when transferred to the General Fund or their respective capital project funds. The County Manager is authorized by the budget ordinance to transfer amounts between line-item

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

expenditures within a department without limitation and up to \$5,000 between departments of the same fund with an official report on such transfers at the next regular meeting of the Board of Commissioners. These changes should not result in changes in recurring obligations, such as salaries.

The Manager may transfer amounts of up to \$50,000 from contingency to any department with an official report on such transfers at the next regular meeting of the Board of Commissioners. All other transfers, as well as any revisions that alter the total expenditures of any fund, require prior approval by the Board of Commissioners. During the year, a significant number of amendments to the original budget were necessary.

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

March 20 Each department head submits to the budget officer the budget requests and revenue estimates for their department for the budget year.

May 1 The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.

June 19 The budget ordinance shall be adopted by the governing board.

E. Assets, Liabilities, and Fund Equity

Deposits and Investments

All deposits of the County are made in Board-designated official depositories and are secured as required by G.S. 159-31. The County may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County 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)(8) authorizes the County 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 banker's acceptances; and the North Carolina Capital Management Trust ("NCCMT").

General Statute 159-30.1 allows the County to establish an Other Postemployment Benefit (OPEB) Trust and a Law Enforcement Officer's Special Separation Allowance (LEOSSA) Trust managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC and G.S. 159-30(g) allows the County to make contributions to the Trust. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short-term fixed income investments as detailed in G.S. 147-69.2(b)(1-6) and (8). Funds submitted are managed in three

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high-quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8).

The County's investments are carried fair value. Non-participating interest earning investment contracts are accounted for at cost.

- The North Carolina Capital Management Trust (NCCMT) is authorized by G.S. 159-30(c)(8). The Government Portfolio is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAAMf by Moody Investor Services. The Government Portfolio is reported at fair value.
- Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs— other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2023 of .7 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.
- The BIF is measured at fair value using Level 2 inputs and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. BIF does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.70 years at June 30, 2023.
- The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2023 the fair value of the funds was \$31.815788 per share. Fair value for this Blackrock Fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Cash and Cash Equivalents

The County pools monies from several funds, except the Other Post-Employment Benefits Trust Fund and Law Enforcement Officers' Special Separation Allowance Trust Fund, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The investment income is allocated based on each fund's monthly balance in relation to the total pooled cash balance.

For purposes of the Statement of Cash Flows, the County's proprietary funds consider equity in pooled cash and investments to be cash equivalents as they are essentially demand deposit accounts.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Restricted Assets

Unexpended bond proceeds for the capital project funds are shown as restricted cash. Such amounts are included in cash and investments and are described in the footnotes. Unexpended grant proceeds are shown as restricted cash as they are for the intended purpose of the grant. Unexpended grant settlements are shown as restricted cash as they are for the intended purpose of the settlement. Customer deposits held by the County before any services are supplied are restricted to the services for which the deposit was collected.

Governmental Activities:

Benhaven Elementary School:	
Capital outlays - unexpended bond proceeds	\$ 170,483
Northwest Elementary School:	
Capital outlays - unexpended bond proceeds	1,466,621
General Fund:	
Unspent grant proceeds - SCIF	6,000,000
ARPA Fund:	
Unexpended grant proceeds	19,410,247
General Government Fund:	
Unspent grant proceeds	361,156
Opioid Settlement Fund:	
Unexpended allocation proceeds	843,108
Park Improvements Fund:	
Unspent grant proceeds	418,516
QSCB 2016 Project Fund:	
Capital outlays - unexpended bond proceeds	506
2022 G.O. Bonds Series 2021:	
Capital outlays - unexpended bond proceeds	<u>12,450,190</u>
Total governmental activities	<u>41,120,827</u>

Business-Type Activities:

Water and Sewer Fund:	
Customer deposits	<u>2,001,899</u>
Total business-type activities	<u>2,001,899</u>

Total restricted cash	<u>\$ 43,122,726</u>
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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 (lien date); however, penalties and interest do not accrue until the following January 6.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

These taxes are based on the assessed values as of January 1, 2022 as allowed by state law; the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the General Fund, ad valorem tax revenues are reported net of such discounts.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of allowance for doubtful accounts. These amounts are estimated by analyzing the percentage of receivables, which are not expected to be collected.

Lease Receivable

The County's leases receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements, the County may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. Deferred inflows of resources are recorded at the initiation of each lease in an amount equal to the initial recording of the lease receivable. The deferred inflows of resources are amortized on a straight-line basis over the term of each lease.

Inventory and Prepaid Items

Inventory is determined by physical count and valued at cost, which approximates market. The inventory of the General Fund consists of expendable supplies held for consumption that are recorded as expenditures when purchased. The inventory of the enterprise funds consists of chemicals, meters and meter boxes, fuel oil, tubing, and other supplies held for consumption. In each case, the cost on inventory carried in the County's Enterprise Fund is recorded as an expense when the inventory is consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The minimum capitalization threshold is \$20,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. The County does not own any infrastructure assets.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The County holds title to certain Harnett County Board of Education properties that have not been included in the capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and Board of Education of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Harnett County Board of Education. Capital assets of the County are depreciated on a straight-line basis under the following estimated useful lives:

Buildings and improvements	50 years
Plant, distribution, and collection system	20 to 40 years
Furniture	10 years
Equipment	5 years
Computer hardware	3 years
Computer software	3 years
Vehicles	6 years

Right-to-Use Assets

The County has recorded right-to-use lease assets as a result of implementing GASB 87, *Leases*. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

The County has recorded the right-to-use subscription assets related to subscription-based information technology arrangements (SBITAs) as a result of implementing GASB 96. The right to use subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus payments made to the SBITA vendor before commencement of the subscription term, plus capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The right-to-use subscription assets are amortized on a straight-line basis over the life of the related SBITA.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has three items that meet the criteria for this category – OPEB deferrals, pension deferrals, and charge on debt refunding.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criteria for this category – pension related deferrals, OPEB deferrals, prepaid taxes lease deferrals and property tax receivable and unavailable revenue.

Long-Term Obligations

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 in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

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

Compensated Absences

The vacation policy of the County provides that vacation leave may be accumulated without any applicable maximum until June 30th of each calendar year. On June 30th, all vacation leave exceeding 240 hours per employee is transferred to sick leave. For the government-wide financial statements and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The County's sick leave policy 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. Because the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, or 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 by 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

Prepaid Items – portion of fund balance that is not an available resource because it represents prepaid amounts, which are not spendable resources.

Inventory – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Note Receivable – portion of fund balance that is not an available resource because it represents the amount not expected to be converted to cash during the subsequent fiscal year.

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Restricted Fund Balance. This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

Restricted for Public Safety – portion of fund balance restricted by revenue source for public safety related activities, such as police and fire.

Restricted for Education – portion of fund balance restricted by revenue source for education.

Restricted for General Government – portion of fund restricted by revenue source for general government.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Restricted for Register of Deeds – portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds' office.

Restricted for Health and Human Services – portion of fund balance that can only be used for the Health and Human Services. This includes Veterans Court Fund and Social Security's Representative Payee Program.

Restricted fund balance/net position on Exhibit A varies from Exhibit C by the amount of unexpended debt proceeds of \$14,087,800, and Register of Deeds' Pension Plan of \$262,473 for a net difference of \$13,825,327 at June 30, 2023.

Committed Fund Balance. This classification represents the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of County's governing body (highest level of decision-making authority, the County Commissioners) that can, by adoption of an ordinance, commit fund balance. Any changes or removal of specific purpose restrictions requires majority action by the governing body (the adoption of another ordinance).

Committed for Economic Development – portion of fund balance that can only be used for economic development. This includes the Aircraft Apron and Helipad Design project, Oakridge River Rd Tower and the Broadband Development project.

Committed for Education – portion of fund balance that can only be used for education. This includes Former Benhaven Elementary project.

Committed for Culture and Recreation – portion of fund balance that can only be used for culture and recreation. This includes the Campbell Stadium Sidewalk and Shawtown Area Community Center.

Committed for General Government – portion of fund balance that can only be used for general government. This includes the Old Detention Center Demo and ARPA funds.

Committed for Debt Service – portion of fund balance that can only be used for debt service requirements.

Assigned Fund Balance. Assigned fund balance is the portion of fund balance that the County intends to use for specific purposes. The County's governing body has the authority to assign fund balances.

Subsequent Year's Expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

General Government – portion of fund balance that budgeted by the governing body for general government purposes.

Culture and Recreation – portion of fund balance that is budgeted by the governing body for culture and recreation purposes.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Public Safety – portion of fund balance budgeted by the governing body for the Emergency Response Planning Fund.

Assigned fund balance at June 30, 2023 is as follows:

Purpose	General Fund	Other Governmental Funds
Subsequent year's expenditures	\$ 4,985,964	\$ -
General government	21,829,599	-
Culture and recreation	1,287,549	-
Public safety	2,459,735	76,557
Total	\$ 30,562,847	\$ 76,557

Unassigned Fund Balance. Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount.

Harnett County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: bond/debt 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 funds 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 is in the best interest of the County or when required by grant or other contractual agreements.

The County Board has approved a fund balance policy, to maintain a minimum unassigned fund balance, as defined by the Governmental Accounting Standards Board, at the close of each fiscal year equal to 15% of general fund expenditures with a targeted unassigned fund balance equal to 20% of general fund expenditures.

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	\$ 125,116,051
Less:	
Prepaid items	89,463
Inventory	83,562
Leases	7,670
Note receivable	2,175,500
Stabilization by state statute	19,310,705
Total available fund balance	\$ 103,449,151

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Reclassifications

Certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

F. Estimates

The presentation 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, depreciation lives, other post-employment benefits, and law enforcement officers' pension obligations.

G. Defined Benefit Pension and OPEB 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 Register of Deeds' Supplemental Pension Plan (RODSPF) (collectively, the "state-administered defined benefit pension plans"), and one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). 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. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Detail Notes on All Funds

A. Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage are collateralized with securities held by the County's agent in the County's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits 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 County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County has no formal policy regarding custodial credit risk for deposits.

At June 30, 2023, the County's deposits had a carrying amount of \$44,596,020 and a bank balance of \$45,086,526. Of the bank balance, \$752,675 was covered by federal depository insurance with the remainder being covered by collateral held under the Pooling Method.

At June 30, 2023, Harnett County has \$14,488 cash on hand.

B. Investments

Investment Type	Valuation Measurement Method	Fair Value at 6/30/2023	Maturity		
			6 months	6-12 months	1-3 years
US Government Agencies	Fair Value Level 2	\$ 18,039,138	\$ 18,039,138	\$ -	\$ -
Commercial Paper	Fair Value Level 2	24,277,037	24,277,037	-	-
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	<u>210,258,871</u>	210,258,871	-	-
Total investments		<u>\$ 252,575,046</u>			

The NCCMT Government Portfolio securities are measured at fair value with Level 1 inputs. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAAMf by Moody's Investor Service.

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

Level of Fair Value Hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. *Level Two:* Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAA-mf by Moody's Investors Service at June 30, 2023. The County's investment in U.S. Governmental Agencies carried a credit rating of Aaa by Moodys and a credit rating of AA+ by Standard and Poor's at June 30, 2023. The County's investment in Commercial Paper carried a credit rating of P1 by Moody's and a credit rating of A1+ by Standard and Poor's at June 30, 2023.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk.

OPEB Trust Fund

At June 30, 2023, the County's Health Care Plan had \$1,123,085 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer's OPEB Fund was invested as follows: State Treasurer's Short-Term Investment Fund (STIF) 0.04%, State Treasurer's Fixed Income Fund (FIF) 45.17%, and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund (EIF) 54.79%.

Level of the Fair Value Hierarchy: Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2023 of .7 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. On June 30, 2023 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.70 years at June 30, 2023.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2023 the fair value of the funds was \$31.815788 per share. Fair value for this Blackrock Fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation Technique: North Carolina Department of State Treasurer OPEB Trust 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.

Interest Rate Risk – The County does not have a formal investment interest rate policy for the OPEB Trust Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of .7 years at June 30, 2023. The State Treasurer's BIF is unrated and had a weighted average maturity of 8.70 years at June 30, 2023.

Credit Risk – The County does not have a formal investment policy regarding credit risk for the HCB Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

LEOSSA Trust Fund

At June 30, 2023, the County's Law Enforcement Officers' Special Separation Allowance (LEOSSA) Plan Fund had \$318,301 invested in the State Treasurer's Law Enforcement Officer's Special Separation Allowance (LEOSSA) Trust pursuant to G.S. 159-30.1. The State Treasurer's LEOSSA Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer's LEOSSA Fund was invested as follows: State Treasurer's Short-Term Investment Fund (STIF) 0.08%, State Treasurer's Fixed Income Fund (FIF) 43.85%, and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund (EIF) 56.07%.

Level of the Fair Value Hierarchy: Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2023 of .7 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. On June 30, 2023 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.70 years at June 30, 2023.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The fund’s fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2023 the fair value of the funds was \$31.815788 per share. Fair value for this Blackrock Fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation Technique: North Carolina Department of State Treasurer LEOSSA Trust 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.

Interest Rate Risk: The County does not have a formal investment interest rate policy for the OPEB Trust Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer’s STIF is unrated and had a weighted average maturity of .7 years at June 30, 2023. The State Treasurer’s BIF is unrated and had a weighted average maturity of 8.70 years at June 30, 2023.

Credit Risk: The County does not have a formal investment policy regarding credit risk for the LEOSSA Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer’s STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer’s BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

C. Property Tax Use-Value Assessment on Certain Lands

In accordance with the General Statutes, agriculture, horticulture, and forest land 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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 5,176,966	\$ 1,878,033	\$ 7,054,999
2020	5,746,881	1,475,337	7,222,218
2021	5,604,836	882,036	6,486,872
2022	6,694,979	430,886	7,125,865
Total	<u>\$ 23,223,662</u>	<u>\$ 4,666,292</u>	<u>\$ 27,889,954</u>

HARNETT COUNTY, NORTH CAROLINA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

D. Allowance for Doubtful Accounts

Taxes and accounts receivable as of year-end are shown on the accompanying net of the allowance for doubtful accounts as follows:

Fund	Allowance for Doubtful Accounts
General	\$ 561,916
Nonmajor governmental	74,447
Governmental activities	636,363
 Custodial funds	 106,182
Public utility	845,396
Solid waste	155,160
Business-type activities	1,000,556
 Total	 \$ 1,743,101

E. Due from Other Governments – Disaggregate Information

Due from other governments at the government-wide level at June 30, 2023:

Governmental Activities	
Local option sales tax	\$ 10,903,460
Other taxes and licenses	188,371
DSS receivable	734,309
Sales tax refund receivable	915,252
Total	\$ 12,741,392

F. Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year-end are comprised of the following:

Source	Amount
Pension deferrals	\$ 22,451,393
OPEB deferrals	7,327,441
Charge on refunding	6,217,359
Total	\$ 35,996,193

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

<u>Source</u>	<u>Amount</u>
Prepaid taxes not yet earned (General)	\$ 1,620
Unavailable revenue (Opioid)	8,546,766
Pension deferrals	1,248,942
OPEB deferrals	11,905,786
Taxes receivable, net (General)	574,270
Taxes receivable, net (Other governmental funds)	64,146
Leases	168,981
Total	<u>\$ 22,510,511</u>

G. Lease Receivable

Details of the City's leases receivable at June 30, 2023 are as follows:

On 07/01/2021, Harnett County entered into a 252-month lease as lessor for the use of Godwin Hanger Lease-Jetport. An initial lease receivable was recorded in the amount of \$16,668. As of 06/30/2023, the value of the lease receivable is \$15,080. The lessee is required to make annual fixed payments of \$819. The lease has an interest rate of 0.3160%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$15,080, and Harnett County recognized lease revenue of \$769 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On 07/01/2021, Harnett County entered into a 36-month lease as lessor for the use of Pusser SASO - Jetport. An initial lease receivable was recorded in the amount of \$2,670. As of 06/30/2023, the value of the lease receivable is \$896. The lessee is required to make quarterly fixed payments of \$225. The lease has an interest rate of 0.7270%. The other estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$890, and Harnett County recognized lease revenue of \$890 during the fiscal year.

On 07/01/2021, Harnett County entered into a 30-month lease as lessor for the use of US Dept Agriculture-Office Space. An initial lease receivable was recorded in the amount of \$151,701. As of 06/30/2023, the value of the lease receivable is \$30,560. The lessee is required to make monthly fixed payments of \$5,104. The lease has an interest rate of 0.7270%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$30,340, and Harnett County recognized lease revenue of \$60,788 during the fiscal year.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 07/01/2021, Harnett County entered into a 78-month lease as lessor for the use of Matthews Farm Lease-Admin. An initial lease receivable was recorded in the amount of \$3,800. As of 06/30/2023, the value of the lease receivable is \$2,727. The lessee is required to make annual fixed payments of \$560. The lease has an interest rate of 0.8930%. The land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$2,631, and Harnett County recognized lease revenue of \$585 during the fiscal year. The lessee has 1 extension option(s), each for 36 months.

On 07/01/2021, Harnett County entered into a 114-month lease as lessor for the use of Jones Hanger Lease-Jetport. An initial lease receivable was recorded in the amount of \$11,736. As of 06/30/2023, the value of the lease receivable is \$9,200. The lessee is required to make annual fixed payments of \$1,400. The lease has an interest rate of 1.6040%. The land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$9,269, and Harnett County recognized lease revenue of \$1,234 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, Harnett County entered into a 363-month lease as lessor for the use of Harnett County Regional Airport. An initial lease receivable was recorded in the amount of \$120,947. As of 06/30/2023, the value of the lease receivable is \$118,188. The lessee is required to make annual fixed payments of \$5,646. The lease has an interest rate of 2.5010%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$110,771, and Harnett County recognized lease revenue of \$2,758 during the fiscal year. The lessee has 6 extension option(s), each for 60 months. The lessee had a termination period of 3 months as of the lease commencement. Harnett County had a termination period of 3 months as of the lease commencement.

The future maturities for lease receivables are below.

<u>Fiscal Year</u>	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 36,842	\$ 3,115	\$ 39,957
2025	5,486	3,107	8,593
2026	5,485	2,940	8,425
2027	5,585	2,840	8,425
2028	5,687	2,738	8,425
2029 - 2033	24,959	12,126	37,085
2034 - 2038	22,554	9,771	32,325
2039 - 2043	25,056	7,268	32,324
2044 - 2048	23,762	4,468	28,230
2049 - 2052	21,235	1,344	22,579
Total	\$ 176,651	\$ 49,717	\$ 226,368

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

H. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 3,577,178	\$ -	\$ -	\$ -	\$ 3,577,178
Construction in progress	31,037,486	6,380,017	-	(922,972)	36,494,531
Total non-depreciable capital assets	<u>34,614,664</u>	<u>6,380,017</u>	<u>-</u>	<u>(922,972)</u>	<u>40,071,709</u>
Depreciable Capital Assets:					
Buildings	89,577,021	188,425	-	922,972	90,688,418
Land improvements	18,971,294	-	(26,941)	-	18,944,353
Equipment	12,513,125	1,514,772	-	-	14,027,897
Vehicles	13,412,945	1,629,414	(581,983)	-	14,460,376
Total depreciable capital assets	<u>134,474,385</u>	<u>3,332,611</u>	<u>(608,924)</u>	<u>922,972</u>	<u>138,121,044</u>
Right-to-Use Capital Assets					
Leased buildings	218,040	60,000	(116,399)	-	161,641
Leased infrastructure	344,037	-	-	-	344,037
Leased land	14,689	138,029	-	-	152,718
Leased equipment	564,550	38,508	(29,955)	-	573,103
Subscriptions	-	3,127,346	-	-	3,127,346
Total depreciable right -to-use capital assets	<u>1,141,316</u>	<u>3,363,883</u>	<u>(146,354)</u>	<u>-</u>	<u>4,358,845</u>
Less Accumulated Depreciation:					
Buildings	27,051,738	1,793,716	-	-	28,845,454
Land improvements	16,683,194	1,253,864	-	-	17,937,058
Equipment	11,375,370	1,177,511	-	-	12,552,881
Vehicles	10,490,554	1,002,287	-	-	11,492,841
Total accumulated depreciation	<u>65,600,856</u>	<u>5,227,378</u>	<u>-</u>	<u>-</u>	<u>70,828,234</u>
Less Accumulated Amortization:					
Leased buildings	83,040	91,409	(71,018)	-	103,431
Leased infrastructure	31,485	82,367	-	-	113,852
Leased land	3,000	30,544	-	-	33,544
Leased equipment	128,398	135,062	(16,975)	-	246,485
Subscriptions	-	1,136,322	-	-	1,136,322
Total accumulated amortization	<u>245,923</u>	<u>1,475,704</u>	<u>(87,993)</u>	<u>-</u>	<u>1,633,634</u>
Total depreciable capital assets, net	<u>68,873,529</u>				<u>67,292,810</u>
Total depreciable right-to-use capital assets, net	<u>895,393</u>				<u>2,725,211</u>
Governmental activities capital assets, net	<u>\$ 103,488,193</u>				<u>\$ 110,089,730</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Depreciation/Amortization expense was charged to functions/programs of the primary government as follows:

<u>Depreciation/Amortization Expense by Function</u>	
General government	\$ 3,601,269
Public safety	1,611,299
Transportation	1,215,921
Economic and physical development	32,846
Human services	122,951
Cultural and recreational	<u>118,796</u>
Total	<u>\$ 6,703,082</u>

Business-Type Capital Assets:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-Type Activities:				
Public Utilities:				
Non-Depreciable Capital Assets:				
Land	\$ 1,206,943	\$ -	\$ -	\$ 1,206,943
Construction in progress	<u>35,975,318</u>	<u>4,169,716</u>	-	<u>40,145,034</u>
Total non-depreciable capital assets	<u>37,182,261</u>	<u>4,169,716</u>	-	<u>41,351,977</u>
Depreciable Capital Assets:				
Plant, distribution, and collection systems	414,029,004	10,654,949	-	424,683,953
Buildings and building improvements	16,118,978	-	-	16,118,978
Furniture, fixtures, and equipment	3,773,526	578,003	-	4,351,529
Vehicles	<u>3,215,880</u>	<u>185,963</u>	<u>(273,698)</u>	<u>3,128,145</u>
Total depreciable capital assets	<u>437,137,388</u>	<u>11,418,915</u>	<u>(273,698)</u>	<u>448,282,605</u>
Less Accumulated Depreciation:				
Plant, distribution, and collection systems	131,320,916	17,032,556	-	148,353,472
Buildings and building improvements	6,887,764	1,088,393	-	7,976,157
Furniture, fixtures, and equipment	3,440,755	910,774	-	4,351,529
Vehicles	<u>2,663,900</u>	<u>322,352</u>	<u>(273,698)</u>	<u>2,712,554</u>
Total accumulated depreciation	<u>144,313,335</u>	<u>19,354,075</u>	<u>(273,698)</u>	<u>163,393,712</u>
Total depreciable capital assets, net	<u>292,824,053</u>			<u>284,888,893</u>
Public utilities capital assets, net	<u>330,006,314</u>			<u>326,240,870</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Beginning Balances	Increases	Decreases	Ending Balances
Solid Waste Management:				
Non-Depreciable Capital Assets:				
Land	1,553,589	-	-	1,553,589
Total non-depreciable capital assets	1,553,589	-	-	1,553,589
Depreciable Capital Assets:				
Buildings and building improvements	4,972,065	-	-	4,972,065
Furniture, fixtures, and equipment	3,125,154	671,164	-	3,796,318
Vehicles	555,024	66,956	(105,041)	516,939
Total depreciable capital assets	8,652,243	738,120	(105,041)	9,285,322
Less Accumulated Depreciation:				
Buildings and building improvements	1,198,483	68,021	-	1,266,504
Furniture, fixtures, and equipment	2,765,082	151,024	-	2,916,106
Vehicles	458,934	26,809	(105,041)	380,702
Total accumulated depreciation	4,422,499	245,854	(105,041)	4,563,312
Total depreciable capital assets, net	4,229,744			4,722,010
Solid waste management capital assets, net	5,783,333			6,275,599
Business-type activities capital assets, net	<u>\$ 335,789,647</u>			<u>\$ 332,516,469</u>

At June 30, 2023, commitments for the governmental and business-type activities consists of the following projects:

	Project Authorization	Expended To Date
Advanced Meter Infrastructure	\$ 15,141,708	\$ 14,379,382
West Central Transmission	7,980,499	7,980,499
Erwin Elementary School	28,449,931	28,449,931
Northwest Harnett Elementary	45,802,344	37,227,238
WHIP Transmission Line	1,086,784	1,086,784
South Central Transmission	764,533	764,533
Fort Bragg Water & WW	361,460	361,460
School Wastewater Extensions	3,354,205	2,959,554
North Harnett WW Upgrade	8,618,000	-
Total	<u>\$ 111,559,464</u>	<u>\$ 93,209,381</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2023 is composed of the following elements:

	<u>Governmental</u>	<u>Business-Type</u>		<u>Total Business-Type</u>
		<u>Water/Sewer</u>	<u>Solid Waste</u>	
Capital assets	\$ 110,089,730	\$ 326,240,870	\$ 6,275,599	\$ 332,516,469
Total debt	194,578,357	38,040,776	696,312	38,737,088
Capital related deferred charge on refunding	1,983,899	319,108	-	319,108
Debt not related to capital assets	<u>148,574,788</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital debt	<u>44,019,670</u>	<u>37,721,668</u>	<u>696,312</u>	<u>38,417,980</u>
Net investment in capital assets	<u>\$ 66,070,060</u>	<u>\$ 288,519,202</u>	<u>\$ 5,579,287</u>	<u>\$ 294,098,489</u>

I. Payables

Payables at the government-wide level at June 30, 2023 were as follows:

	<u>Accounts Payable Note Disclosure</u>					
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	<u>General Fund</u>	<u>Special Districts Fund</u>	<u>Nonmajor</u>	<u>Public Utilities</u>	<u>Solid Waste</u>	<u>Total</u>
Payables:						
Accounts and vouchers	\$ 3,199,249	\$ 476,161	\$ 5,073,916	\$ 867,773	\$ 365,016	\$ 9,982,115
Accrued payroll and related liabilities	1,930,170	-	13,960	364,874	48,954	2,357,958
Accrued interest payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,243</u>	<u>-</u>	<u>155,243</u>
Total accounts payable and accrued liabilities	<u>\$ 5,129,419</u>	<u>\$ 476,161</u>	<u>\$ 5,087,876</u>	<u>\$ 1,387,890</u>	<u>\$ 413,970</u>	<u>\$12,495,316</u>

Adjustments to full accrual include \$1,666,604 related to recording accrued interest on general long-term debt and accounts and vouchers related to the internal service funds of \$1,310,965.

J. 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The County is with a guaranteed cost program with NCACC (Sedgwick Claims Management) Insurance and VFIS. VFIS insures only Emergency Services for general liability and auto lines. NCACC Insurance insures County property under a blanket limit of \$379,762,185. Replacement cost coverage is provided for any property losses. General Liability limits are \$2,000,000 per occurrence. Cyber Liability limits are \$1,000,000. NCACC Insurance covers the County for property, auto (excluding Emergency Services), general liability (excluding Emergency Services), inland marine, crime, employment practices liability, public officials' liability, and law enforcement liability. Auto losses are paid under actual cash value (ACV). Crime coverage limit is \$250,000. VFIS ensures Emergency Services, which includes EMS, Emergency Management and Fire Marshall Divisions. General Liability limits are \$1,000,000 per occurrence and \$10,000,000 general aggregate (the total payable in any policy term). A \$5,000,000 excess liability coverage is in place. Auto losses are paid under an agreed value plain. There have been no significant reductions in insurance coverage from previous years and settled claims have not exceeded coverage in any of the past three fiscal years. The amount of any settlements has not exceeded insurance coverage in any of the past three years.

The County carries flood insurance through NCACC Insurance. The County is in an area of the State that has been mapped and has designated areas with an "A", "B", "X" and "X-500" flood zones. The County has taken additional flood insurance through Assurant (American Bankers Insurance Company of Florida) to cover property located at 840 Shady Grove Road, Spring Lake that was not insurable with NCACC Insurance.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance is individually bonded for \$1,000,000. The Tax Administrator is individually bonded for \$200,000. The Public Utilities Director is individually bonded for \$200,000. The Register of Deeds is bonded for \$10,000. The Tax Collections Supervisor is bonded under a blanket bond for \$150,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

The County is self-insured for workers' compensation up to \$1,000,000 per loss. Excess coverage is through Safety National Insurance Company with limits in accordance with current North Carolina workers' compensation statutes. NCACC Insurance also provides employers liability with limits of \$1,000,000.

The County uses a third-party administrator to process workers' compensation. At June 30, 2023, a liability for claims of \$399,154 included on the accompanying Statement of Net Position for governmental activities. An analysis for the County is presented below:

	June 30,	
	2023	2022
Liability as of beginning of the year	\$ 234,261	\$ 427,942
Current year claims and changes in estimates	673,198	(42,598)
Actual claim payments	<u>(508,305)</u>	<u>(151,083)</u>
Liability as of end of the year	<u>\$ 399,154</u>	<u>\$ 234,261</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

K. Long-Term Obligations

Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On 07/01/2021, Harnett County entered into a 56-month lease as lessee for the use of Systel Ricoh Copier - ROD. An initial lease liability was recorded in the amount of \$18,772. As of 06/30/2023, the value of the lease liability is \$10,833. Harnett County is required to make monthly fixed payments of \$343. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2023 is \$18,772 with accumulated amortization of \$8,045.

On 07/01/2021, Harnett County entered into a 52-month lease as lessee for the use of Systel Copiers-Multi Dept. An initial lease liability was recorded in the amount of \$447,754. As of 06/30/2023, the value of the lease liability is \$243,068. Harnett County is required to make monthly fixed payments of \$8,775. The lease has an interest rate of 0.8930%. The value of the right to use asset as of 06/30/2023 is \$447,754 with accumulated amortization of \$206,656.

On 07/01/2021, Harnett County entered into a 37-month lease as lessee for the use of Lucknow Prob & Parole-Sheriff. An initial lease liability was recorded in the amount of \$147,022. As of 06/30/2023, the value of the lease liability is \$50,100. Harnett County is required to make monthly fixed payments of \$3,900. The lease has an interest rate of 0.3870%. The value of the right to use asset as of 06/30/2023 is \$101,639 with accumulated amortization of \$73,580. Harnett County has 2 extension option(s), each for 12 months.

On 07/01/2021, Harnett County entered into a 115-month lease as lessee for the use of American Tower - Radio System. An initial lease liability was recorded in the amount of \$344,037. As of 06/30/2023, the value of the lease liability is \$279,552. Harnett County is required to make monthly fixed payments of \$2,910. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2023 is \$344,037 with accumulated amortization of \$118,266. Harnett County has 1 extension option(s), each for 60 months.

On 07/01/2022, Harnett County entered into a 24-month lease as Lessee for the use of Shelby H Collins-Juvenile Counselor Services Building Lease. An initial lease liability was recorded in the amount of \$60,000. As of 06/30/2023, the value of the lease liability is \$30,000. Harnett County is required to make monthly fixed payments of \$2,500. The lease has an interest rate of 0.0000%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 is \$60,000 with accumulated amortization of \$30,000.

On 10/01/2021, Harnett County entered into a 60-month lease as lessee for the use of Anza Mailing System-Health. An initial lease liability was recorded in the amount of \$12,846. As of 06/30/2023, the value of the lease liability is \$8,406. Harnett County is required to make quarterly fixed payments of \$659. The lease has an interest rate of 1.0900%. The value of the right to use asset as of 06/30/2023 is \$12,846 with accumulated amortization of \$4,496.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 01/04/2022, Harnett County entered into a 60-month lease as lessee for the use of Quadiant Mailing System. An initial lease liability was recorded in the amount of \$7,796. As of 06/30/2023, the value of the lease liability is \$5,496. Harnett County is required to make quarterly fixed payments of \$403. The lease has an interest rate of 1.4380%. The value of the right to use asset as of 06/30/2023 is \$7,796 with accumulated amortization of \$1,542.

On 01/04/2022, Harnett County entered into a 60-month lease as lessee for the use of Quadiant Mailing System-Tax. An initial lease liability was recorded in the amount of \$11,871. As of 06/30/2023, the value of the lease liability is \$8,369. Harnett County is required to make quarterly fixed payments of \$614. The lease has an interest rate of 1.4380%. The value of the right to use asset as of 06/30/2023 is \$11,871 with accumulated amortization of \$3,542.

On 07/01/2022, Harnett County entered into a 60-month lease as Lessee for the use of Spectrum Southeast LLC Tower Angier. An initial lease liability was recorded in the amount of \$138,029. As of 06/30/2023, the value of the lease liability is \$114,243. Harnett County is required to make monthly fixed payments of \$2,210. The lease has an interest rate of 2.3660%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 is \$138,029 with accumulated amortization of \$27,606.

On 07/01/2022, Harnett County entered into a 60-month lease as Lessee for the use of Quadiant Mail System-Social Services. An initial lease liability was recorded in the amount of \$24,035. As of 06/30/2023, the value of the lease liability is \$19,305. Harnett County is required to make quarterly fixed payments of \$1,249. The lease has an interest rate of 1.6430%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 is \$24,035 with accumulated amortization of \$4,807.

On 07/01/2021, Harnett County entered into a 60-month lease as lessee for the use of Raul Aguirre Berdusco. An initial lease liability was recorded in the amount of \$14,689. As of 06/30/2023, the value of the lease liability is \$8,813. Harnett County is required to make annual fixed payments of \$3,000. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2023 is \$14,689 with accumulated amortization of \$5,876.

On 07/01/2022, Harnett County entered into a 60-month lease as Lessee for the use of Quadiant Mailing System - BD of Elections. An initial lease liability was recorded in the amount of \$14,474. As of 06/30/2023, the value of the lease liability is \$11,775. Harnett County is required to make monthly fixed payments of \$245. The lease has an interest rate of 0.0000%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 is \$14,474 with accumulated amortization of \$2,944.

On 07/01/2021, Harnett County entered into a 60-month lease as lessee for the use of Pitney Bowes Mail Machine-Finance. An initial lease liability was recorded in the amount of \$29,708. As of 06/30/2023, the value of the lease liability is \$19,976. Harnett County is required to make quarterly fixed payments of \$1,627. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2023 is \$35,557 with accumulated amortization of \$9,952.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023 were as follows:

Governmental Activities:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 226,878	\$ 8,557	\$ 235,435
2025	196,775	6,058	202,833
2026	126,570	3,974	130,544
2027	84,076	2,562	86,638
2028	45,163	1,641	46,804
2029-2031	130,474	1,878	132,352
Total	<u>\$ 809,936</u>	<u>\$ 24,670</u>	<u>\$ 834,606</u>

Subscriptions

The County has entered into subscription-based information technology arrangements (SBITAs). The SBITAs qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

On 07/01/2022, Harnett County entered into a 24-month subscription for the use of Dispatch System Maintenance - Software. An initial subscription liability was recorded in the amount of \$42,280. As of 06/30/2023, the value of the subscription liability is \$21,273. Harnett County is required to make annual fixed payments of \$21,818. The subscription has an interest rate of 2.5600%. The value of the right to use asset as of 06/30/2023 is \$42,280 with accumulated amortization of \$24,122. Harnett County has 1 extension option(s), each for 12 months.

On 07/01/2022, Harnett County entered into a 24-month subscription for the use of RFID Evidence Software. An initial subscription liability was recorded in the amount of \$83,129. As of 06/30/2023, the value of the subscription liability is \$44,490. Harnett County is required to make annual fixed payments of \$38,639. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 is \$83,129 with accumulated amortization of \$41,564. Harnett County has 1 extension option(s), each for 12 months.

On 07/01/2022, Harnett County entered into a 24-month subscription for the use of Tyler Technologies. An initial subscription liability was recorded in the amount of \$561,170. As of 06/30/2023, the value of the subscription liability is \$280,585. Harnett County is required to make annual fixed payments of \$280,585. The subscription has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2023 is \$561,170 with accumulated amortization of \$280,585. Harnett County has 1 extension option(s), each for 12 months.

On 04/01/2023, Harnett County entered into a 36-month subscription for the use of CLEAR Proflex - Software. An initial subscription liability was recorded in the amount of \$104,912. As of 06/30/2023, the value of the subscription liability is \$70,827. Harnett County is required to make annual fixed payments of \$34,085. The subscription has an interest rate of 2.3633%. The value of the right to use asset as of 06/30/2023 is \$104,912 with accumulated amortization of \$8,743.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 07/01/2022, Harnett County entered into a 24-month subscription for the use of Northwoods Consulting Partners, Inc. (Compass). An initial subscription liability was recorded in the amount of \$222,930. As of 06/30/2023, the value of the subscription liability is \$111,465. Harnett County is required to make annual fixed payments of \$111,465. The subscription has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2023 is \$222,930 with accumulated amortization of \$111,465. Harnett County has 1 extension option(s), each for 12 months.

On 08/24/2022, Harnett County entered into a 24-month subscription for the use of MCCI - Laserfiche. An initial subscription liability was recorded in the amount of \$178,574. As of 06/30/2023, the value of the subscription liability is \$89,287. Harnett County is required to make annual fixed payments of \$89,287. The subscription has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2023 is \$178,574 with accumulated amortization of \$151,862. Harnett County has 1 extension option(s), each for 12 months.

On 07/01/2022, Harnett County entered into a 34-month subscription for the use of FSI Playback Software. An initial subscription liability was recorded in the amount of \$67,668. As of 06/30/2023, the value of the subscription liability is \$38,881. Harnett County is required to make annual fixed payments of \$29,900. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2023 is \$67,668 with accumulated amortization of \$23,514.

On 07/01/2022, Harnett County entered into a 24-month subscription for the use of M & S Base. An initial subscription liability was recorded in the amount of \$41,409. As of 06/30/2023, the value of the subscription liability is \$20,879. Harnett County is required to make monthly fixed payments of \$1,759. The subscription has an interest rate of 2.0237%. The value of the right to use asset as of 06/30/2023 is \$41,409 with accumulated amortization of \$20,705.

On 07/01/2022, Harnett County entered into a 24-month subscription for the use of FM - Software. An initial subscription liability was recorded in the amount of \$53,148. As of 06/30/2023, the value of the subscription liability is \$24,805. Harnett County is required to make annual fixed payments of \$28,343. The subscription has an interest rate of 2.0237%. The value of the right to use asset as of 06/30/2023 is \$53,148 with accumulated amortization of \$26,574.

On 07/01/2022, Harnett County entered into a 48-month subscription for the use of Northwoods - Software as a Services. An initial subscription liability was recorded in the amount of \$633,991. As of 06/30/2023, the value of the subscription liability is \$475,991. Harnett County is required to make annual fixed payments of \$158,000. The subscription has an interest rate of 2.2753%. The value of the right to use asset as of 06/30/2023 is \$633,991.

On 07/01/2022, Harnett County entered into a 24-month subscription for the use of Patagonia Management - Software. An initial subscription liability was recorded in the amount of \$110,892. As of 06/30/2023, the value of the subscription liability is \$54,976. Harnett County is required to make annual fixed payments of \$55,916. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 is \$110,892 with accumulated amortization of \$55,446. Harnett County has 1 extension option(s), each for 12 months.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 08/24/2022, Harnett County entered into a 24-month subscription for the use of InfusionPoints - Software. An initial subscription liability was recorded in the amount of \$46,882. As of 06/30/2023, the value of the subscription liability is \$23,242. Harnett County, NC is required to make annual fixed payments of \$23,640. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 of \$46,882 with accumulated amortization of \$19,990 is included with Software on the Subscription Class activities table found below. Harnett County, NC has 1 extension option(s), each for 12 months.

On 07/01/2022, Harnett County entered into a 24-month subscription for the use of Appraisal Maintenance - Software. An initial subscription liability was recorded in the amount of \$48,364. As of 06/30/2023, the value of the subscription liability is \$24,354. Harnett County is required to make monthly fixed payments of \$2,048. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 is \$48,364 with accumulated amortization of \$24,182. Harnett County has 1 extension option(s), each for 12 months.

On 07/01/2022, Harnett County entered into a 60-month subscription for the use of Microsoft - Software. An initial subscription liability was recorded in the amount of \$109,979. As of 06/30/2023, the value of the subscription liability is \$88,835. Harnett County is required to make monthly fixed payments of \$1,942. The subscription has an interest rate of 2.3657%. The value of the right to use asset as of 06/30/2023 is \$109,979 with accumulated amortization of \$21,996.

On 07/01/2022, Harnett County entered into a 41-month subscription for the use of Courthouse - SaaS. An initial subscription liability was recorded in the amount of \$180,410. As of 06/30/2023, the value of the subscription liability is \$120,052. Harnett County is required to make annual fixed payments of \$62,000. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2023 is \$180,410 with accumulated amortization of \$52,803.

On 07/01/2022, Harnett County entered into a 72-month subscription for the use of NCPTS. An initial subscription liability was recorded in the amount of \$333,196. As of 06/30/2023, the value of the subscription liability is \$278,813. Harnett County is required to make quarterly fixed payments of \$14,575. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 is \$333,196 with accumulated amortization of \$55,533. Harnett County has 1 extension option(s), each for 60 months.

On 07/01/2022, Harnett County entered into a 24-month subscription for the use of EMS Billing. An initial subscription liability was recorded in the amount of \$55,093. As of 06/30/2023, the value of the subscription liability is \$27,313. Harnett County is required to make annual fixed payments of \$27,780. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 is \$55,093 with accumulated amortization of \$27,546. Harnett County, has 1 extension option(s), each for 12 months.

On 12/30/2022, Harnett County entered into a 24-month subscription for the use of ESP - Software. An initial subscription liability was recorded in the amount of \$92,978. As of 06/30/2023, the value of the subscription liability is \$47,063. Harnett County is required to make annual fixed payments of \$48,543. The subscription has an interest rate of 3.1440%. The value of the right to use asset as of 06/30/2023 is \$92,978 with accumulated amortization of \$23,374. Harnett County has 1 extension option(s), each for 12 months.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 05/01/2023, Harnett County entered into a 41-month subscription for the use of eCivis - Software. An initial subscription liability was recorded in the amount of \$160,341. As of 06/30/2023, the value of the subscription liability is \$123,441. Harnett County is required to make annual fixed payments of \$36,900. The subscription has an interest rate of 2.3633%. The value of the right to use asset as of 06/30/2023 is \$160,341 with accumulated amortization of \$7,820.

The future minimum subscription obligations and the net present value of these minimum subscription payments as of June 30, 2023 were as follows:

Governmental Activities:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,187,152	\$ 28,194	\$ 1,215,346
2025	365,713	15,988	381,701
2026	276,317	7,933	284,250
2027	79,708	1,890	81,598
2028	<u>57,682</u>	<u>618</u>	<u>58,300</u>
Total	<u>\$ 1,966,572</u>	<u>\$ 54,623</u>	<u>\$ 2,021,195</u>

Installment purchases from direct placements financed by the governmental funds are repaid from the resources of the General Fund. The installment purchases from direct placement, general obligation bonds, state bonds from direct borrowing, and revenue bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by resources from users are reported as long-term debt in the enterprise funds. All bonds are collateralized by the full faith, credit, and taxing power of the district in which the obligations originate. Principal and interest requirements are appropriated when due.

	<u>Issue</u> <u>Date</u>	<u>Original</u> <u>Issue</u>	<u>Interest</u> <u>Rate</u>	<u>Final</u> <u>Maturity</u>	<u>Amount</u> <u>Outstanding</u> <u>Governmental</u>
Installment Purchases -					
Direct Placement:					
Qualified School					
Construction Bonds (Taxable)	November 2012	\$ 29,435,000	4.638%	November 2035	\$ 24,827,420
Red Rock Science Center	June 2018	21,910,705	6.84%	June 2038	14,266,118
Qualified Zone Academy Bonds	May 2016	<u>2,200,000</u>	0.00%	May 2026	<u>660,000</u>
Total		<u>\$ 54,335,205</u>			<u>\$ 39,753,538</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The County’s outstanding installment purchase from direct placement related to the 2012 Qualified School Construction Bonds in the amount of \$24,827,420 is secured by a deed of trust for the benefit of the bank and its successors and assigns, creating a lien in and to the mortgaged property. The loan agreement contains a provision that in an event of default, the bank will exercise or direct the deed of trust trustee to exercise all rights and remedies of a secured party or creditor under the Uniform Commercial Code of the state and the general laws of the state.

The County’s outstanding installment purchase from direct placement related to the 2016 Qualified Zone Academy Bonds in the amount of \$660,000 is secured by a deed of trust for the benefit of the bank and its successors and assigns, creating a lien in and to the mortgaged property. The loan agreement contains a provision that in an event of default, the bank will exercise or direct the deed of trust trustee to exercise all rights and remedies of a secured party or creditor under the Uniform Commercial Code of the state and the general laws of the state.

The County’s outstanding installment purchase from direct placement related to the 2018 installment purchase issue in the amount of \$14,266,118 is secured by a deed of trust for the benefit of the bank and its successors and assigns, creating a lien in and to the mortgaged property. The loan agreement contains a provision that in an event of default, the bank will exercise or direct the deed of trust trustee to exercise all rights and remedies of a secured party or creditor under the Uniform Commercial Code of the state and the general laws of the state.

General obligation bonds for the governmental activities are as follows:

	Governmental - General Obligation Bonds				Amount
	Issue Date	Original Issue	Interest Rate	Final Maturity	Outstanding Governmental
General Obligation Bonds:					
Benhaven Elementary School	May 2017	\$ 29,500,000	3.000%	May 2037	\$ 20,650,000
Northwest Harnett Elementary	August 2021	43,000,000	3.000%	August 2041	40,850,000
Erwin Elementary School	July 2020	27,500,000	3.000%	Oct 2040	24,750,000
Total governmental activities		<u>\$ 100,000,000</u>			<u>\$ 86,250,000</u>

Limited obligation bonds for the governmental activities are as follows:

	Governmental - Limited Obligation Bonds				Amount
	Issue Date	Original Issue	Interest Rate	Final Maturity	Outstanding Governmental
Limited Obligation Bonds:					
Government Services Complex	Oct 2019	\$ 21,145,000	2.600%	Oct 2039	\$ 17,965,000
Governmental Activities - 2020 LOBS	Sept 2020	51,410,000	2.520%	Dec 2028	30,095,000
Total governmental activities		<u>\$ 72,555,000</u>			<u>\$ 48,060,000</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Limited obligation bonds for the business-type activities are as follows:

	Business-Type - Limited Obligation Bonds				Amount
	Issue Date	Original Issue	Interest Rate	Final Maturity	Outstanding Business-Type
Limited Obligation Bonds:					
Water and Sewer Fund	Sept 2020	\$ 165,000	2.520%	Dec 2028	\$ 55,000
Solid Waste Fund	Sept 2020	<u>1,500,000</u>	2.520%	Dec 2028	<u>585,000</u>
Total business-type		<u>\$ 1,665,000</u>			<u>\$ 640,000</u>

General Obligation Bonds

All general obligation bonds issued by the County's water and sewer districts are to fund the acquisition and construction of major capital facilities. The County entered into an agreement during the fiscal year 1998, with each existing District, that transferred all assets, liabilities (excluding bond indebtedness, loans, and installment notes) operational rights, and responsibilities to the County. As such, general obligation bonds are direct obligations and pledge full faith and credit of the District, which the County has entered into a contractual agreement to pay.

	Enterprise - General Obligation Bonds				Amount
	Issue Date	Original Issue	Interest Rate	Final Maturity	Outstanding Business-Type
General Obligation Bonds:					
South Central Water & Sewer 2013 Series A	January 2013	\$ 3,449,000	3.125%	June 2052	\$ 2,946,000
South Central Water & Sewer 2013 Series B	January 2013	3,937,000	3.125%	June 2052	3,369,000
South Central Water & Sewer 2013 Series C	January 2013	3,239,000	2.50%	June 2052	2,719,000
South Central Water & Sewer 2013 Series D	January 2013	2,586,000	2.50%	June 2052	2,169,000
South Central Refunding Series 2013	April 2013	10,395,000	2.5%-5.00%	June 2043	7,800,000
Bunnlevel Riverside Refunding Series 2004	May 2004	-	2.5%-5.25%	June 2028	-
West Central Refunding Series 2013	April 2013	1,485,000	3.00%-5.00%	June 2028	570,000
Northwest Refunding Series 2013	April 2013	1,085,000	2.00%-5.00%	June 2028	285,000
Southwest Refunding Series 2013	April 2013	2,315,000	3.00%-5.00%	June 2028	845,000
Southeast Refunding Series 2013	April 2013	1,000,000	2.00%-5.00%	June 2033	530,000
East Central Refunding Series 2013	April 2013	2,765,000	2.00%-5.00%	June 2035	1,665,000
Riverside Refunding Series 2013	April 2013	1,020,000	2.00%-5.00%	June 2041	770,000
Total		<u>\$ 33,276,000</u>			<u>\$ 23,668,000</u>

The Water Districts (a blended component unit of the County) issue GO debt (30-year), the proceeds of which are used to refund existing USDA District debt. The County then issues limited obligation bonds in an amount sufficient enough to purchase all the District's GO debt. Both the District and the County assign their rights to a third-party trustee that received the debt payments from the District and uses those funds to make the debt service payments on the LOBs.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Revenue Bond Loans:

	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Amount Outstanding Business-Type</u>
Enterprise System					
Revenue Bond Loans:					
Series 2020 (Tax Exempt)	Oct 2020	\$ 17,575,000	2.20%	June 2033	\$ 11,640,000
Total business-type activities revenue bond loans		<u>\$ 17,575,000</u>			<u>\$ 11,640,000</u>
Limited Obligation Bonds					
Enterprise Fund Limited					
Public Utilities Fund Series 2013	April 2013	\$ 20,065,000	2.00%-5.00%	June 2043	\$ 12,465,000
Total business-type activities special obligation bond loans		<u>\$ 20,065,000</u>			<u>\$ 12,465,000</u>

The following is a summary of changes in long-term obligations for the year ended June 30, 2023:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2023</u>	<u>Due in Less Than One Year</u>
Governmental Activities:					
Leases	\$ 901,134	\$ 236,537	\$ 327,735	\$ 809,936	\$ 226,878
Subscriptions	-	3,127,346	1,160,774	1,966,572	1,187,152
Installment purchases -					
Direct placement	41,468,456	-	1,714,918	39,753,538	1,874,581
Limited obligation bonds	56,540,000	-	8,480,000	48,060,000	8,420,000
General obligations	91,250,000	-	5,000,000	86,250,000	5,000,000
Premium	19,955,600	-	2,217,289	17,738,311	1,773,831
Total debt	<u>210,115,190</u>	<u>3,363,883</u>	<u>18,900,716</u>	<u>194,578,357</u>	<u>18,482,442</u>
Other long-term liabilities:					
Compensated absences	3,195,138	548,650	609,501	3,134,287	2,350,715
Net Law Enforcement Officers'					
Special Separation Allowance	4,408,734	-	332,139	4,076,595	-
Net pension (LGERS)	7,616,290	19,233,072	-	26,849,362	-
Net other post-employment benefits	39,218,474	1,450,213	-	40,668,687	-
Total	<u>\$ 264,553,826</u>	<u>\$ 24,595,818</u>	<u>\$ 19,842,356</u>	<u>\$ 269,307,288</u>	<u>\$ 20,833,157</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2023</u>	<u>Due in Less Than One Year</u>
Water and Sewer Fund:					
Limited obligation bonds	\$ 13,440,000	\$ -	\$ 920,000	\$ 12,520,000	\$ 950,000
Premium	3,060,316	-	382,540	2,677,776	382,540
General obligations	11,452,000	-	249,000	11,203,000	255,000
Revenue bonds	<u>13,520,000</u>	<u>-</u>	<u>1,880,000</u>	<u>11,640,000</u>	<u>1,930,000</u>
Total debt	41,472,316	-	3,431,540	38,040,776	3,517,540
Other long-term liabilities:					
Compensated absences	806,040	265,412	375,174	696,278	522,209
Net pension (LGERS)	1,164,844	2,941,529	-	4,106,373	-
Net other post-employment benefits	<u>5,998,119</u>	<u>221,797</u>	<u>-</u>	<u>6,219,916</u>	<u>-</u>
Total	<u>\$ 49,441,319</u>	<u>\$ 3,428,738</u>	<u>\$ 3,806,714</u>	<u>\$ 49,063,343</u>	<u>\$ 4,039,749</u>

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2023</u>	<u>Due in Less Than One Year</u>
Solid Waste Fund:					
Limited obligation bonds	\$ 890,000	\$ -	\$ 305,000	\$ 585,000	\$ 120,000
Premium	128,284	-	16,972	111,312	16,036
Special obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt	1,018,284	-	321,972	696,312	136,036
Other long-term liabilities:					
Accrued landfill closure and post-closure care costs	1,300,089	-	-	1,300,089	-
Compensated absences	75,316	25,478	38,577	62,217	46,663
Net pension (LGERS)	179,208	452,543	-	631,751	-
Net other post-employment benefits	<u>922,787</u>	<u>34,123</u>	<u>-</u>	<u>956,910</u>	<u>-</u>
Total	<u>\$ 3,495,684</u>	<u>\$ 512,144</u>	<u>\$ 360,549</u>	<u>\$ 3,647,279</u>	<u>\$ 182,699</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Limited Obligation Bonds</u>		<u>Total Debt Due</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Governmental Activities:				
2024	\$ 8,420,000	\$ 2,664,075	\$ 15,294,581	\$ 5,987,399
2025	6,615,000	2,360,550	13,482,299	5,440,895
2026	6,140,000	2,017,250	13,044,236	4,957,949
2027	6,135,000	1,705,950	13,423,932	4,505,267
2028	6,125,000	1,414,850	13,448,939	4,072,804
2029-2033	7,240,000	3,420,500	46,137,898	14,193,783
2034-2038	5,275,000	1,418,975	45,871,653	8,838,233
2039-2042	2,110,000	337,600	13,360,000	537,022
Total governmental activities	<u>48,060,000</u>	<u>15,339,750</u>	<u>174,063,538</u>	<u>48,533,352</u>
Business-Type Activities:				
2024	1,070,000	586,725	3,255,000	1,238,975
2025	1,225,000	533,700	3,458,000	1,130,300
2026	1,070,000	483,000	3,360,000	1,004,400
2027	1,045,000	438,950	3,422,000	883,150
2028	1,065,000	394,025	2,811,000	759,425
2029-2033	2,265,000	1,425,850	5,896,000	1,953,450
2034-2038	2,560,000	897,088	4,252,000	897,088
2039-2043	2,485,000	453,125	4,433,000	453,125
2044-2047	320,000	54,375	2,561,000	54,375
2048-2052	-	-	2,500,000	-
Total business-type activities	<u>13,105,000</u>	<u>5,266,838</u>	<u>35,948,000</u>	<u>8,374,288</u>
Total government	<u>\$ 61,165,000</u>	<u>\$ 20,606,588</u>	<u>\$ 210,011,538</u>	<u>\$ 56,907,640</u>

The County is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the County may have outstanding to eight% of the appraised value of property subject to taxation. At June 30, 2023, such statutory limit for the County was \$858,941,241 providing a legal debt margin of approximately \$888,915,692.

As of June 30, 2023, the County was in compliance with covenants associated with its debt.

Compensated absences, net pension obligation, and OPEB liability typically have been liquidated in the General Fund. Compensated absences are accounted for on a last in, first out basis, assuming that employees are taking leave time as it is earned.

In prior years, the County has defeased various bonds issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and related fixed earnings are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed from the County's liabilities.

On September 17, 2020, the County issued \$53,075,000 of limited obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for to be used for all future debt service payments of \$60,776,000 of various

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$3,195,542. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$3,001,794 and resulted in an economic gain of \$2,870,212. The amount outstanding of the defeased bonds as of June 30, 2023 is \$2,403.

On October 29, 2020, the County issued \$17,575,000 of revenue advance refunding bonds to provide resources to refund the County's revenue refunding bond, Series 2015 and three state revolving loans of \$21,471,558 of various obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business-type activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$390,237. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 8 years by \$330,197 and resulted in an economic gain of \$979,411. The amount outstanding of the defeased bonds as of June 30, 2023 is \$26,788.

The County has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$17,575,000 in enterprise system revenue bonds issued October 2020. Proceeds from the bonds provided financing for extensions, additions, and capital improvements to, or the renewal and replacement of capital assets of, or purchasing and installing new equipment for, the enterprise systems. The bonds are payable only from water and sewer customer net revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require less than 4% of net revenues. The total principal and interest remaining to be paid on the bonds is \$14,747,450. Principal and interest paid for the current year and total customer revenues were \$2,532,250 and \$49,568,547, respectively.

Revenue Bonds

The County issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. The revenue bonds outstanding are being retired by the resources of the Water and Sewer Fund. Revenue bonds outstanding at year-end are as follows:

\$17,575,000 Public Utilities Revenue Bonds, Series 2020, payments ranging from \$280,000 to \$2,200,000 due May 1 each year, with interest at 3.00% with maturity in May 2033 (refunded 2015 Revenue bonds)	<u>\$ 11,640,000</u>
Total	<u><u>\$ 11,640,000</u></u>

The County has been in compliance with the covenants as to rates, fees, rentals, and charges in Section 6.6 of the Bond Order, authorizing the issuance of the Water and Sewer Revenue Bonds, Series 2020 (Tax Exempt), 2020 (Taxable) since their adoption.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Section 6.6 of the Bond Order requires the rates and charges will produce (a) Revenues, which together with 20% of the balance in the Surplus Account at the end of the preceding fiscal year at least equal in such fiscal year to the total of (I) the Operating Expenses budgeted for such fiscal year, as may be amended from time to time, plus (ii) 120% of the principal and interest requirements on the bonds to become due during that fiscal year plus (iii) 100% of the principal and interest requirements on general obligation indebtedness and subordinate indebtedness to become due in such fiscal year plus (iv) 100% of the principal and interest on other indebtedness to become due in such fiscal year plus (v) 100% of the amount required to reimburse the provider of a Qualified Reserve Fund substitute for any amounts owing hereunder and (b) revenues at least equal in such fiscal year to the total of (i) the operating expenses budgeted for such fiscal year, as may be amended from time to time, plus (ii) 100% of the principal and interest requirements on the bonds to become due during that fiscal year plus (iii) 100% of the principal and interest requirements on general obligation indebtedness and subordinate indebtedness to become due in such fiscal year plus (iv) 100% of the principal and interest requirements on other indebtedness to become due in such a fiscal year plus (v) 100% of the amount required to reimburse the provider of a Qualified Reserve Fund substitute for any amounts owing hereunder. The debt service coverage calculation for the year ended June 30, 2023 is as follows:

Operating revenues	\$ 49,568,547
Operations and maintenance expenses	<u>(29,331,969)</u>
Operating income before depreciation & amortization	20,236,578
Less:	
Depreciation and amortization expense	<u>(19,354,075)</u>
Operating income	882,503
Non-operating revenues	555,432
Non-operating expenses	<u>(1,203,973)</u>
Net income	<u><u>\$ 233,962</u></u>
Determination of income available for debt service	
Net income	\$ 233,962
Adjustments:	
Bond interest expense	1,203,973
Bond service expense	<u>3,049,000</u>
Income available for debt service	4,486,935
20% of unrestricted net assets	<u>17,690,794</u>
Income available for debt service plus 20% of unrestricted net assets	<u><u>\$ 22,177,729</u></u>
Debt service requirements and coverage	
Parity debt service:	
Revenue bonds	\$ 2,532,250
Debt service coverage - parity indebtedness	8.758
Revenue bond covenant requirement	1.200
Other indebtedness:	
GO bonds, LOBS	<u>1,943,706</u>
Sum of parity and GO debt service	<u><u>\$ 4,475,956</u></u>
Debt service coverage - sum of parity and system GO indebtedness	4.955
Revenue bond covenant requirement	1.000

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

L. Pension Plan Obligations

a. Multiple-Employer Plans

Plan Description

Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the state-wide 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 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 of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to 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, 2023 was 13.04% of compensation for law enforcement officers and 12.15% 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 County were \$6,278,419 for the year ended June 30, 2023.

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, 2023, the County reported a liability of \$31,587,486 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the County's proportion was 0.55992% (measured as of June 30, 2022), which was a decrease of 0.02435% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

For the year ended June 30, 2023, the County recognized pension expense of \$8,513,745. At June 30, 2023, 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
Differences between expected and actual experience	\$ 1,361,077	\$ 133,446
Changes of assumptions	3,151,722	-
Net difference between projected and actual earnings on pension plan investments	10,439,994	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	564,035
County contributions subsequent to the measurement date	6,278,419	-
Total	\$ 21,231,212	\$ 697,481

\$6,278,419 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 ending June 30, 2024. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2024	\$ 4,350,568
2025	3,799,179
2026	1,131,757
2027	4,973,808
2028	-
Thereafter	-
Total	\$ 14,255,312

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The plan actuary currently uses mortality tables based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* 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 and methods used in the December 31, 2021 actuarial valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic fixed income	7.0%	5.0%
Inflation sensitive	<u>6.0%</u>	2.7%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

HARNETT COUNTY, NORTH CAROLINA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contribution 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 benefits payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 6.50%, 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 one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 57,011,340	\$ 31,587,486	\$ 10,636,750

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. Single-Employer Plan

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% 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

All full-time County law enforcement officers are covered by the Separation Allowance. At June 30, 2022, the Separation Allowance's membership consisted of:

Retirees receiving benefits	18
Active plan members	<u>129</u>
Total	<u><u>147</u></u>

Summary of Significant Accounting Policies

Basis of Accounting. The County has chosen to fund the Separation Allowance through contributions to the County's Law Enforcement Officers' Special Separation Allowance (LEOSSA) Trust Fund. Contributions to the LEOSSA trust fund are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Actuarial Assumptions

The entry age normal actuarial cost method was used in the June 30, 2022 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.25 percent
Discount rate	4.05 percent

The discount rate used to measure the total pension liability as of December 31, 2022 (measurement date) was 4.05%. The discount rate used is equal to the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating AA/Aa or higher. The index used for this purpose is the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2022.

The projection of cash flows used to determine the discount rate assumed that the employer would contribute the actuarially determined contribution in the future.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ended December 31, 2019.

Deaths After Retirement (Healthy): Pub-2010 Safety Retirees Mortality Table projected generationally using MP-2019. The male and female rates are set back 3 years.

Deaths Before Retirement: Pub-2010 Safety Employees Male and Female Mortality tables are projected generationally with MP-2019.

Deaths After Retirement (Disabled): Pub-2010 General Disabled Retirees Mortality Table projected generationally using MP-2019. The male and female rates are set back 3 years.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 through contributions to the LEOSSA trust 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. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$181,432 as benefits came due for the reporting period.

Investments

Investment Policy. The LEO Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The LEO Plan discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. Investments are valued at fair value. The following was the Board’s adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023:

<u>Asset Class</u>	<u>Anticipated Target Allocation 2023</u>	<u>Anticipated Target Allocation 2022</u>	<u>Long-Term Expected Real Rate of Return 2023</u>	<u>Long-Term Expected Real Rate of Return 2022</u>
Fixed income	45.00%	46.00%	1.60%	1.60%
Global equity	<u>55.00%</u>	<u>54.00%</u>	3.90%	3.90%
	<u>100.00%</u>	<u>100.00%</u>		

Rate of Return. For the year ended June 30, 2023, the annual money weighted rate of return on investments, net of investment expense, was (15.93) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

At June 30, 2023, the County reported a net pension liability of \$4,076,595. The total pension liability was measured as of December 31, 2022 based on June 30, 2022 actuarial valuation. The net pension liability was rolled forward to December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$505,927.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

At June 30, 2023, 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
Differences between expected and actual experience	\$ 560,862	\$ 227,559
Changes of assumptions	320,146	307,890
Net difference between projected and actual earnings on pension plan investments	46,200	-
County benefit payments and plan administrative expense made subsequent to the measurement date	194,412	-
Total	\$ 1,121,620	\$ 535,449

\$194,412 reported as deferred outflows of resources related to pensions resulting from County benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2024	\$ 110,259
2025	118,913
2026	66,879
2027	70,437
2028	54,404
Thereafter	(29,133)
Total	\$ 391,759

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's net pension liability calculated using the discount rate of 4.05%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.05%) or one percentage point higher (5.05%) than the current rate:

	1% Decrease (3.05%)	Discount Rate (4.05%)	1% Increase (5.05%)
Net pension liability	\$ 4,449,814	\$ 4,076,595	\$ 3,735,700

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance as of December 31, 2021	\$ 4,779,151	\$ 370,417	\$ 4,408,734
Service cost	286,359	-	286,359
Interest on the total pension liability	96,284	-	96,284
Differences between expected and actual experience in the measurement of the total pension liability	(248,057)	-	(248,057)
Changes of assumptions or other inputs	(337,409)	-	(337,409)
Contributions - employer	-	188,907	(188,907)
Net investment income	-	(59,591)	59,591
Benefit payments	(181,432)	(181,432)	-
Balance as of December 31, 2022	\$ 4,394,896	\$ 318,301	\$ 4,076,595

Changes of Assumptions. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 2.06% at December 31, 2021 to 4.05% at December 31, 2022.

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.

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

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	ROD	Total
Proportionate share of net pension liability (asset)	\$ 31,587,486	\$ -	\$ (179,924)	\$ 31,407,562
Proportion of the net pension liability (asset)	0.55992%	NA	-1.35894%	-
Net pension liability	-	4,076,595	-	4,076,595
Pension expense	8,513,745	505,927	20,531	9,040,203

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Deferred Outflows of Resources:				
Differences between expected and actual experience	\$ 1,361,077	\$ 560,862	\$ 1,386	\$ 1,923,325
Changes of assumptions	3,151,722	320,146	9,526	3,481,394
Net difference between projected and actual earnings on pension plan investments	10,439,994	46,200	74,782	10,560,976
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	6,278,419	194,412	12,867	6,485,698
Total	\$ 21,231,212	\$ 1,121,620	\$ 98,561	\$ 22,451,393
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ 133,446	\$ 227,559	\$ 3,261	\$ 364,266
Changes of assumptions	-	307,890	-	307,890
Changes in proportion and differences between County contributions and proportionate share of contributions	564,035	-	12,751	576,786
Total	\$ 697,481	\$ 535,449	\$ 16,012	\$ 1,248,942

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month, an amount equal to 5% of each officer’s salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 were \$598,371, which consisted of \$383,224 from the County and \$215,147 from the law enforcement officers. No amounts were forfeited.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

d. Supplemental Retirement Income Plan

Plan Description. The County administers a supplemental retirement benefit plan for all of its full-time employees that are not involved with law enforcement, through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The County contributes 2% to all full-time general employees. All contributed amounts plus investment earnings allocated to the employee's accounts are fully vested immediately. The County established the plan and may amend it at its discretion. Contributions for the year ended June 30, 2023 were \$1,808,403, which consisted of \$770,898 from the County and \$1,037,505 from employee contributions. No amounts were forfeited.

e. Register of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, 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 Governmental 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 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 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 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 \$12,867 for the year ended June 30, 2023.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

At June 30, 2023, the County reported an asset of \$179,924 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022, the County's proportion was 1.35894%, which was an increase of 0.04810% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$20,531. At June 30, 2023, 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
Differences between expected and actual experience	\$ 1,386	\$ 3,261
Changes of assumptions	9,526	-
Net difference between projected and actual earnings on pension plan investments	74,782	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	12,751
County contributions subsequent to the measurement date	12,867	-
Total	\$ 98,561	\$ 16,012

\$12,867 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 ending June 30, 2024. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2024	\$ 12,704
2025	13,274
2026	24,896
2027	18,808
2028	-
Thereafter	-
Total	\$ 69,682

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2021 valuation was based on the results of an actuarial experience study as of December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income returns 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 99.9% 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, 2022 is 1.1%.

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Discount Rate. The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 3.00%, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension asset	\$ (207,388)	\$ (179,924)	\$ (306,224)

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.

M. Other Post-Employment Benefits

Plan Description

Plan Administration. At retirement, all employees have the option to purchase basic medical insurance at the County’s group rate. Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the “HCB Plan”). This plan provides post-employment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees’ Retirement System, have at least 15 years of creditable service with the County, and are actively employed with the County at the time of retirement. The County is self-insured for health insurance. The entire cost for individual only coverage is paid by the County for those employees, until age 65, who retire with 30 years of service. Those employees who retire with less than 30 years of service with the County receive benefits on a prorated basis. The plan, which has a June 30, 2023 year end, does not issue a stand-alone report. Management of the HCB Plan is vested in the Harnett County Board of Commissioners.

HARNETT COUNTY, NORTH CAROLINA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Plan Membership. Membership of the HCB Plan consisted of the following as of June 30, 2022, the date of the latest actuarial valuation:

Inactive employees or beneficiaries	
currently receiving benefits	208
Firefighters	-
Active employees	848
Total	1,056

Benefits Provided. The HCB Plan provides healthcare benefits for retirees. The County’s payment for the coverage is based on the number of years of service with the County of the retired employee on a prorated basis. Shown below is the prorated basis:

30	100%
29	96%
28	94%
27	91%
26	88%
25	85%
24	83%
23	81%
22	79%
21	77%
20	75%
19	70%
18	65%
17	60%
16	55%
15	50%

Contributions. The Board of Commissioners established the contribution requirements of plan members which may be amended by the Board. The Board establishes rates based on an actuarially determined rate. Currently, the County pays the individual portion of the Healthcare Benefits Plan on active employees. Retirees not eligible for Medicare are enrolled in the same plan as active County employees. Retirees may be eligible to participate in the County’s Group Health Plan until they reach age 65 or become Medicare eligible. At age 65, or Medicare eligible, retirees may then receive reimbursement up to the \$200 monthly maximum for their individual Medicare Supplement. The Board of Commissioners may amend the benefit provisions.

Per a County resolution, the County is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board. For the current year, the County contributed \$1,260,675. The fund is accounted for as a trust fund.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Investments

Investment Policy. The HCB Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The HCB Plan discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. Investments are valued at fair value. The following was the Board’s adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023:

<u>Asset Class</u>	<u>Anticipated Target Allocation 2023</u>	<u>Anticipated Target Allocation 2022</u>	<u>Long-Term Expected Real Rate of Return 2023</u>	<u>Long-Term Expected Real Rate of Return 2022</u>
Fixed income	45.00%	46.00%	1.60%	1.60%
Global equity	<u>55.00%</u>	<u>54.00%</u>	3.90%	3.90%
	<u>100.00%</u>	<u>100.00%</u>		

Rate of Return. For the year ended June 30, 2023, the annual money weighted rate of return on investments, net of investment expense, was 7.90 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The components of the net OPEB liability of the County at June 30, 2023 were as follows:

Total OPEB liability	\$ 48,968,598
Plan fiduciary net position	<u>1,123,085</u>
Net OPEB liability	<u>\$ 47,845,513</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	2.29%

Actuarial Assumptions. The total OPEB liability was determined by actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.25 percent
Discount rate	3.86 percent
Healthcare cost trend rates	Pre-Medicare - 7.5% for 2022 decreasing to an ultimate rate of 4.5% by 2030

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Total OPEB liability was rolled forward to June 30, 2023, utilizing update procedures incorporating the actuarial assumptions.

Deaths After Retirement (Healthy): Pub-2010 General Retirees Mortality Table projected generationally with MP-2019. The male rates are set forward 2 years and adjusted with the following factors: 80 and younger, 96.0%; age 81, 96.8%; age 82, 97.6%; age 83, 98.4%; age 84, 99.2%; age 85 and older, 100.0%. The female rates are adjusted with the following factors: 91 and younger, 100.0%; age 92, 102.5%; age 93, 105.0%; age 94, 107.5%; age 95 and older, 110.0%.

Deaths Before Retirement: Pub-2010 General Employees Male and Female Mortality tables projected generationally with MP-2019.

Deaths After Retirement (Disabled): Pub-2010 General Disabled Retirees Mortality Table projected generationally with MP-2019. The male rates are set forward 3 years, and female rates are set back 1 year.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on those used for the December 31, 2019 Actuarial Valuation of the N.C. Local Governmental Employees' System.

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are presented above.

Discount Rate. The discount rate used to measure the total OPEB liability at June 30, 2023 was 3.86 percent, which was a change from the discount rate of 3.69% at June 30, 2022. However, because the OPEB plan's fiduciary net position was not projected to be sufficient to make all future benefit payments, the discount rate incorporates a municipal bond rate which was 3.86 percent at June 30, 2022 per the S&P Municipal Bond 20-Year High Grade Rate Index.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. At June 30, 2023, the following represents the net OPEB liability of the County as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Net OPEB liability	\$ 53,265,456	\$ 47,845,513	\$ 43,117,743

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the County at June 30, 2023, as well as what the County's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 43,667,513	\$ 47,845,513	\$ 52,750,062

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2023, the County reported a net OPEB liability of \$47,845,513. The total OPEB liability was determined by an actuarial valuation as of June 30, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2023, the components of the net OPEB liability of the County, measured as of June 30, 2023, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2022	\$ 47,072,624	\$ 933,244	\$ 46,139,380
Changes for the year:			
Service cost	2,122,719	-	2,122,719
Interest	1,708,004	-	1,708,004
Differences between expected and actual experience	(1,984,757)	-	(1,984,757)
Changes of assumptions	1,198,998	-	1,198,998
Contributions	-	1,260,675	(1,260,675)
Net investment income	-	78,156	(78,156)
Benefit payments	(1,148,990)	(1,148,990)	-
Net changes	1,895,974	189,841	1,706,133
Balances at June 30, 2023	\$ 48,968,598	\$ 1,123,085	\$ 47,845,513

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.69 percent in 2022 to 3.86 percent in 2023.

For the year ended June 30, 2023, the County recognized OPEB expense of \$3,269,851. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 789,707	\$ 2,975,808
Changes of assumptions	6,461,940	8,929,978
Net difference between projected and actual earnings on pension plan investments	75,794	-
Total	\$ 7,327,441	\$ 11,905,786

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Total
2024	\$ (504,483)
2025	(247,524)
2026	(169,848)
2027	(659,651)
2028	(1,464,720)
Thereafter	(1,532,119)
Total	\$ (4,578,345)

N. 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 (the "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. The employee's beneficiary will receive a lump-sum payment equal to the employee's highest twelve (12) months' consecutive salary during the preceding twenty-four (24) months, but no less than \$25,000 and not to exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

O. Closure and Post-Closure Care Costs – Dunn-Erwin Solid Waste Landfill

State and federal laws and regulations require the County to close, or in other words, place a final protective containment cover on each phase of the landfill at both the Dunn-Erwin Solid Waste Facility and the Anderson Creek Solid Waste Facility when each phase of the landfills stop accepting waste and to perform certain maintenance and monitoring functions at the site of the 30-years after closure. Although a majority of closure costs will be paid near or after the date that the landfill stops accepting waste, 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 and phases that have been closed as of each financial statement date. Post-closure care costs begin immediately upon each phase closure and per state and federal regulations; post-closure care must be maintained for a minimum of a 30-year timeframe after closure. No expenditures have been applied to the liability during the current fiscal year. The \$1,300,089 post-closure care liability at June 30, 2023 represents a cumulative amount reported to date based on the use of 100 percent of the total estimated capacity of the landfill. The County closed the Municipal Solid Waste (MSW) cell at Dunn-Erwin Solid Waste Landfill on January 1, 1998, with other phases being closed previous to that date at both Dunn-Erwin and the Anderson Creek Solid Waste facilities. These amounts are based on what it would cost to perform all closure and post-closure care in 2023. Actual costs may be higher due to inflation, changes in technology, changes in regulations, or changes in landfill capacity.

P. Commitment and Contingencies

The County had commitments under uncompleted construction contracts in the governmental and enterprise funds totaling \$114,995,941 at June 30, 2023.

Q. Arbitrage

The arbitrage rebate payments are due on the fifth anniversary of the bond issue date. It is management's belief that the County's future rebate liability, if any, will be immaterial and, therefore, no liability has been recorded. The County reviews its potential liability for the penalty annually. It is management's belief that no additional arbitrage will be payable.

R. Claims and Judgments

At June 30, 2023, the County was a defendant in various lawsuits. In the opinion of the County's management and the County attorney, the ultimate outcome of these legal matters will not have a material adverse effect on the County's financial position.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

S. Federal and State-Assisted Programs

The County has received proceeds from several federal and state awards. Periodic audits of these awards are required and certain costs may be questioned as not being appropriate expenditures under the award agreements. Such audits could result in the refund of award monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of award monies.

T. Interfund Balances and Activities

Transfers in (out) for the year ended June 30, 2023, are summarized below:

From the General Fund to:

The Harnett County Riverside Drainage Assessment for its local contribution	\$ 750,000
Government Complex Park to close out fund	68,572
The Emergency Radio System Fund for eligible costs	12,227
The Jetport Expansion for the County's local contribution	2,500,000
The Aircraft Apron and Helipad Design for the County's local contribution	4,100
The Jetport Terminal Project for the County's local contribution	5,994,118
The Animal Services Needs Assessment Study for the County's local contribution	32,341
The Old Detention Center for local contribution	75,000
Total transfers out from the General Fund	9,436,358

From nonmajor governmental funds to:

The General Fund from the Government Complex South for reimbursable expenditures	334,360
The General Fund from the ARPA Fund for eligible expenditures	1,249,448
The General Fund from the Oakridge River Rd Tower fund to close out fund	36,943
The General Fund from Emergency Telephone System Fund for disqualified costs	24,790
The General Government SRF fund to Aircraft Apron and Helipad Design for eligible costs	50,000
2023 GO Bonds Series 2020 from the Erwin Elementary for eligible expenditures	3,110,632
The General Fund from Airfield Lighting Rehabilitation to close out fund	11,869
2017 GO Bonds Projects to 2023 GO Bonds Series 2017 for eligible costs	87,613
The 2022 GO Bonds Series 2021 to Neils Creek Park for eligible costs	444,225
Total transfer out from nonmajor governmental funds	6,599,328

Total	\$ 16,035,686
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HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Interfund balances at June 30, 2023 consist of the following:

Due to the General Fund from:	
Nonmajor governmental funds:	
WIA Youth Program Fund	\$ 9,931
Aircraft Apron and Helipad Design	2,005,352
Emergency watershed	117,160
Jetport master plan	662
Erwin Elementary School	<u>10,652</u>
Total due to the General Fund	<u>\$ 2,143,757</u>

The balances above are advances from the General Fund. Grant funds and debt proceeds have been requested to repay the General Fund.

The internal balance on Exhibit A is the result of the consolidation of the County's internal services funds.

The Water Districts (a blended component unit of the County) issue GO debt (30-year), the proceeds of which are used to refund existing USDA District debt. The County then issues limited obligation bonds in an amount sufficient enough to purchase all the District's GO debt. Both the District and the County assign their rights to a third-party trustee that received the debt payments from the District and uses those funds to make the debt service payments on the LOBs.

3. Joint Ventures

The County, in conjunction with seven other counties, participates in the Sandhills Center for Mental Health, Development Disabilities & Substance Abuse Services, an Area Authority/Local Management Entity. Harnett County appoints four members to the 26-member Board. The Authority is a joint venture established to provide the participating counties with legally mandated mental health services. The County has an ongoing financial responsibility for the continued funding. The County contributed \$199,679 to the Authority during the fiscal year ended June 30, 2023. Neither of the participating governments has any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2023. Complete financial statements for the Sandhills Center can be obtained from their administrative offices at 1120 Seven Lakes Drive or P.O. Box 9, West End, North Carolina 27376.

The County, in conjunction with the State of North Carolina, Lee County, Chatham County, and the Lee County Board of Education, participates in a joint venture to operate Central Carolina Community College. The County appoints two members of the 17-member Board of Trustees of the community college. The President of the community college's student government association serves as a non-voting, ex-officio member of the Board of Trustees.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The County has the basic responsibility for providing funding for the Harnett County facilities of the community college and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's Harnett County facilities. The County contributed \$1,557,732 to the community college for operating purposes during the fiscal year ended June 30, 2023. 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, 2023. Complete financial statements for the community college may be obtained from the community college's administrative offices at 1105 Kelly Drive, Sanford, North Carolina 27330.

The County, in conjunction with the City of Dunn and the Dunn Area Chamber of Commerce, participates in the Averasboro Township Tourism Development Authority. The Authority is a joint venture established to receive the net proceeds of the room occupancy and tourism development tax levied in Averasboro Township in Harnett County. The Authority may spend these proceeds to develop, promote, and advertise travel and tourism in Averasboro Township, to sponsor tourist-oriented events and activities for Averasboro Township, to operate and maintain museums and historic sites throughout Averasboro Township, and to purchase, operate, and maintain a convention facility for Averasboro Township. The County appoints two members to the seven-member Board.

The County remitted \$689,617 to the Authority during the fiscal year ended June 30, 2023.

Neither of the participants has any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2023. Complete financial statements for the Authority can be obtained from the Dunn Area Chamber of Commerce at 209 West Divine Street, Post Office Box 548, Dunn, North Carolina 28335.

4. Jointly Governed Organization

The County, in conjunction with two other counties and 20 municipalities, established the Mid-Carolina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$30,964 to the Council during fiscal year ended June 30, 2023.

5. Stewardship, Compliance, and Accountability

Deficit Fund Balance of Individual Funds

Capital Project Funds:

Aircraft Apron and Helipad Design	\$	52,113
Jetport Master Plan		662

The County plans to fully fund these projects in the subsequent year. The Aircraft Apron and Helipad Design will be funded by transfers and grant revenue and the Jetport Master Plan will be funded by a transfer from the General Fund and grant revenue in the subsequent year.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

6. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocate the funds as follows:

- 15% directly to the state ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund

As of June 30, 2023 the County has received \$825,731. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2023. The MOA offered the County two options of expending the funds. The County opted for Option B, which allows a wide array of strategies to address the impact of the opioid epidemic.

7. Reimbursement for Pandemic-Related Expenditures

In fiscal year 2020-2021, the American Rescue Plan Act (ARPA) established the coronavirus state and local fiscal recovery funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$26,411,744 of fiscal recovery funds to be paid in two equal installments. The first installment of \$13,205,872 was received in August 2021. The second installment of \$13,205,872 was received in August 2022. County staff and the Board of Commissioners have used \$5,752,049 on public safety expenditures in fiscal year 2023 and \$1,249,448 on premium pay that was transferred to the general fund in FY 2023. The remaining balance of \$19,410,247 will be spent on future projects in the upcoming year.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- **Law Enforcement Officers' Special Separation Allowance**
 - **Schedule of Changes in Total Pension Liability**
 - **Schedule of Total Pension Liability as a Percentage of Covered Payroll**
 - **Schedule of Employer Contributions**
 - **Schedule of Investment Returns**

- **Other Post-Employment Benefits –**
 - **Schedule of Changes in the Net OPEB Liability and Related Ratios**
 - **Schedule of County Contributions**
 - **Schedule of Investment Returns**

- **Local Governmental Employees' Retirement System – Proportionate Share of Net Pension Liability (Asset)**

- **Local Governmental Employees' Retirement System – Contributions**

- **Register of Deeds' Supplemental Pension Fund – Proportionate Share of Net Pension Liability (Asset)**

- **Register of Deeds' Supplemental Pension Fund – Contributions**

HARNETT COUNTY, NORTH CAROLINA

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

Law Enforcement Officers' Special Separation Allowance				
	2023	2022	2021	2020
Total Pension Liability:				
Service cost	\$ 286,359	\$ 274,892	\$ 167,984	\$ 162,303
Interest on the total pension liability	96,284	95,163	105,206	100,633
Difference between expected and actual experience	(248,057)	(18,248)	732,965	251,811
Changes in assumptions or other inputs	(337,409)	23,213	415,679	103,797
Benefit payments	(181,432)	(169,345)	(151,068)	(160,938)
Net change in total pension liability	(384,255)	205,675	1,270,766	457,606
Total pension liability - beginning	4,779,151	4,573,476	3,302,710	2,845,104
Total pension liability - ending	<u>\$ 4,394,896</u>	<u>\$ 4,779,151</u>	<u>\$ 4,573,476</u>	<u>\$ 3,302,710</u>
Plan Net Position:				
Contributions - employer	\$ 188,907	\$ 376,410	\$ 151,068	\$ 160,938
Net investment income	(59,591)	30,773	14,587	17,859
Benefit payments	(181,432)	(169,345)	(151,068)	(160,938)
Net change in plan net position	(52,116)	237,838	14,587	17,859
Plan net position - beginning	370,417	132,579	117,992	100,133
Plan net position - ending	<u>\$ 318,301</u>	<u>\$ 370,417</u>	<u>\$ 132,579</u>	<u>\$ 117,992</u>
Net pension liability - ending	<u>\$ 4,076,595</u>	<u>\$ 4,408,734</u>	<u>\$ 4,440,897</u>	<u>\$ 3,184,718</u>

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

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

HARNETT COUNTY, NORTH CAROLINA

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

	Law Enforcement Officers' Special Separation Allowance		
	2019	2018	2017
Total Pension Liability:			
Service cost	\$ 162,961	\$ 142,756	\$ 136,917
Interest on the total pension liability	86,560	91,776	83,758
Difference between expected and actual experience	37,464	53,115	-
Changes in assumptions or other inputs	(118,173)	201,437	(61,731)
Benefit payments	(125,872)	(129,094)	(125,866)
Net change in total pension liability	42,940	359,990	33,078
Total pension liability - beginning	2,802,164	2,442,174	2,409,096
Total pension liability - ending	<u>\$ 2,845,104</u>	<u>\$ 2,802,164</u>	<u>\$ 2,442,174</u>
Plan Net Position:			
Contributions - employer	\$ 225,872	\$ -	\$ -
Net investment income	133	-	-
Benefit payments	(125,872)	-	-
Net change in plan net position	100,133	-	-
Plan net position - beginning	-	-	-
Plan net position - ending	<u>\$ 100,133</u>	<u>\$ -</u>	<u>\$ -</u>
Net pension liability - ending	<u>\$ 2,744,971</u>	<u>\$ 2,802,164</u>	<u>\$ 2,442,174</u>

HARNETT COUNTY, NORTH CAROLINA**SCHEDULE OF NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST SEVEN FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance			
	2023	2022	2021	2020
Total pension liability	\$ 4,394,896	\$ 4,779,151	\$ 4,573,476	\$ 3,302,710
Plan net position	318,301	370,417	132,579	117,992
Net pension liability	<u>\$ 4,076,595</u>	<u>\$ 4,408,734</u>	<u>\$ 4,440,897</u>	<u>\$ 3,184,718</u>
Ratio of plan net position to total pension liability	7.24%	7.75%	2.90%	3.57%
Covered payroll	\$ 7,606,337	\$ 7,369,562	\$ 7,369,562	\$ 6,861,542
Net pension liability as a percentage of covered payroll	53.59%	59.82%	60.26%	46.41%

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

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

HARNETT COUNTY, NORTH CAROLINA**SCHEDULE OF NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST SEVEN FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance		
	2019	2018	2017
Total pension liability	\$ 2,845,104	\$ 359,990	\$ 33,078
Plan net position	100,133	-	-
Net pension liability	<u>\$ 2,744,971</u>	<u>\$ 359,990</u>	<u>\$ 33,078</u>
Ratio of plan net position to total pension liability	3.52%	0.00%	0.00%
Covered payroll	\$ 6,388,148	\$ 6,106,799	\$ 5,599,863
Net pension liability as a percentage of covered payroll	42.97%	5.89%	0.59%

HARNETT COUNTY, NORTH CAROLINA

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST FIVE FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined employer contribution	\$ 680,520	\$ 707,486	\$ 678,843	\$ 437,750	\$ 382,129
Actual employer contributions	284,408	190,347	358,069	158,954	228,205
Annual contribution deficiency (excess)	<u>\$ 396,112</u>	<u>\$ 517,139</u>	<u>\$ 320,774</u>	<u>\$ 278,796</u>	<u>\$ 153,924</u>
Covered payroll	\$ 7,606,337	\$ 7,369,562	\$ 7,369,562	\$ 6,861,542	\$ 6,388,148
Actual contributions as a percentage of covered payroll	3.74%	2.58%	4.86%	2.32%	3.57%

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll closed
Amortization period	21 years
Asset valuation method	Market value
Inflation	2.50%
Healthcare cost trend rates:	
Pre-Medicare Medical and Prescription Drug	7.5% for 2022 decreasing to an ultimate rate of 4.5% by 2030
Dental	4.00%
Salary increases	3.25%
Investment rate of return	3.00%

Mortality:

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

HARNETT COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
LAST FIVE FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	-15.93%	13.03%	12.36%	17.84%	0.27%

HARNETT COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS**

Other Post-Employment Benefits			
	2023	2022	2021
Service cost	\$ 2,122,719	\$ 2,824,702	\$ 2,268,814
Interest	1,708,004	1,188,510	1,198,788
Differences between expected and actual experience	(1,984,757)	(462,810)	(1,163,537)
Changes of assumptions or other inputs	1,198,998	(11,054,614)	(491,036)
Benefit payments	<u>(1,148,990)</u>	<u>(893,455)</u>	<u>(1,173,035)</u>
Net change in total OPEB liability	1,895,974	(8,397,667)	639,994
Total OPEB liability - beginning	<u>47,072,624</u>	<u>55,470,291</u>	<u>54,830,297</u>
Total OPEB liability - ending	<u>\$ 48,968,598</u>	<u>\$ 47,072,624</u>	<u>\$ 55,470,291</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 1,260,675	\$ 1,107,150	\$ 1,851,427
Net investment income	78,156	(137,602)	61,289
Benefit payments	<u>(1,148,990)</u>	<u>(893,455)</u>	<u>(1,173,036)</u>
Net change in plan fiduciary net position	189,841	76,093	739,680
Plan fiduciary net position - beginning	<u>933,244</u>	<u>857,151</u>	<u>117,471</u>
Plan fiduciary net position - ending	<u>\$ 1,123,085</u>	<u>\$ 933,244</u>	<u>\$ 857,151</u>
Net OPEB liability - ending	<u>\$ 47,845,513</u>	<u>\$ 46,139,380</u>	<u>\$ 54,613,140</u>
Plan fiduciary net position as a percentage of the total OPEB liability	2.29%	1.98%	1.55%

HARNETT COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS**

Other Post-Employment Benefits			
	2020	2019	2018
Service cost	\$ 2,219,756	\$ 1,586,770	\$ 1,784,904
Interest	1,546,413	1,398,120	1,015,623
Differences between expected and actual experience	(284,407)	1,971,907	(411,268)
Changes of assumptions or other inputs	7,577,536	3,735,612	(2,253,489)
Benefit payments	(817,408)	(89,940)	(387,869)
Net change in total OPEB liability	10,241,890	8,602,469	(252,099)
Total OPEB liability - beginning	44,588,407	35,985,938	33,934,132
Total OPEB liability - ending	<u>\$ 54,830,297</u>	<u>\$ 44,588,407</u>	<u>\$ 33,682,033</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 817,408	\$ 189,940	\$ -
Net investment income	6,035	11,436	-
Benefit payments	(817,408)	(89,940)	-
Net change in plan fiduciary net position	6,035	111,436	-
Plan fiduciary net position - beginning	111,436	-	-
Plan fiduciary net position - ending	<u>\$ 117,471</u>	<u>\$ 111,436</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 54,712,826</u>	<u>\$ 44,476,971</u>	<u>\$ 33,682,033</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.21%	0.25%	

HARNETT COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
LAST FIVE FISCAL YEARS**

	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 4,442,007	\$ 5,045,540
Contributions in relation to the actuarially determined contribution	<u>1,260,675</u>	<u>1,107,150</u>
Contribution deficiency (excess)	<u>\$ 3,181,332</u>	<u>\$ 3,938,390</u>

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Amortization method

Amortization period

Asset valuation method

Inflation

Healthcare cost trend rates:

Pre-Medicare Medical and Prescription Drug

Dental

Salary increases

Investment rate of return

Mortality:

Mortality rates were based on the PUB-2010 mortality tables, projected generationally with MP-2019.

HARNETT COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
LAST FIVE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 4,904,828	\$ 4,521,445	\$ 4,521,445
Contributions in relation to the actuarially determined contribution	<u>1,851,427</u>	<u>817,408</u>	<u>189,940</u>
Contribution deficiency (excess)	<u>\$ 3,053,401</u>	<u>\$ 3,704,037</u>	<u>\$ 4,331,505</u>

HARNETT COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
LAST FIVE FISCAL YEARS**

	<u>2023</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	7.90%	-14.27%

HARNETT COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
LAST FIVE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	13.42%	5.42%	22.87%

HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS***

	Local Governmental Employees' Retirement System				
	2023	2022	2021	2020	2019
Harnett County's proportion of the net pension liability (asset) (%)	0.55992%	0.58427%	0.61067%	0.63099%	0.63552%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ 31,587,486	\$ 8,960,342	\$ 21,821,842	\$ 17,231,846	\$ 15,076,709
Harnett County's covered payroll	\$ 44,922,261	\$ 42,254,273	\$ 42,145,553	\$ 41,328,095	\$ 40,417,021
Harnett County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	70.32%	21.21%	51.78%	41.70%	37.30%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	91.63%

*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.

HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS***

	Local Governmental Employees' Retirement System				
	2018	2017	2016	2015	2014
Harnett County's proportion of the net pension liability (asset) (%)	0.62989%	0.60747%	0.60626%	0.61359%	0.60720%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ 9,622,975	\$ 12,892,549	\$ 2,720,859	\$ (3,618,622)	\$ 7,319,092
Harnett County's covered payroll	\$ 38,174,729	\$ 35,357,790	\$ 33,805,772	\$ 33,682,244	\$ 31,375,274
Harnett County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	25.21%	36.46%	8.05%	(10.74%)	23.33%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Local Governmental Employees' Retirement System					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 6,278,419	\$ 5,173,532	\$ 4,359,543	\$ 3,838,668	\$ 3,272,702
Contributions in relation to the contractually required contribution	<u>6,278,419</u>	<u>5,173,532</u>	<u>4,359,543</u>	<u>3,838,668</u>	<u>3,272,702</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Harnett County's covered payroll	\$ 51,073,293	\$ 44,922,261	\$ 42,254,273	\$ 42,145,553	\$ 41,328,095
Contributions as a percentage of covered payroll	12.29%	11.52%	10.32%	9.11%	7.92%

HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Local Governmental Employees' Retirement System					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,098,299	\$ 2,837,412	\$ 2,405,538	\$ 2,408,212	\$ 2,392,465
Contributions in relation to the contractually required contribution	<u>3,098,299</u>	<u>2,837,412</u>	<u>2,405,538</u>	<u>2,408,212</u>	<u>2,392,465</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Harnett County's covered payroll	\$ 40,417,021	\$ 38,174,729	\$ 35,357,790	\$ 33,805,772	\$ 33,682,244
Contributions as a percentage of covered payroll	7.67%	7.43%	6.80%	7.12%	7.10%

HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

	Register of Deeds' Supplemental Pension Fund				
	2023	2022	2021	2020	2019
Harnett County's proportion of the net pension liability (asset) (%)	1.35894%	1.31084%	1.22053%	1.05699%	1.19995%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ (179,924)	\$ (251,852)	\$ (279,721)	\$ (208,671)	\$ (198,748)
Plan fiduciary net position as a percentage of the total pension liability**	139.04%	156.53%	173.62%	164.11%	153.31%

*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.

HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

	Register of Deeds' Supplemental Pension Fund				
	2018	2017	2016	2015	2014
Harnett County's proportion of the net pension liability (asset) (%)	1.24961%	1.21436%	1.24646%	1.21801%	1.27830%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ (213,296)	\$ (227,037)	\$ (288,855)	\$ (276,087)	\$ (273,045)
Plan fiduciary net position as a percentage of the total pension liability**	153.77%	160.17%	197.29%	193.88%	190.50%

HARNETT COUNTY, NORTH CAROLINA**HARNETT COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Register of Deeds' Supplemental Pension Fund					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 12,867	\$ 16,834	\$ 15,732	\$ 11,687	\$ 9,726
Contributions in relation to the contractually required contribution	<u>12,867</u>	<u>16,834</u>	<u>15,732</u>	<u>11,687</u>	<u>9,726</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HARNETT COUNTY, NORTH CAROLINA**HARNETT COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Register of Deeds' Supplemental Pension Fund					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 10,269	\$ 10,053	\$ 9,920	\$ 9,974	\$ 9,945
Contributions in relation to the contractually required contribution	<u>10,269</u>	<u>10,053</u>	<u>9,920</u>	<u>9,974</u>	<u>9,945</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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MAJOR FUNDS - GOVERNMENTAL

The General Fund accounts for resources traditionally associated with the government that are not required legally or by sound fiscal management to be accounted for in other funds.

The ARPA Fund is used for the restricted funds related to federal funding provided through ARPA. These funds are restricted for their intended purpose under the grant terms.

The Opioid Settlement Fund is used for the restricted funds related to the Opioid settlement. These funds are restricted for their intended purpose under the funding terms.

The Special Districts Fund accounts for revenues and expenditures of 18 rescue/fire districts and one special school district in Harnett County.

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HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over /Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 77,370,000	\$ 79,566,637	\$ 2,196,637	\$ 73,288,284
Penalties and interest	275,000	364,613	89,613	382,860
Total	<u>77,645,000</u>	<u>79,931,250</u>	<u>2,286,250</u>	<u>73,671,144</u>
Other Taxes and Licenses:				
Local option sales tax	35,920,917	48,835,887	12,914,970	44,617,913
Cable franchise license	170,000	211,169	41,169	282,908
Excise stamp - real property	1,164,000	1,536,644	372,644	1,565,634
Total	<u>37,254,917</u>	<u>50,583,700</u>	<u>13,328,783</u>	<u>46,466,455</u>
Unrestricted Intergovernmental:				
Controlled substance	14,000	45,001	31,001	15,078
Restricted Intergovernmental:				
Federal and state grants	24,247,947	24,622,926	374,979	20,846,605
Court facility fees	261,600	322,820	61,220	237,754
Total	<u>24,509,547</u>	<u>24,945,746</u>	<u>436,199</u>	<u>21,084,359</u>
Permits and Fees:				
Filing and registration fees	-	22	22	181
Dog warden fees	76,000	81,274	5,274	74,116
Register of Deeds' fees	750,000	648,564	(101,436)	684,783
Inspection fees	302,000	405,320	103,320	302,880
Other fees	-	7,023	7,023	2,702
Total	<u>1,128,000</u>	<u>1,142,203</u>	<u>14,203</u>	<u>1,064,662</u>
Sales and Services:				
Rents, concessions, and fees	3,546,521	4,249,441	702,920	3,588,793
Court costs and fees	189,000	168,099	(20,901)	205,682
Jail fees	34,000	20,438	(13,562)	28,147
Ambulance fees	6,085,000	7,510,558	1,425,558	5,963,411
Library fees	8,900	22,381	13,481	9,873
Health fees	935,424	1,583,341	647,917	1,686,585
Total	<u>10,798,845</u>	<u>13,554,258</u>	<u>2,755,413</u>	<u>11,482,491</u>
Investment Earnings	<u>250,000</u>	<u>5,954,689</u>	<u>5,704,689</u>	<u>(40,608)</u>

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Over /Under	2022
	Budget	Actual		Actual
Other General Revenues:				
Sale of assets	12,501	312,172	299,671	90,988
Miscellaneous revenues	4,826,219	4,436,066	(390,153)	5,297,992
Donations	497,097	532,791	35,694	128,376
Total	<u>5,335,817</u>	<u>5,281,029</u>	<u>(54,788)</u>	<u>5,517,356</u>
Total revenues	<u>156,936,126</u>	<u>181,437,876</u>	<u>24,501,750</u>	<u>159,260,937</u>
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	1,168,483	1,142,617		1,093,974
Other operating expenditures	544,032	470,082		348,324
Total	<u>1,712,515</u>	<u>1,612,699</u>	<u>99,816</u>	<u>1,442,298</u>
Administration:				
Salaries and employee benefits	809,017	747,658		790,614
Other operating expenditures	1,130,922	414,731		134,096
Total	<u>1,939,939</u>	<u>1,162,389</u>	<u>777,550</u>	<u>924,710</u>
Legal Services:				
Salaries and employee benefits	131,979	130,777		142,629
Other operating expenditures	46,760	29,998		26,086
Total	<u>178,739</u>	<u>160,775</u>	<u>17,964</u>	<u>168,715</u>
Human Resources:				
Salaries and employee benefits	368,235	342,853		338,595
Other operating expenditures	496,378	437,367		329,167
Total	<u>864,613</u>	<u>780,220</u>	<u>84,393</u>	<u>667,762</u>
Board of Elections:				
Salaries and employee benefits	447,990	444,086		395,369
Other operating expenditures	129,516	118,713		91,617
Capital outlay	-	-		131
Total	<u>577,506</u>	<u>562,799</u>	<u>14,707</u>	<u>487,117</u>

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Over /Under	2022
	Budget	Actual		Actual
Finance:				
Salaries and employee benefits	1,036,011	973,352		935,714
Other operating expenditures	264,098	219,919		221,039
Total	1,300,109	1,193,271	106,838	1,156,753
IT:				
Salaries and employee benefits	1,537,098	1,515,617		1,367,547
Other operating expenditures	2,936,996	2,384,947		2,469,748
Capital outlay	1,893,259	1,199,508		236,154
Total	6,367,353	5,100,072	1,267,281	4,073,449
Tax:				
Salaries and employee benefits	1,001,685	732,599		1,281,466
Other operating expenditures	1,423,683	1,280,203		1,213,142
Total	2,425,368	2,012,802	412,566	2,494,608
Register of Deeds:				
Salaries and employee benefits	676,855	659,624		601,548
Other operating expenditures	133,220	112,166		131,456
Total	810,075	771,790	38,285	733,004
Public Buildings:				
Salaries and employee benefits	882,583	831,281		710,077
Other operating expenditures	2,805,473	2,647,850		2,363,242
Total	3,688,056	3,479,131	208,925	3,073,319
General Services:				
Salaries and employee benefits	199,191	196,870		185,449
Other operating expenditures	8,799	7,074		4,982
Total	207,990	203,944	4,046	190,431
Transportation:				
Salaries and employee benefits	1,796,167	1,342,754		1,242,691
Other operating expenditures	1,681,737	1,423,913		1,317,705
Capital outlay	390,509	258,257		277,642
Total	3,868,413	3,024,924	843,489	2,838,038

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Over /Under	2022
	Budget	Actual		Actual
GIS:				
Salaries and employee benefits	718,512	715,452		622,790
Other operating expenditures	57,766	24,947		32,237
Total	776,278	740,399	35,879	655,027
Total general government	24,716,954	20,805,215	3,911,739	18,905,231
Public Safety:				
Sheriff:				
Salaries and employee benefits	13,562,828	12,641,956		12,376,678
Other operating expenditures	2,668,551	2,429,811		2,066,364
Capital outlay	713,677	676,338		194,890
Total	16,945,056	15,748,105	1,196,951	14,637,932
Campbell Campus Deputies:				
Salaries and employee benefits	558,174	550,432		480,769
Other operating expenditures	28,520	24,956		25,019
Total	586,694	575,388	11,306	505,788
Communications:				
Salaries and employee benefits	2,022,933	1,838,950		1,566,627
Other operating expenditures	146,148	121,290		187,608
Total	2,169,081	1,960,240	208,841	1,754,235
Jail:				
Salaries and employee benefits	4,345,734	4,029,396		3,647,699
Other operating expenditures	3,053,475	2,608,727		2,587,508
Total	7,446,209	6,672,718	773,491	6,235,207
Child Support Enforcement:				
Salaries and employee benefits	92,485	91,169		81,355
Other operating expenditures	5,482	4,966		3,671
Total	97,967	96,135	1,832	85,026
Emergency Services:				
Salaries and employee benefits	878,758	867,801		836,148
Other operating expenditures	308,378	259,787		188,421
Total	1,187,136	1,127,588	59,548	1,024,569

HARNETT COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022**

	2023		Variance Over /Under	2022
	Budget	Actual		Actual
Emergency Medical Services:				
Salaries and employee benefits	9,023,049	7,905,629		7,576,495
Other operating expenditures	2,174,053	1,702,438		1,006,217
Capital outlay	7,064,309	2,267,020		1,472,618
Total	18,261,411	11,875,087	6,386,324	10,055,330
Rescue Districts:				
Other operating expenditures	5,792,107	5,792,107	-	3,749,400
Medical Examiner:				
Other operating expenditures	100,000	82,400	17,600	99,550
Emergency Services Grant:				
Other operating expenditures	442,695	250,500		81,595
Total	442,695	250,500	192,195	81,595
Animal Control:				
Salaries and employee benefits	660,573	588,946		445,273
Other operating expenditures	205,137	176,347		113,889
Total	865,710	765,293	100,417	559,162
Total public safety	53,894,066	44,945,561	8,948,505	38,787,794
Transportation Administration:				
Airport:				
Other operating expenditures	1,131,699	454,271	677,428	261,357
Total transportation	1,131,699	454,271	677,428	261,357
Environmental Protection:				
Soil and Water:				
Salaries and employee benefits	281,401	275,445		236,773
Other operating expenditures	28,060	20,404		18,027
Total	309,461	295,849	13,612	254,800

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Over /Under	2022
	Budget	Actual		Actual
Environmental Protection Allocation:				
Salaries and employee benefits				
Other operating expenditures	164,709	144,488		11,000
Total	164,709	144,488	20,221	11,000
Total environmental protection	474,170	440,337	33,833	265,800
Economic and Physical Development:				
Developmental Services:				
Salaries and employee benefits	942,338	905,182		830,284
Other operating expenditures	177,384	128,677		152,961
Total	1,119,722	1,033,859	85,863	983,245
Economic Development:				
Salaries and employee benefits	462,285	399,432		279,128
Other operating expenditures	649,526	484,450		581,831
Total	1,111,811	883,882	227,929	860,959
Cooperative Extension:				
Salaries and employee benefits	495,889	461,556		489,871
Other operating expenditures	79,802	44,197		30,641
Capital outlay	26,440	22,450		3,990
Total	602,131	528,203	73,928	524,502
Inspections:				
Salaries and employee benefits	1,013,097	939,191		805,154
Other operating expenditures	139,564	106,971		89,015
Total	1,152,661	1,046,162	106,499	894,169
Forestry Program:				
Operating expenditures	-	-	-	126,845
Total economic and physical development	3,986,325	3,492,106	494,219	3,389,720

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Over /Under	2022
	Budget	Actual		Actual
Human Services:				
Health:				
Salaries and employee benefits	7,113,335	6,664,761		5,797,511
Other operating expenditures	3,750,531	1,751,957		1,909,510
Total	11,364,010	8,848,286	2,515,724	7,744,402
Social Services:				
Salaries and employee benefits	14,829,178	14,027,330		13,256,847
Other operating expenditures	1,735,368	1,349,090		1,312,878
Total	16,564,546	15,376,420	1,188,126	14,750,859
Restitution:				
Salaries and employee benefits	86,938	79,519		74,461
Operating expenditures	20,312	14,645		10,584
Total	107,250	94,164	13,086	85,045
Veterans Services:				
Salaries and employee benefits	326,627	324,565		290,938
Other operating expenditures	29,426	23,002		16,445
Total	356,053	347,567	8,486	307,383
Mental Health:				
Other operating expenditures	605,679	605,679		605,679
Total	605,679	605,679	-	605,679
Public Assistance:				
TANF	1,000	197		703
Aid to the aged and blind	717,000	475,663		550,578
Medicaid	7,000	551		417
County assistance	95,000	73,061		9,574
Crisis intervention	442,137	396,053		446,377
Adoption Assistance - IV-B	100,000	70,617		93,529
Adoption IV-B vendor	8,300	2,171		2,400
Adoption IV-E vendor	29,000	18,705		9,860
Adoption assistance -IV- E	170,000	87,764		98,789
Foster care - other	3,800	3,298		2,237
Title IV-E - foster care	900,000	963,243		819,272

HARNETT COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022**

	2023		Variance Over /Under	2022
	Budget	Actual		Actual
Foster care county payments	30,800	5,980		10,935
State foster home care	1,325,000	1,198,686		555,476
Special services - foster care	30,500	30,148		176,238
Vendor transportation	70,000	36,485		41,833
Day care	326	314		472
All county clothing allowance	29,200	28,614		14,950
Professional services	2,500	20		500
WorkFirst - emergency cash	26,000	4,999		6,001
Contracted services	72,808	48,461		39,953
Child support enforcement	62,714	35,927		42,751
LIEAP	681,248	73,679		700,760
Donations	12,457	977		10,427
Food stamp issuance	31,000	24,085		22,014
Special needs adoption	1,844	1,844		4,120
Total	4,849,634	3,581,542	1,268,092	3,660,166
Total human services	33,847,172	28,853,658	4,993,514	27,153,534
Cultural and Recreation:				
Parks and Recreation:				
Salaries and employee benefits	1,110,770	897,014		827,758
Other operating expenditures	826,763	641,924		598,366
Capital outlay	25,264	263		10,963
Total	1,962,797	1,539,201	423,596	1,437,087
Libraries:				
Salaries and benefits	2,252,907	1,906,665		1,193,357
Other operating expenditures	674,618	586,087		371,669
Total	2,927,525	2,492,752	434,773	1,565,026
Culture and Recreation Appropriations:				
Other operating expenditures	213,997	213,996	1	150,000
Total cultural and recreation	5,104,319	4,245,949	858,370	3,152,113

HARNETT COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022**

	2023			2022
	Budget	Actual	Variance Over /Under	Actual
Education:				
CCCC campus	1,652,605	1,557,732		1,502,947
CCCC campus capital outlay	100,000	-		-
Public schools - current expenses	26,121,589	26,121,589		25,532,777
Public schools - capital outlay	2,883,206	430,536		3,687,463
Total education	<u>30,757,400</u>	<u>28,109,857</u>	<u>2,647,543</u>	<u>30,723,187</u>
Debt Service:				
Principal retirement	16,818,154	16,683,427		13,773,022
Interest and fees	7,076,763	7,072,844		6,411,526
Total debt service	<u>23,894,917</u>	<u>23,756,271</u>	<u>138,646</u>	<u>20,184,548</u>
Total expenditures	<u>177,807,022</u>	<u>155,103,225</u>	<u>22,703,797</u>	<u>142,823,284</u>
Revenues over (under) expenditures	<u>(20,870,896)</u>	<u>26,334,651</u>	<u>47,205,547</u>	<u>16,437,653</u>
Other Financing Sources (Uses):				
Transfer out	(38,301,526)	(9,436,358)	28,865,168	(976,259)
Transfer in	21,537,082	1,657,410	(19,879,672)	4,058,762
Long-term debt issued	-	-	-	231,966
Lease liability issued	250,000	236,537	(13,463)	1,141,316
Subscription liabilities issued	3,500,000	3,127,346	(372,654)	-
Appropriated fund balance	33,885,340	-	(33,885,340)	-
Total other financing sources (uses)	<u>20,870,896</u>	<u>(4,415,065)</u>	<u>(25,285,961)</u>	<u>4,455,785</u>
Net change in fund balance	<u>\$ -</u>	<u>21,919,586</u>	<u>\$ 21,919,586</u>	<u>20,893,438</u>
Fund Balance:				
Beginning of year - July 1		<u>103,196,465</u>		<u>82,303,027</u>
End of year - June 30		<u>\$ 125,116,051</u>		<u>\$ 103,196,465</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2023

	Nonmajor		Total
	Special Revenue Funds	Capital Project Funds	
Assets:			
Cash and investments	\$ 4,483,191	\$ 14,280,196	\$ 18,763,387
Accounts receivable, net	399,912	11,883,863	12,283,775
Cash and cash equivalents, restricted	361,156	14,506,316	14,867,472
Total assets	<u>\$ 5,244,259</u>	<u>\$ 40,670,375</u>	<u>\$ 45,914,634</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 439,159	\$ 4,648,717	\$ 5,087,876
Due to other funds	9,931	2,133,826	2,143,757
Unearned grant revenue	315,107	418,516	733,623
Total liabilities	<u>764,197</u>	<u>7,201,059</u>	<u>7,965,256</u>
Fund Balances:			
Restricted for stabilization by state statute	399,912	11,883,863	12,283,775
Restricted for Register of Deeds	140,656	-	140,656
Restricted for general government	14,398	-	14,398
Restricted for education	-	14,087,800	14,087,800
Restricted for public safety	3,857,708	-	3,857,708
Committed for general government	-	677,844	677,844
Committed for economic development	-	7,636,309	7,636,309
Committed for culture and recreation	-	498,352	498,352
Committed for education	-	4,424,234	4,424,234
Assigned	76,557	-	76,557
Unassigned	(39,940)	(5,739,086)	(5,779,026)
Total fund balances	<u>4,480,062</u>	<u>33,469,316</u>	<u>37,949,378</u>
Total liabilities and fund balances	<u>\$ 5,244,259</u>	<u>\$ 40,670,375</u>	<u>\$ 45,914,634</u>

HARNETT COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2023**

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Restricted intergovernmental	\$ 2,783,688	\$ 14,577,615	\$ 17,361,303
Permits and fees	1,476,815	-	1,476,815
Sales and services	388,269	-	388,269
Investment earnings	485	1,671,161	1,671,646
Total revenues	<u>4,649,257</u>	<u>16,248,776</u>	<u>20,898,033</u>
Expenditures:			
Current:			
General government	1,057,627	1,587,721	2,645,348
Public safety	1,266,298	280,847	1,547,145
Economic and physical development	-	6,243,767	6,243,767
Human services	537,526	-	537,526
Education	1,447,776	22,177,973	23,625,749
Total expenditures	<u>4,309,227</u>	<u>30,290,308</u>	<u>34,599,535</u>
Revenues over (under) expenditures	<u>340,030</u>	<u>(14,041,532)</u>	<u>(13,701,502)</u>
Other Financing Sources (Uses):			
Transfers in	12,227	13,116,601	13,128,828
Transfers (out)	(74,790)	(4,025,642)	(4,100,432)
Total other financing sources (uses)	<u>(62,563)</u>	<u>9,090,959</u>	<u>9,028,396</u>
Net change in fund balances	277,467	(4,950,573)	(4,673,106)
Fund Balances:			
Beginning of year - July 1	<u>4,202,595</u>	<u>38,419,889</u>	<u>42,622,484</u>
End of year - June 30	<u>\$ 4,480,062</u>	<u>\$ 33,469,316</u>	<u>\$ 37,949,378</u>

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NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted for expenditure for particular purposes.

Law Enforcement Fund – accounts for the handgun assessed fees that are charged for concealed weapons permits.

Emergency Telephone System Fund – accounts for the surcharge fees billed to telephone customers and the expenditures related to the implementation of the Emergency Telephone System.

Emergency Radio System Fund – accounts for revenues charged to towns and emergency units for the air time/radio use of Harnett County's system.

Automation Enhancement and Preservation Fund – accounts for 10 percent of fees collected in the Register of Deeds' office. These fees are set aside and used to finance expenditures on computers and imaging technology for the Register of Deeds' office.

Emergency Response Planning Fund – accounts for the expenditures and revenues for emergency response readiness for the fixed nuclear facility.

Fines and Forfeitures Fund – accounts for the collection of fines and forfeitures that are collected by the County and remitted to Harnett County Schools.

Representative Payee Fund – accounts for monies held by the Social Services Department for the benefit of certain individuals within the County.

Public Safety Fund – accounts for the expenditures associated with the public safety function.

Workforce Investment Act (WIA) Youth Program – accounts for the grant funds to provide job placement and educational opportunities to eligible participants in Harnett and Sampson Counties.

Veterans Court Fund – accounts for the expenditures and revenues for the veterans treatment court program.

Asset Forfeiture Fund – accounts for the revenues of assets seized as a result of criminal activity. These funds are forwarded to the County by the State. Pursuant to 21 U.S.C. § 881(e)(1) and U.S.C. § 1616a, as made applicable by 21 U.S.C. § 881(d) and other statutes, the Attorney General has the authority to equitably transfer forfeited property and cash to State and local agencies that directly participate in the law enforcement effort leading to the seizure and forfeiture of the property.

Sheriff Execution Fund – accounts for the execution revenue collected by the Sheriff's office specifically for public safety expenditures.

Wings Over Harnett Fund – accounts for revenues that are derived from the airport event held each fiscal year.

Electronics Management Fund – accounts for activity related to the processing of electronic recycling.

General Government Special Revenue Fund – accounts for the activity for the OSBM grant funds that were received from the Legislature.

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HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	<u>Law Enforcement Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Emergency Radio System Fund</u>	<u>Automation Enhancement and Preservation Fund</u>	<u>Emergency Response Planning Fund</u>
Assets:					
Cash and investments	\$ 43,766	\$ 1,583,491	\$ 1,143,257	\$ 140,656	\$ 30,324
Accounts receivable, net	6,380	85,503	6,686	22	278
Restricted cash	-	-	-	-	-
Total assets	<u>\$ 50,146</u>	<u>\$ 1,668,994</u>	<u>\$ 1,149,943</u>	<u>\$ 140,678</u>	<u>\$ 30,602</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 9,441	\$ 48,542	\$ 641	\$ -	\$ 1,811
Due to other funds	-	-	-	-	-
Unearned grant revenue	-	-	-	-	-
Total liabilities	<u>9,441</u>	<u>48,542</u>	<u>641</u>	<u>-</u>	<u>1,811</u>
Fund Balances:					
Restricted for stabilization					
by state statute	6,380	85,503	6,686	22	278
Restricted for Register of Deeds	-	-	-	140,656	-
Restricted for general government	-	-	-	-	-
Restricted for public safety	-	1,534,949	1,142,616	-	-
Restricted for human services	-	-	-	-	-
Assigned	34,325	-	-	-	28,513
Unassigned	-	-	-	-	-
Total fund balances	<u>40,705</u>	<u>1,620,452</u>	<u>1,149,302</u>	<u>140,678</u>	<u>28,791</u>
Total liabilities and fund balances	<u>\$ 50,146</u>	<u>\$ 1,668,994</u>	<u>\$ 1,149,943</u>	<u>\$ 140,678</u>	<u>\$ 30,602</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	<u>Fines and Forfeitures Fund</u>	<u>Representative Payee Fund</u>	<u>Public Safety Fund</u>	<u>WIA Youth Program Fund</u>	<u>General Government Fund</u>
Assets:					
Cash and investments	\$ -	\$ 245,435	\$ 13,719	\$ -	\$ -
Accounts receivable, net	8,517	-	-	52,338	3,494
Restricted cash	-	-	-	-	361,156
Total assets	<u>\$ 8,517</u>	<u>\$ 245,435</u>	<u>\$ 13,719</u>	<u>\$ 52,338</u>	<u>\$ 364,650</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 8,354	\$ 241,944	\$ -	\$ 18,161	\$ 49,543
Due to other funds	-	-	-	9,931	-
Unearned grant revenue	-	-	-	-	315,107
Total liabilities	<u>8,354</u>	<u>241,944</u>	<u>-</u>	<u>28,092</u>	<u>364,650</u>
Fund Balances:					
Restricted for stabilization					
by state statute	8,517	-	-	52,338	3,494
Restricted for Register of Deeds	-	-	-	-	-
Restricted for general government	-	-	-	-	-
Restricted for public safety	-	-	-	-	-
Restricted for human services	-	3,491	-	-	-
Assigned	-	-	13,719	-	-
Unassigned	(8,354)	-	-	(28,092)	(3,494)
Total fund balances	<u>163</u>	<u>3,491</u>	<u>13,719</u>	<u>24,246</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 8,517</u>	<u>\$ 245,435</u>	<u>\$ 13,719</u>	<u>\$ 52,338</u>	<u>\$ 364,650</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	<u>Veterans Court Fund</u>	<u>Asset Forfeiture Fund</u>	<u>Sheriff Execution Fund</u>	<u>Wings Over Harnett Fund</u>	<u>Electronics Management Fund</u>	<u>Total</u>
Assets:						
Cash and investments	\$ 69,180	\$ 1,169,812	\$ 29,153	\$ 5,982	\$ 8,416	\$ 4,483,191
Accounts receivable, net	225,827	10,867	-	-	-	399,912
Restricted cash	-	-	-	-	-	361,156
Total assets	<u>\$ 295,007</u>	<u>\$ 1,180,679</u>	<u>\$ 29,153</u>	<u>\$ 5,982</u>	<u>\$ 8,416</u>	<u>\$ 5,244,259</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ 41,900	\$ 18,522	\$ 300	\$ -	\$ -	\$ 439,159
Due to other funds	-	-	-	-	-	9,931
Unearned grant revenue	-	-	-	-	-	315,107
Total liabilities	<u>41,900</u>	<u>18,522</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>764,197</u>
Fund Balances:						
Restricted for stabilization by state statute	225,827	10,867	-	-	-	399,912
Restricted for Register of Deeds	-	-	-	-	-	140,656
Restricted for general government	-	-	-	5,982	8,416	14,398
Restricted for public safety	-	1,151,290	28,853	-	-	3,857,708
Restricted for human services	27,280	-	-	-	-	30,771
Assigned	-	-	-	-	-	76,557
Unassigned	-	-	-	-	-	(39,940)
Total fund balances	<u>253,107</u>	<u>1,162,157</u>	<u>28,853</u>	<u>5,982</u>	<u>8,416</u>	<u>4,480,062</u>
Total liabilities and fund balances	<u>\$ 295,007</u>	<u>\$ 1,180,679</u>	<u>\$ 29,153</u>	<u>\$ 5,982</u>	<u>\$ 8,416</u>	<u>\$ 5,244,259</u>

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HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Law Enforcement Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Emergency Radio System Fund</u>	<u>Automation Enhancement and Preservation Fund</u>	<u>Emergency Response Planning Fund</u>
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Permits and fees	134,430	872,801	392,398	77,186	-
Sales and services	-	-	-	-	75,000
Investment earnings	-	-	-	485	-
Total revenues	<u>134,430</u>	<u>872,801</u>	<u>392,398</u>	<u>77,671</u>	<u>75,000</u>
Expenditures:					
General government	-	-	-	121,663	-
Public safety	131,295	273,457	181,568	-	57,449
Health and human services	-	-	-	-	-
Education	-	-	-	-	-
Total expenditures	<u>131,295</u>	<u>273,457</u>	<u>181,568</u>	<u>121,663</u>	<u>57,449</u>
Revenues over (under) expenditures	<u>3,135</u>	<u>599,344</u>	<u>210,830</u>	<u>(43,992)</u>	<u>17,551</u>
Other Financing Sources (Uses):					
Transfers (out)	-	(24,790)	-	-	-
Transfers in	-	-	12,227	-	-
Total other financing sources (uses)	<u>-</u>	<u>(24,790)</u>	<u>12,227</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,135	574,554	223,057	(43,992)	17,551
Fund Balances:					
Beginning of year - July 1	<u>37,570</u>	<u>1,045,898</u>	<u>926,245</u>	<u>184,670</u>	<u>11,240</u>
End of year - June 30	<u>\$ 40,705</u>	<u>\$ 1,620,452</u>	<u>\$ 1,149,302</u>	<u>\$ 140,678</u>	<u>\$ 28,791</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Fines and Forfeitures Fund</u>	<u>Representative Payee Fund</u>	<u>Public Safety Fund</u>	<u>WIA Youth Program Fund</u>	<u>General Government Fund</u>
Revenues:					
Restricted intergovernmental	\$ -	\$ 425,667	\$ 189,174	\$ 500,263	\$ 1,184,893
Permits and fees	-	-	-	-	-
Sales and services	312,883	-	-	-	-
Investment earnings	-	-	-	-	-
Total revenues	<u>312,883</u>	<u>425,667</u>	<u>189,174</u>	<u>500,263</u>	<u>1,184,893</u>
Expenditures:					
General government	-	-	-	500,738	-
Public safety	-	-	189,947	-	-
Health and human services	-	537,526	-	-	-
Education	312,883	-	-	-	1,134,893
Total expenditures	<u>312,883</u>	<u>537,526</u>	<u>189,947</u>	<u>500,738</u>	<u>1,134,893</u>
Revenues over (under) expenditures	<u>-</u>	<u>(111,859)</u>	<u>(773)</u>	<u>(475)</u>	<u>50,000</u>
Other Financing Sources (Uses):					
Transfers (out)	-	-	-	-	(50,000)
Transfers in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balances	-	(111,859)	(773)	(475)	-
Fund Balances:					
Beginning of year - July 1	<u>163</u>	<u>115,350</u>	<u>14,492</u>	<u>24,721</u>	<u>-</u>
End of year - June 30	<u>\$ 163</u>	<u>\$ 3,491</u>	<u>\$ 13,719</u>	<u>\$ 24,246</u>	<u>\$ -</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Veterans Court Fund</u>	<u>Asset Forfeiture Fund</u>	<u>Sheriff Execution Fund</u>	<u>Wings Over Harnett Fund</u>	<u>Electronics Management Fund</u>	<u>Total</u>
Revenues:						
Restricted intergovernmental	\$ 483,691	\$ -	\$ -	\$ -	\$ -	\$ 2,783,688
Permits and fees	-	-	-	-	-	1,476,815
Sales and services	-	-	386	-	-	388,269
Investment earnings	-	-	-	-	-	485
Total revenues	<u>483,691</u>	<u>-</u>	<u>386</u>	<u>-</u>	<u>-</u>	<u>4,649,257</u>
Expenditures:						
General government	435,226	-	-	-	-	1,057,627
Public safety	-	432,582	-	-	-	1,266,298
Health and human services	-	-	-	-	-	537,526
Education	-	-	-	-	-	1,447,776
Total expenditures	<u>435,226</u>	<u>432,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,309,227</u>
Revenues over (under) expenditures	<u>48,465</u>	<u>(432,582)</u>	<u>386</u>	<u>-</u>	<u>-</u>	<u>340,030</u>
Other Financing Sources (Uses):						
Transfers (out)	-	-	-	-	-	(74,790)
Transfers in	-	-	-	-	-	12,227
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,563)</u>
Net change in fund balances	48,465	(432,582)	386	-	-	277,467
Fund Balances:						
Beginning of year - July 1	<u>204,642</u>	<u>1,594,739</u>	<u>28,467</u>	<u>5,982</u>	<u>8,416</u>	<u>4,202,595</u>
End of year - June 30	<u>\$ 253,107</u>	<u>\$ 1,162,157</u>	<u>\$ 28,853</u>	<u>\$ 5,982</u>	<u>\$ 8,416</u>	<u>\$ 4,480,062</u>

HARNETT COUNTY, NORTH CAROLINA

LAW ENFORCEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 250,000	\$ 134,430	\$ (115,570)	\$ (45)
Total revenues	<u>250,000</u>	<u>134,430</u>	<u>(115,570)</u>	<u>(45)</u>
Expenditures:				
Public safety:				
Other expenditures	250,000	131,295	118,705	-
Total expenditures	<u>250,000</u>	<u>131,295</u>	<u>118,705</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	3,135	<u>\$ 3,135</u>	(45)
Fund Balance:				
Beginning of year - July 1		<u>37,570</u>		<u>37,615</u>
End of year - June 30		<u>\$ 40,705</u>		<u>\$ 37,570</u>

HARNETT COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022**

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 872,801	\$ 872,801	\$ -	\$ 866,878
Total revenues	<u>872,801</u>	<u>872,801</u>	<u>-</u>	<u>866,878</u>
Expenditures:				
Public safety:				
Operating expenditures	<u>792,801</u>	<u>273,457</u>	<u>519,344</u>	<u>407,989</u>
Total expenditures	<u>792,801</u>	<u>273,457</u>	<u>519,344</u>	<u>407,989</u>
Revenues over (under) expenditures	<u>80,000</u>	<u>599,344</u>	<u>519,344</u>	<u>458,889</u>
Other Financing Sources (Uses):				
Transfers in (out)	<u>(80,000)</u>	<u>(24,790)</u>	<u>55,210</u>	<u>-</u>
Total other financing sources (uses)	<u>(80,000)</u>	<u>(24,790)</u>	<u>55,210</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>574,554</u>	<u>\$ 574,554</u>	<u>458,889</u>
Fund Balance:				
Beginning of year - July 1		<u>1,045,898</u>		<u>587,009</u>
End of year - June 30		<u>\$ 1,620,452</u>		<u>\$ 1,045,898</u>

HARNETT COUNTY, NORTH CAROLINA

EMERGENCY RADIO SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 366,600	\$ 392,398	\$ 25,798	\$ 373,283
Total revenues	<u>366,600</u>	<u>392,398</u>	<u>25,798</u>	<u>373,283</u>
Expenditures:				
Public safety:				
Operating expenditures	<u>378,828</u>	<u>181,568</u>	<u>197,260</u>	<u>168,384</u>
Total expenditures	<u>378,828</u>	<u>181,568</u>	<u>197,260</u>	<u>168,384</u>
Revenues over (under) expenditures	<u>(12,228)</u>	<u>210,830</u>	<u>223,058</u>	<u>204,899</u>
Other Financing Sources (Uses):				
Transfers in	<u>12,228</u>	<u>12,227</u>	<u>(1)</u>	<u>-</u>
Total other financing sources (uses)	<u>12,228</u>	<u>12,227</u>	<u>(1)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>223,057</u>	<u>\$ 223,057</u>	<u>204,899</u>
Fund Balance:				
Beginning of year - July 1		<u>926,245</u>		<u>721,346</u>
End of year - June 30		<u>\$ 1,149,302</u>		<u>\$ 926,245</u>

HARNETT COUNTY, NORTH CAROLINA

AUTOMATION ENHANCEMENT AND PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 485	\$ 485	\$ -
Permits and fees	67,166	77,186	10,020	87,108
Total revenues	67,166	77,671	10,505	87,108
Expenditures:				
General government:				
Operating expenditures	154,166	121,663	32,503	2,862
Total expenditures	154,166	121,663	32,503	2,862
Revenues over (under) expenditures	(87,000)	(43,992)	43,008	84,246
Other Financing Sources (Uses):				
Transfers in (out)	-	-	-	(6,600)
Appropriated fund balance	87,000	-	(87,000)	-
Total other financing sources (uses)	87,000	-	(87,000)	(6,600)
Net change in fund balance	\$ -	(43,992)	\$ (43,992)	77,646
Fund Balance:				
Beginning of year - July 1		184,670		107,024
End of year - June 30		\$ 140,678		\$ 184,670

HARNETT COUNTY, NORTH CAROLINA

**EMERGENCY RESPONSE PLANNING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022**

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Other general revenues	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Expenditures:				
Public safety:				
Salaries and fringe benefits	41,021	35,761	5,260	38,901
Other operating expenditures	<u>33,979</u>	<u>21,688</u>	<u>12,291</u>	<u>63,666</u>
Total expenditures	<u>75,000</u>	<u>57,449</u>	<u>17,551</u>	<u>102,567</u>
Net change in fund balance	<u>\$ -</u>	17,551	<u>\$ 17,551</u>	(27,567)
Fund Balance:				
Beginning of year - July 1		<u>11,240</u>		<u>38,807</u>
End of year - June 30		<u>\$ 28,791</u>		<u>\$ 11,240</u>

HARNETT COUNTY, NORTH CAROLINA

FINES AND FORFEITURES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Penalties, fines and forfeitures	\$ 400,000	\$ 312,883	\$ (87,117)	\$ 239,891
Total revenues	<u>400,000</u>	<u>312,883</u>	<u>(87,117)</u>	<u>239,891</u>
Expenditures:				
General government:				
Payments of penalties, fines, and forfeitures to the Harnett County Board of Education	400,000	312,883	87,117	239,891
Total expenditures	<u>400,000</u>	<u>312,883</u>	<u>87,117</u>	<u>239,891</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balance:				
Beginning of year - July 1		<u>163</u>		<u>163</u>
End of year - June 30		<u>\$ 163</u>		<u>\$ 163</u>

HARNETT COUNTY, NORTH CAROLINA

REPRESENTATIVE PAYEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2021
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 550,000	\$ 425,667	\$ (124,333)	\$ 56,900
Total revenues	<u>550,000</u>	<u>425,667</u>	<u>(124,333)</u>	<u>56,900</u>
Expenditures:				
Human services				
Payments made for the benefit of beneficiaries	550,000	537,526	12,474	56,900
Total expenditures	<u>550,000</u>	<u>537,526</u>	<u>12,474</u>	<u>56,900</u>
Net change in fund balance	<u>\$ -</u>	(111,859)	<u>\$ (111,859)</u>	-
Fund Balance:				
Beginning of year - July 1		<u>115,350</u>		<u>115,350</u>
End of year - June 30		<u>\$ 3,491</u>		<u>\$ 115,350</u>

HARNETT COUNTY, NORTH CAROLINA

PUBLIC SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 187,545	\$ 189,174	\$ 1,629	\$ 204,132
Total revenues	<u>187,545</u>	<u>189,174</u>	<u>1,629</u>	<u>204,132</u>
Expenditures:				
Public safety:				
Other expenditures	<u>197,241</u>	<u>189,947</u>	<u>7,294</u>	<u>204,014</u>
Total expenditures	<u>197,241</u>	<u>189,947</u>	<u>7,294</u>	<u>204,014</u>
Revenues over (under) expenditures	<u>(9,696)</u>	<u>(773)</u>	<u>8,923</u>	<u>118</u>
Other Financing Sources (Uses):				
Appropriated fund balance	<u>9,696</u>	<u>-</u>	<u>(9,696)</u>	<u>-</u>
Total other financing sources (uses)	<u>9,696</u>	<u>-</u>	<u>(9,696)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(773)</u>	<u>\$ (773)</u>	<u>118</u>
Fund Balance:				
Beginning of year - July 1		<u>14,492</u>		<u>14,374</u>
End of year - June 30		<u>\$ 13,719</u>		<u>\$ 14,492</u>

HARNETT COUNTY, NORTH CAROLINA

WIA YOUTH PROGRAM FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 618,470	\$ 500,263	\$ (118,207)	\$ 539,294
Total revenues	<u>618,470</u>	<u>500,263</u>	<u>(118,207)</u>	<u>539,294</u>
Expenditures:				
General government:				
Operating expenditures	<u>618,870</u>	<u>500,738</u>	<u>118,132</u>	<u>555,459</u>
Total expenditures	<u>618,870</u>	<u>500,738</u>	<u>118,132</u>	<u>555,459</u>
Revenues over (under) expenditures	<u>(400)</u>	<u>(475)</u>	<u>(75)</u>	<u>(16,165)</u>
Other Financing Sources (Uses):				
Transfer in	-	-	-	15,670
Appropriated fund balance	<u>400</u>	<u>-</u>	<u>(400)</u>	<u>-</u>
Total other financing sources (uses)	<u>400</u>	<u>-</u>	<u>(400)</u>	<u>15,670</u>
Net change in fund balance	<u>\$ -</u>	<u>(475)</u>	<u>\$ (475)</u>	<u>(495)</u>
Fund Balance:				
Beginning of year - July 1		<u>24,721</u>		<u>25,216</u>
End of year - June 30		<u>\$ 24,246</u>		<u>\$ 24,721</u>

HARNETT COUNTY, NORTH CAROLINA

**VETERANS COURT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	Project Authorization	Actual		Total to Date	Variance Over/Under
	Prior Years	Current Year			
Revenues:					
Restricted intergovernmental	\$ 2,450,000	\$ 2,139,716	\$ 483,691	\$ 2,623,407	\$ 173,407
Total revenues	<u>2,450,000</u>	<u>2,139,716</u>	<u>483,691</u>	<u>2,623,407</u>	<u>173,407</u>
Expenditures:					
General government:					
Operating expenditures	2,550,000	2,042,558	435,226	2,477,784	72,216
Total expenditures	<u>2,550,000</u>	<u>2,042,558</u>	<u>435,226</u>	<u>2,477,784</u>	<u>72,216</u>
Revenues over (under) expenditures	<u>(100,000)</u>	<u>97,158</u>	<u>48,465</u>	<u>145,623</u>	<u>245,623</u>
Other Financing Sources (Uses):					
Transfer in (out)	100,000	107,484	-	107,484	7,484
Total other financing sources (uses)	<u>100,000</u>	<u>107,484</u>	<u>-</u>	<u>107,484</u>	<u>7,484</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 204,642</u>	48,465	<u>\$ 253,107</u>	<u>\$ 253,107</u>
Fund Balance:					
Beginning of year - July 1			<u>204,642</u>		
End of year - June 30			<u>\$ 253,107</u>		

HARNETT COUNTY, NORTH CAROLINA

ASSET FORFEITURE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 2,775
Total revenues	-	-	-	2,775
Expenditures:				
General government:				
Operating expenditures	498,416	432,582	65,834	392,901
Total expenditures	498,416	432,582	65,834	392,901
Revenues over (under) expenditures	(498,416)	(432,582)	65,834	(390,126)
Other Financing Sources (Uses):				
Transfer (out)	-	-	-	(94,567)
Appropriated fund balance	498,416	-	(498,416)	-
Total other financing sources (uses)	498,416	-	(498,416)	(94,567)
Net change in fund balance	\$ -	(432,582)	\$ (432,582)	(484,693)
Fund Balance:				
Beginning of year - July 1		1,594,739		2,079,432
End of year - June 30		\$ 1,162,157		\$ 1,594,739

HARNETT COUNTY, NORTH CAROLINA

SHERIFF EXECUTION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Sales and services	\$ 200,000	\$ 386	\$ (199,614)	\$ 151,949
Total revenues	<u>200,000</u>	<u>386</u>	<u>(199,614)</u>	<u>151,949</u>
Expenditures:				
Public safety:				
Operating expenditures	200,000	-	200,000	151,949
Total expenditures	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>151,949</u>
Net change in fund balance	<u>\$ -</u>	386	<u>\$ 386</u>	-
Fund Balance:				
Beginning of year - July 1		<u>28,467</u>		<u>28,467</u>
End of year - June 30		<u>\$ 28,853</u>		<u>\$ 28,467</u>

HARNETT COUNTY, NORTH CAROLINA

WINGS OVER HARNETT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>2023</u>			<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund Balance:				
Beginning of year - July 1		<u>5,982</u>		<u>5,982</u>
End of year - June 30		<u>\$ 5,982</u>		<u>\$ 5,982</u>

HARNETT COUNTY, NORTH CAROLINA

ELECTRONIC MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>2023</u>			<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Net change in fund balance	\$ <u>-</u>	\$ -	\$ <u>-</u>	\$ -
Fund Balance:				
Beginning of year - July 1		<u>8,416</u>		<u>8,416</u>
End of year - June 30		\$ <u>8,416</u>		\$ <u>8,416</u>

HARNETT COUNTY, NORTH CAROLINA

**GENERAL GOVERNMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	2023		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 1,500,000	\$ 1,184,893	\$ (315,107)
Total revenues	<u>1,500,000</u>	<u>1,184,893</u>	<u>(315,107)</u>
Expenditures:			
Education	<u>1,450,000</u>	<u>1,134,893</u>	<u>315,107</u>
Total expenditures	<u>1,450,000</u>	<u>1,134,893</u>	<u>315,107</u>
Revenues over (under) expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfers (out)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		<u>-</u>	
End of year - June 30		<u>\$ -</u>	

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NONMAJOR CAPITAL PROJECT FUNDS

Capital Project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

INDIVIDUAL FUND DESCRIPTIONS:

Northwest Harnett Elementary – accounts for the construction of a new elementary school which will have the capacity to accommodate up to 1,050 students.

Government Complex Park - accounts for the expenditures associated with the construction of Phase I for the Government Complex Park located at 350 Alexander Drive in Lillington. Amenities under construction include two multiuse fields, two baseball/softball fields, 1.75 miles of walking trails, canoe/kayak water access, river observation deck and park infrastructure.

2017 G.O. Bonds Projects – accounts for the construction of six new tennis courts at Harnett Central Middle/High School, tennis court lighting of three courts at Harnett Central Middle/High School and ballfield lighting at Western Harnett Middle School baseball and softball fields.

Shawtown Area Community Center – accounts for the preparation of a conceptual plan for costs associated for a community center to be located behind the former Shawtown School. The center will be constructed by the Shawtown Alumni Association on property the Association acquired from Harnett County.

Neil's Creek Park – accounts for the expenditures related to the construction of Neil's Creek Park.

Park Improvements – accounts for various improvements to parks within the County.

Government Complex South – accounts for the expenditures associated with the construction of a 57,000 square foot government resource center and library located at 455 McKinney Parkway in Lillington and the 10,000 square foot addition to the existing social services building to house the child support enforcement division that is currently located in rental space in Erwin.

Broadband Development - Consists of the County partnering with a qualified service provider to install internet supporting infrastructure and to provide service to underserved and unserved areas of the County. During the pandemic, access to reliable internet services was critical for the citizens who teleworked and for student who practiced virtual learning.

Jetport Master Plan – Consists of the coordination, design and grant administration service for the Master Plan and Airport Layout Plan Update for the Harnett Regional Jetport.

Aircraft Apron and Helipad Design – accounts for the expansion of the aircraft apron to create a parking area for larger turbo-prop and jet aircraft and the creation of a helipad.

Airfield Lighting Rehabilitation – Consists of rehabilitating the airfield lights and the relocation and replacement of the all-weather observation station at the Harnett Regional Jetport.

Jetport Terminal - accounts for the design of the terminal site improvements and related work to replace the existing terminal at the Harnett Regional Jetport.

Jetport Expansion – accounts for the design of the terminal expansion and related work to expand the existing terminal at the Harnett Regional Jetport.

Emergency Watershed Protection – Consists of the removal of hazardous debris from the Upper Little River, Lower Little River and Anderson Creek caused by Hurricane Florence.

Streamflow Rehabilitation Assistance Program – accounts for the rehabilitation of various streams within the County.

Riverside Drainage Assessment – accounts for the assessment expenditures and surveys for the drainage assessment within the County.

Campbell Stadium Sidewalk – accounts for the expenditures associated with the construction of a sidewalk that will connect the Osteopathic Center with the football stadium at Campbell University

Oakridge River Road Tower – accounts for the construction and equipping of a new communications tower on County-owned land. This tower will replace one that was previously on leased land.

Animal Services Needs Assessment Study – accounts for various expenditures related to a needs assessment study completed for the County for the Animal shelter.

Old Detention Center Demo – Consists of the separation and demolition of the former detention center from the Harnett County Emergency Services department and the rerouting of utilities as necessary. As the detention center continues to deteriorate, it is creating a health and safety hazard for the rest of the facility.

Benhaven Elementary School – accounts for the expenditures and revenues for the construction of the new Benhaven Elementary School.

QSCB 2016 Capital Project - accounts for the expenditures associated with schools located throughout the County that are funded by interest-free Qualified Zone Academy Bond (QZAB) funds from the State.

Former Benhaven Elementary School - accounts for the demolition of the cafeteria and certain classrooms of the former Benhaven Elementary School. This project will also consist of renovations to the campus to include an early college.

Erwin Elementary School – accounts for the demolition of the old school and the Construction of a new school to accommodate 700 students.

Johnsonville Elementary Renovations – accounts for the renovations to the existing Johnsonville School to include the cafeteria, gymnasium and existing playground.

2022 G.O. Bonds Series 2021 – accounts for the construction and expenditures related to education needs.

2023 G.O. Bonds Series 2017 – accounts for the construction and expenditures related to education needs.

2023 G.O. Bonds Series 2020 – accounts for the construction and expendit

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HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	<u>Jetport Master Plan</u>	<u>Government Complex Park</u>	<u>Government Complex South</u>	<u>Airfield Lighting Rehabilitation</u>	<u>Benhaven Elementary School</u>	<u>Jetport Expansion</u>	<u>Jetport Terminal</u>
Assets:							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,440,453	\$ 5,311,683
Accounts receivable, net	-	-	-	-	-	-	20,223
Restricted assets:							
Cash and cash equivalents	-	-	-	-	170,483	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,483</u>	<u>\$ 2,440,453</u>	<u>\$ 5,331,906</u>
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 31,547	\$ -	\$ 311,740
Unearned grant revenue	-	-	-	-	-	-	-
Due to other funds	662	-	-	-	-	-	-
Total liabilities	<u>662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,547</u>	<u>-</u>	<u>311,740</u>
Fund Balances:							
Restricted for stabilization by state statute	-	-	-	-	-	-	20,223
Restricted for education	-	-	-	-	170,483	-	-
Committed for general government	-	-	-	-	-	-	-
Committed for culture and recreation	-	-	-	-	-	-	-
Committed for education	-	-	-	-	-	-	-
Committed for economic development	-	-	-	-	-	2,440,453	4,999,943
Unassigned	(662)	-	-	-	(31,547)	-	-
Total fund balances	<u>(662)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,936</u>	<u>2,440,453</u>	<u>5,020,166</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,483</u>	<u>\$ 2,440,453</u>	<u>\$ 5,331,906</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Streamflow Rehabilitation Assistance Program	Neil's Creek Park	Park Improvements	Shawtown Area Community Center	Broadband Development	Emergency Watershed Protection
Assets:						
Cash and investments	\$ -	\$ 444,225	\$ 57,981	\$ 172	\$ 195,913	\$ -
Accounts receivable, net	379,528	-	529	8,892	4,087	311,408
Restricted assets:						
Cash and cash equivalents	-	-	418,516	-	-	-
Total assets	<u>\$ 379,528</u>	<u>\$ 444,225</u>	<u>\$ 477,026</u>	<u>\$ 9,064</u>	<u>\$ 200,000</u>	<u>\$ 311,408</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 379,528	\$ -	\$ 58,510	\$ -	\$ -	\$ 184,800
Unearned grant revenue	-	-	418,516	-	-	-
Due to other funds	-	-	-	-	-	117,160
Total liabilities	<u>379,528</u>	<u>-</u>	<u>477,026</u>	<u>-</u>	<u>-</u>	<u>301,960</u>
Fund Balances:						
Restricted for stabilization by state statute	379,528	-	529	8,892	4,087	311,408
Restricted for education	-	-	-	-	-	-
Committed for general government	-	-	-	-	-	-
Committed for culture and recreation	-	444,225	-	172	-	-
Committed for education	-	-	-	-	-	-
Committed for economic development	-	-	-	-	195,913	-
Unassigned	(379,528)	-	(529)	-	-	(301,960)
Total fund balances	<u>-</u>	<u>444,225</u>	<u>-</u>	<u>9,064</u>	<u>200,000</u>	<u>9,448</u>
Total liabilities and fund balances	<u>\$ 379,528</u>	<u>\$ 444,225</u>	<u>\$ 477,026</u>	<u>\$ 9,064</u>	<u>\$ 200,000</u>	<u>\$ 311,408</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	<u>Riverside Drainage Assessment</u>	<u>2022 GO Bonds Series 2021</u>	<u>Campbell Stadium Sidewalk</u>	<u>Oakridge River Rd Tower</u>	<u>Old Detention Center Demo</u>	<u>Erwin Elementary School</u>	<u>Northwest Elementary School</u>
Assets:							
Cash and investments	\$ 618,009	\$ -	\$ 53,955	\$ -	\$ 82,160	\$ -	\$ -
Accounts receivable, net	-	-	-	-	-	10,652	9,063,223
Restricted assets:	-	-	-	-	-	-	-
Cash and cash equivalents	-	12,450,190	-	-	-	-	1,466,621
Total assets	<u>\$ 618,009</u>	<u>\$ 12,450,190</u>	<u>\$ 53,955</u>	<u>\$ -</u>	<u>\$ 82,160</u>	<u>\$ 10,652</u>	<u>\$ 10,529,844</u>
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 22,325	\$ -	\$ 2,885,041
Unearned grant revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	10,652	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,325</u>	<u>10,652</u>	<u>2,885,041</u>
Fund Balances:							
Restricted for stabilization by state statute	-	-	-	-	-	10,652	9,063,223
Restricted for education	-	12,450,190	-	-	-	-	1,466,621
Committed for general government	618,009	-	-	-	59,835	-	-
Committed for culture and recreation	-	-	53,955	-	-	-	-
Committed for education	-	-	-	-	-	-	-
Committed for economic development	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(10,652)	(2,885,041)
Total fund balances	<u>618,009</u>	<u>12,450,190</u>	<u>53,955</u>	<u>-</u>	<u>59,835</u>	<u>-</u>	<u>7,644,803</u>
Total liabilities and fund balances	<u>\$ 618,009</u>	<u>\$ 12,450,190</u>	<u>\$ 53,955</u>	<u>\$ -</u>	<u>\$ 82,160</u>	<u>\$ 10,652</u>	<u>\$ 10,529,844</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	<u>Johnsonville Elementary Renovations</u>	<u>Former Benhaven Elementary</u>	<u>QSCB 2016 Capital Project Fund</u>	<u>Aircraft Apron and Helipad Design</u>	<u>2023 GOB Series 2020</u>	<u>2023 GOB Series 2017</u>	<u>Total</u>
Assets:							
Cash and investments	\$ 1,396,217	\$ 113,933	\$ -	\$ -	\$ 3,124,236	\$ 441,259	\$ 14,280,196
Accounts receivable, net	3,467	2,231	-	2,046,239	-	33,384	11,883,863
Restricted assets:							
Cash and cash equivalents	-	-	506	-	-	-	14,506,316
Total assets	<u>\$ 1,399,684</u>	<u>\$ 116,164</u>	<u>\$ 506</u>	<u>\$ 2,046,239</u>	<u>\$ 3,124,236</u>	<u>\$ 474,643</u>	<u>\$ 40,670,375</u>
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ 171,956	\$ 38,196	\$ -	\$ 93,000	\$ -	\$ 472,074	\$ 4,648,717
Unearned grant revenue	-	-	-	-	-	-	418,516
Due to other funds	-	-	-	2,005,352	-	-	2,133,826
Total liabilities	<u>171,956</u>	<u>38,196</u>	<u>-</u>	<u>2,098,352</u>	<u>-</u>	<u>472,074</u>	<u>7,201,059</u>
Fund Balances:							
Restricted for stabilization by state statute	3,467	2,231	-	2,046,239	-	33,384	11,883,863
Restricted for education	-	-	506	-	-	-	14,087,800
Committed for general government	-	-	-	-	-	-	677,844
Committed for culture and recreation	-	-	-	-	-	-	498,352
Committed for education	1,224,261	75,737	-	-	3,124,236	-	4,424,234
Committed for economic development	-	-	-	-	-	-	7,636,309
Unassigned	-	-	-	(2,098,352)	-	(30,815)	(5,739,086)
Total fund balances	<u>1,227,728</u>	<u>77,968</u>	<u>506</u>	<u>(52,113)</u>	<u>3,124,236</u>	<u>2,569</u>	<u>33,469,316</u>
Total liabilities and fund balances	<u>\$ 1,399,684</u>	<u>\$ 116,164</u>	<u>\$ 506</u>	<u>\$ 2,046,239</u>	<u>\$ 3,124,236</u>	<u>\$ 474,643</u>	<u>\$ 40,670,375</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Jetport Master Plan	Government Complex Park	Government Complex South	Airfield Lighting Rehabilitation	Benhaven Elementary School	Jetport Expansion	Jetport Terminal
Revenues:							
Restricted intergovernmental	\$ 118,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,970
Investment earnings	-	-	-	-	-	-	225,456
Total revenues	<u>118,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,426</u>
Expenditures:							
Current:							
General government	-	-	136,249	-	-	-	-
Public safety	-	-	-	-	-	-	-
Economic and physical development	132,140	-	-	-	-	59,547	1,280,378
Education	-	-	-	-	-	-	-
Total expenditures	<u>132,140</u>	<u>-</u>	<u>136,249</u>	<u>-</u>	<u>-</u>	<u>59,547</u>	<u>1,280,378</u>
Revenues over (under) expenditures	<u>(13,900)</u>	<u>-</u>	<u>(136,249)</u>	<u>-</u>	<u>-</u>	<u>(59,547)</u>	<u>(973,952)</u>
Other Financing Sources (Uses):							
Transfers in	-	68,572	-	-	-	2,500,000	5,994,118
Transfers (out)	-	-	(334,360)	(11,869)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>68,572</u>	<u>(334,360)</u>	<u>(11,869)</u>	<u>-</u>	<u>2,500,000</u>	<u>5,994,118</u>
Net change in fund balances	(13,900)	68,572	(470,609)	(11,869)	-	2,440,453	5,020,166
Fund Balances:							
Beginning of year - July 1	<u>13,238</u>	<u>(68,572)</u>	<u>470,609</u>	<u>11,869</u>	<u>138,936</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ (662)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,936</u>	<u>\$ 2,440,453</u>	<u>\$ 5,020,166</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Streamflow Rehabilitation Assistance Program	Shawtown Area Community Center	Harnett County Riverside Drainage Assessment	Neil's Creek Park	Park Improvements	Broadband Development	Emergency Watershed Protection
Revenues:							
Restricted intergovernmental	\$ 379,528	\$ 51,664	\$ -	\$ -	\$ 211,484	\$ -	\$ 696,280
Investment earnings	-	-	-	-	-	-	-
Total revenues	<u>379,528</u>	<u>51,664</u>	<u>-</u>	<u>-</u>	<u>211,484</u>	<u>-</u>	<u>696,280</u>
Expenditures:							
Current:							
General government	379,528	159,775	131,991	-	211,484	-	568,694
Public safety	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	200,000	-
Education	-	-	-	-	-	-	-
Total expenditures	<u>379,528</u>	<u>159,775</u>	<u>131,991</u>	<u>-</u>	<u>211,484</u>	<u>200,000</u>	<u>568,694</u>
Revenues over (under) expenditures	<u>-</u>	<u>(108,111)</u>	<u>(131,991)</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>127,586</u>
Other Financing Sources (Uses):							
Transfers in	-	-	750,000	444,225	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>444,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(108,111)	618,009	444,225	-	(200,000)	127,586
Fund Balances:							
Beginning of year - July 1	-	117,175	-	-	-	400,000	(118,138)
End of year - June 30	<u>\$ -</u>	<u>\$ 9,064</u>	<u>\$ 618,009</u>	<u>\$ 444,225</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 9,448</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	2022 GO Bonds Series 2021	Campbell Stadium Sidewalk	Oakridge River Rd Tower	Animal Services Needs Assessment Study	Old Detention Center Demo	Erwin Elementary School	Northwest Harnett Elementary
Revenues:							
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,050,342
Investment earnings	-	-	-	-	-	106,737	-
Total revenues	-	-	-	-	-	106,737	9,050,342
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	32,341	248,506	-	-
Economic and physical development	-	-	-	-	-	-	-
Education	-	-	-	-	-	175,310	17,429,178
Total expenditures	-	-	-	32,341	248,506	175,310	17,429,178
Revenues over (under) expenditures	-	-	-	(32,341)	(248,506)	(68,573)	(8,378,836)
Other Financing Sources (Uses):							
Transfers in	-	-	-	32,341	75,000	-	-
Transfers (out)	(444,225)	-	(36,943)	-	-	(3,110,632)	-
Total other financing sources (uses)	(444,225)	-	(36,943)	32,341	75,000	(3,110,632)	-
Net change in fund balances	(444,225)	-	(36,943)	-	(173,506)	(3,179,205)	(8,378,836)
Fund Balances:							
Beginning of year - July 1	12,894,415	53,955	36,943	-	233,341	3,179,205	16,023,639
End of year - June 30	\$ 12,450,190	\$ 53,955	\$ -	\$ -	\$ 59,835	\$ -	\$ 7,644,803

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Johnsonville Elementary Renovations	Former Benhaven Elementary	QSCB 2016 Capital Project Fund	Aircraft Apron and Helipad Design	2017 G.O Bonds Projects	2023 GO Bonds Series 2020	2023 GO Bonds Series 2017	Total
Revenues:								
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 3,989,107	\$ -	\$ -	\$ -	\$ 14,577,615
Investment earnings	-	-	-	-	-	13,604	1,325,364	1,671,161
Total revenues	-	-	-	3,989,107	-	13,604	1,325,364	16,248,776
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	1,587,721
Public safety	-	-	-	-	-	-	-	280,847
Economic and physical development	-	-	-	4,571,702	-	-	-	6,243,767
Education	1,597,167	1,517,645	-	-	48,265	-	1,410,408	22,177,973
Total expenditures	1,597,167	1,517,645	-	4,571,702	48,265	-	1,410,408	30,290,308
Revenues over (under) expenditures	(1,597,167)	(1,517,645)	-	(582,595)	(48,265)	13,604	(85,044)	(14,041,532)
Other Financing Sources (Uses):								
Transfers in	-	-	-	54,100	-	3,110,632	87,613	13,116,601
Transfers (out)	-	-	-	-	(87,613)	-	-	(4,025,642)
Total other financing sources (uses)	-	-	-	54,100	(87,613)	3,110,632	87,613	9,090,959
Net change in fund balances	(1,597,167)	(1,517,645)	-	(528,495)	(135,878)	3,124,236	2,569	(4,950,573)
Fund Balances:								
Beginning of year - July 1	2,824,895	1,595,613	506	476,382	135,878	-	-	38,419,889
End of year - June 30	\$ 1,227,728	\$ 77,968	\$ 506	\$ (52,113)	\$ -	\$ 3,124,236	\$ 2,569	\$ 33,469,316

HARNETT COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND - NORTHWEST HARNETT ELEMENTARY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 10,000,000	\$ -	\$ 9,050,342	\$ 9,050,342	\$ (949,658)
Investment earnings	-	19,135	-	19,135	19,135
Total revenues	<u>10,000,000</u>	<u>19,135</u>	<u>9,050,342</u>	<u>9,069,477</u>	<u>(930,523)</u>
Expenditures:					
Education:					
Legal and administrative	2,198,393	1,754,920	390,386	2,145,306	53,087
Capital outlay	1,231,900	731,680	-	731,680	500,220
Construction	40,940,197	17,028,943	17,038,792	34,067,735	6,872,462
Contingency	1,149,337	-	-	-	1,149,337
Debt issue costs	282,517	282,517	-	282,517	-
Total expenditures	<u>45,802,344</u>	<u>19,798,060</u>	<u>17,429,178</u>	<u>37,227,238</u>	<u>8,575,106</u>
Revenues over (under) expenditures	<u>(35,802,344)</u>	<u>(19,778,925)</u>	<u>(8,378,836)</u>	<u>(28,157,761)</u>	<u>7,644,583</u>
Other Financing Sources (Uses):					
Transfers in	731,680	731,900	-	731,900	220
Bond proceeds	35,070,664	35,070,664	-	35,070,664	-
Total other financing sources (uses)	<u>35,802,344</u>	<u>35,802,564</u>	<u>-</u>	<u>35,802,564</u>	<u>220</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 16,023,639</u>	<u>(8,378,836)</u>	<u>\$ 7,644,803</u>	<u>\$ 7,644,803</u>
Fund Balance:					
Beginning of year - July 1			<u>16,023,639</u>		
End of year - June 30			<u>\$ 7,644,803</u>		

HARNETT COUNTY, NORTH CAROLINA

**GOVERNMENT COMPLEX PARK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ -
Miscellaneous	-	4,400	-	4,400	4,400
Total revenues	<u>400,000</u>	<u>404,400</u>	<u>-</u>	<u>404,400</u>	<u>4,400</u>
Expenditures:					
Culture and recreation:					
Engineering	135,000	105,160	-	105,160	29,840
Construction	<u>815,000</u>	<u>817,812</u>	<u>-</u>	<u>817,812</u>	<u>(2,812)</u>
Total expenditures	<u>950,000</u>	<u>922,972</u>	<u>-</u>	<u>922,972</u>	<u>27,028</u>
Revenues over (under) expenditures	<u>(550,000)</u>	<u>(518,572)</u>	<u>-</u>	<u>(518,572)</u>	<u>31,428</u>
Other Financing Sources (Uses):					
Transfers in	<u>550,000</u>	<u>450,000</u>	<u>68,572</u>	<u>518,572</u>	<u>(31,428)</u>
Total other financing sources (uses)	<u>550,000</u>	<u>450,000</u>	<u>68,572</u>	<u>518,572</u>	<u>(31,428)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (68,572)</u>	68,572	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>(68,572)</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

2017 G.O. BONDS PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Education:					
Engineering	\$ 6,497	\$ 6,497	\$ -	\$ 6,497	\$ -
Construction	939,890	891,625	48,265	939,890	-
Total expenditures	<u>946,387</u>	<u>898,122</u>	<u>48,265</u>	<u>946,387</u>	<u>-</u>
Revenues over (under) expenditures	<u>(946,387)</u>	<u>(898,122)</u>	<u>(48,265)</u>	<u>(946,387)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in	1,034,000	1,034,000	-	1,034,000	-
Transfers out	<u>(87,613)</u>	<u>-</u>	<u>(87,613)</u>	<u>(87,613)</u>	<u>-</u>
Total other financing sources (uses)	<u>946,387</u>	<u>1,034,000</u>	<u>(87,613)</u>	<u>946,387</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 135,878</u>	<u>(135,878)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>135,878</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

SHAWTOWN AREA COMMUNITY CENTER
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 100,325	\$ 48,661	\$ 51,664	\$ 100,325	\$ -
Total revenues	<u>100,325</u>	<u>48,661</u>	<u>51,664</u>	<u>100,325</u>	<u>-</u>
Expenditures:					
General government:					
Legal and administrative	217,500	48,661	159,775	208,436	9,064
Total expenditures	<u>217,500</u>	<u>48,661</u>	<u>159,775</u>	<u>208,436</u>	<u>9,064</u>
Revenues over (under) expenditures	<u>(117,175)</u>	<u>-</u>	<u>(108,111)</u>	<u>(108,111)</u>	<u>9,064</u>
Other Financing Sources (Uses):					
Transfer in	117,175	117,175	-	117,175	-
Total other financing sources (uses)	<u>117,175</u>	<u>117,175</u>	<u>-</u>	<u>117,175</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 117,175</u>	<u>(108,111)</u>	<u>\$ 9,064</u>	<u>\$ 9,064</u>
Fund Balance:					
Beginning of year - July 1			<u>117,175</u>		
End of year - June 30			<u>\$ 9,064</u>		

HARNETT COUNTY, NORTH CAROLINA

NEIL'S CREEK PARK
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
General government:					
Professional services	\$ 109,225	\$ -	\$ -	\$ -	\$ 109,225
Construction	335,000	-	-	-	335,000
Total expenditures	<u>444,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>444,225</u>
Revenues over (under) expenditures	<u>(444,225)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>444,225</u>
Other Financing Sources (Uses):					
Transfer in	<u>444,225</u>	<u>-</u>	<u>444,225</u>	<u>444,225</u>	<u>-</u>
Total other financing sources (uses)	<u>444,225</u>	<u>-</u>	<u>444,225</u>	<u>444,225</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	444,225	<u>\$ 444,225</u>	<u>\$ 444,225</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 444,225</u>		

HARNETT COUNTY, NORTH CAROLINA

PARK IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 630,000	\$ -	\$ 211,484	\$ 211,484	\$ (418,516)
Total revenues	<u>630,000</u>	<u>-</u>	<u>211,484</u>	<u>211,484</u>	<u>(418,516)</u>
Expenditures:					
General government:					
Construction	822,500	-	211,484	211,484	611,016
Total expenditures	<u>822,500</u>	<u>-</u>	<u>211,484</u>	<u>211,484</u>	<u>611,016</u>
Revenues over (under) expenditures	<u>(192,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,500</u>
Other Financing Sources (Uses):					
Transfer in	192,500	-	-	-	(192,500)
Total other financing sources (uses)	<u>192,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(192,500)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

GOVERNMENT COMPLEX SOUTH
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 265,013	\$ 265,013	\$ -	\$ 265,013	\$ -
Total revenues	<u>265,013</u>	<u>265,013</u>	<u>-</u>	<u>265,013</u>	<u>-</u>
Expenditures:					
General government:					
Professional services	2,411,561	2,411,561	-	2,411,561	-
Construction	<u>23,821,585</u>	<u>23,685,336</u>	<u>136,249</u>	<u>23,821,585</u>	<u>-</u>
Total expenditures	<u>26,233,146</u>	<u>26,096,897</u>	<u>136,249</u>	<u>26,233,146</u>	<u>-</u>
Revenues over (under) expenditures	<u>(25,968,133)</u>	<u>(25,831,884)</u>	<u>(136,249)</u>	<u>(25,968,133)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in	1,363,332	1,363,332	-	1,363,332	-
Transfers out	(387,697)	(53,337)	(334,360)	(387,697)	-
Bond premium	3,847,498	3,847,498	-	3,847,498	-
Loan proceeds	<u>21,145,000</u>	<u>21,145,000</u>	<u>-</u>	<u>21,145,000</u>	<u>-</u>
Total other financing sources (uses)	<u>25,968,133</u>	<u>26,302,493</u>	<u>(334,360)</u>	<u>25,968,133</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 470,609</u>	<u>(470,609)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>470,609</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

BROADBAND DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 1,985,000	\$ -	\$ -	\$ -	\$ (1,985,000)
Total revenues	<u>1,985,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,985,000)</u>
Expenditures:					
General government:					
Legal and administrative	443,400	-	-	-	443,400
Construction	<u>3,541,600</u>	<u>1,600,000</u>	<u>200,000</u>	<u>1,800,000</u>	<u>1,741,600</u>
Total expenditures	<u>3,985,000</u>	<u>1,600,000</u>	<u>200,000</u>	<u>1,800,000</u>	<u>2,185,000</u>
Revenues over (under) expenditures	<u>(2,000,000)</u>	<u>(1,600,000)</u>	<u>(200,000)</u>	<u>(1,800,000)</u>	<u>200,000</u>
Other Financing Sources (Uses):					
Transfer in	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 400,000</u>	<u>(200,000)</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>
Fund Balance:					
Beginning of year - July 1			<u>400,000</u>		
End of year - June 30			<u>\$ 200,000</u>		

HARNETT COUNTY, NORTH CAROLINA

JETPORT MASTER PLAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 372,921	\$ 253,778	\$ 118,240	\$ 372,018	\$ (903)
Total revenues	<u>372,921</u>	<u>253,778</u>	<u>118,240</u>	<u>372,018</u>	<u>(903)</u>
Expenditures:					
General government:					
Legal and administrative	<u>414,357</u>	<u>281,976</u>	<u>132,140</u>	<u>414,116</u>	<u>241</u>
Total expenditures	<u>414,357</u>	<u>281,976</u>	<u>132,140</u>	<u>414,116</u>	<u>241</u>
Revenues over (under) expenditures	<u>(41,436)</u>	<u>(28,198)</u>	<u>(13,900)</u>	<u>(42,098)</u>	<u>(662)</u>
Other Financing Sources (Uses):					
Transfers in	<u>41,436</u>	<u>41,436</u>	<u>-</u>	<u>41,436</u>	<u>-</u>
Total other financing sources (uses)	<u>41,436</u>	<u>41,436</u>	<u>-</u>	<u>41,436</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 13,238</u>	<u>(13,900)</u>	<u>\$ (662)</u>	<u>\$ (662)</u>
Fund Balance:					
Beginning of year - July 1			<u>13,238</u>		
End of year - June 30			<u>\$ (662)</u>		

HARNETT COUNTY, NORTH CAROLINA

**AIRCRAFT APRON AND HELIPAD DESIGN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Restricted intergovernmental revenues	\$ 4,599,426	\$ 296,122	\$ 3,989,107	\$ 4,285,229	\$ (314,197)
Total revenues	<u>4,599,426</u>	<u>296,122</u>	<u>3,989,107</u>	<u>4,285,229</u>	<u>(314,197)</u>
Expenditures:					
General government:					
Engineering	720,335	326,687	376,029	702,716	17,619
Construction	<u>4,390,138</u>	<u>-</u>	<u>4,195,673</u>	<u>4,195,673</u>	<u>194,465</u>
Total expenditures	<u>5,110,473</u>	<u>326,687</u>	<u>4,571,702</u>	<u>4,898,389</u>	<u>212,084</u>
Revenues over (under) expenditures	<u>(511,047)</u>	<u>(30,565)</u>	<u>(582,595)</u>	<u>(613,160)</u>	<u>(102,113)</u>
Other Financing Sources (Uses):					
Transfers in (out)	<u>511,047</u>	<u>506,947</u>	<u>54,100</u>	<u>561,047</u>	<u>50,000</u>
Total other financing sources (uses)	<u>511,047</u>	<u>506,947</u>	<u>54,100</u>	<u>561,047</u>	<u>50,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 476,382</u>	<u>(528,495)</u>	<u>\$ (52,113)</u>	<u>\$ (52,113)</u>
Fund Balance:					
Beginning of year - July 1			<u>476,382</u>		
End of year - June 30			<u>\$ (52,113)</u>		

HARNETT COUNTY, NORTH CAROLINA

AIRFIELD LIGHTING REHABILITATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 1,326,314	\$ 1,326,314	\$ -	\$ 1,326,314	\$ -
Total revenues	<u>1,326,314</u>	<u>1,326,314</u>	<u>-</u>	<u>1,326,314</u>	<u>-</u>
Expenditures:					
General government:					
Construction	1,472,720	1,472,720	-	1,472,720	-
Total expenditures	<u>1,472,720</u>	<u>1,472,720</u>	<u>-</u>	<u>1,472,720</u>	<u>-</u>
Revenues over (under) expenditures	<u>(146,406)</u>	<u>(146,406)</u>	<u>-</u>	<u>(146,406)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in	158,275	158,275	-	158,275	-
Transfer out	(11,869)	-	(11,869)	(11,869)	-
Total other financing sources (uses)	<u>146,406</u>	<u>158,275</u>	<u>(11,869)</u>	<u>146,406</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,869</u>	<u>(11,869)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>11,869</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

JETPORT TERMINAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 4,285,731	\$ 503,551	\$ 80,970	\$ 584,521	\$ (3,701,210)
Investment earnings	-	-	225,456	225,456	225,456
Total revenues	<u>4,285,731</u>	<u>503,551</u>	<u>306,426</u>	<u>809,977</u>	<u>(3,475,754)</u>
Expenditures:					
General government:					
Professional services	1,836,979	564,873	219,187	784,060	1,052,919
Construction	<u>8,504,192</u>	-	<u>1,061,191</u>	<u>1,061,191</u>	<u>7,443,001</u>
Total expenditures	<u>10,341,171</u>	<u>564,873</u>	<u>1,280,378</u>	<u>1,845,251</u>	<u>8,495,920</u>
Revenues over (under) expenditures	<u>(6,055,440)</u>	<u>(61,322)</u>	<u>(973,952)</u>	<u>(1,035,274)</u>	<u>5,020,166</u>
Other Financing Sources (Uses):					
Transfers in	<u>6,055,440</u>	<u>61,322</u>	<u>5,994,118</u>	<u>6,055,440</u>	-
Total other financing sources (uses)	<u>6,055,440</u>	<u>61,322</u>	<u>5,994,118</u>	<u>6,055,440</u>	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	5,020,166	<u>\$ 5,020,166</u>	<u>\$ 5,020,166</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ 5,020,166</u>		

HARNETT COUNTY, NORTH CAROLINA

**JETPORT TERMINAL EXPANSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Expenditures:					
General government:					
Professional services	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Construction	1,500,000	-	59,547	59,547	1,440,453
Total expenditures	<u>2,500,000</u>	<u>-</u>	<u>59,547</u>	<u>59,547</u>	<u>2,440,453</u>
Revenues over (under) expenditures	<u>(2,500,000)</u>	<u>-</u>	<u>(59,547)</u>	<u>(59,547)</u>	<u>2,440,453</u>
Other Financing Sources (Uses):					
Transfers in	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,440,453</u>	<u>\$ 2,440,453</u>	<u>\$ 2,440,453</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 2,440,453</u>		

HARNETT COUNTY, NORTH CAROLINA

**EMERGENCY WATERSHED PROTECTION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental revenues	\$ 4,145,020	\$ 1,162,208	\$ 696,280	\$ 1,858,488	\$ (2,286,532)
Total revenues	<u>4,145,020</u>	<u>1,162,208</u>	<u>696,280</u>	<u>1,858,488</u>	<u>(2,286,532)</u>
Expenditures:					
General government:					
Construction	4,145,020	1,280,346	568,694	1,849,040	2,295,980
Total expenditures	<u>4,145,020</u>	<u>1,280,346</u>	<u>568,694</u>	<u>1,849,040</u>	<u>2,295,980</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (118,138)</u>	127,586	<u>\$ 9,448</u>	<u>\$ 9,448</u>
Fund Balance:					
Beginning of year - July 1			<u>(118,138)</u>		
End of year - June 30			<u>\$ 9,448</u>		

HARNETT COUNTY, NORTH CAROLINA

**STREAMFLOW REHABILITATION ASSISTANCE PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 379,528	\$ -	\$ 379,528	\$ 379,528	\$ -
Total revenues	<u>379,528</u>	<u>-</u>	<u>379,528</u>	<u>379,528</u>	<u>-</u>
Expenditures:					
General government:					
Construction	<u>379,528</u>	<u>-</u>	<u>379,528</u>	<u>379,528</u>	<u>-</u>
Total expenditures	<u>379,528</u>	<u>-</u>	<u>379,528</u>	<u>379,528</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY RIVERSIDE DRAINAGE ASSESSMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Expenditures:					
General government:					
Construction	\$ 750,000	\$ -	\$ 131,991	\$ 131,991	\$ 618,009
Total expenditures	<u>750,000</u>	<u>-</u>	<u>131,991</u>	<u>131,991</u>	<u>618,009</u>
Revenues over (under) expenditures	<u>(750,000)</u>	<u>-</u>	<u>(131,991)</u>	<u>(131,991)</u>	<u>618,009</u>
Other Financing Sources (Uses):					
Transfers in (out)	<u>750,000</u>	<u>-</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Total other financing sources (uses)	<u>750,000</u>	<u>-</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>618,009</u>	<u>\$ 618,009</u>	<u>\$ 618,009</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 618,009</u>		

HARNETT COUNTY, NORTH CAROLINA

**CAMPBELL STADIUM SIDEWALK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Culture and recreation:					
Legal and administrative	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Engineering	120,000	146,045	-	146,045	(26,045)
Capital outlay	60,000	-	-	-	60,000
Total expenditures	<u>200,000</u>	<u>146,045</u>	<u>-</u>	<u>146,045</u>	<u>53,955</u>
Revenues over (under) expenditures	<u>(200,000)</u>	<u>(146,045)</u>	<u>-</u>	<u>(146,045)</u>	<u>53,955</u>
Other Financing Sources (Uses):					
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 53,955</u>	<u>-</u>	<u>\$ 53,955</u>	<u>\$ 53,955</u>
Fund Balance:					
Beginning of year - July 1			<u>53,955</u>		
End of year - June 30			<u>\$ 53,955</u>		

HARNETT COUNTY, NORTH CAROLINA

OAKRIDGE RIVER RD TOWER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Public safety:					
Engineering	\$ 306,957	\$ 306,957	\$ -	\$ 306,957	\$ -
Construction	481,100	481,100	-	481,100	-
Total expenditures	<u>788,057</u>	<u>788,057</u>	<u>-</u>	<u>788,057</u>	<u>-</u>
Revenues over (under) expenditures	<u>(788,057)</u>	<u>(788,057)</u>	<u>-</u>	<u>(788,057)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in	825,000	825,000	-	825,000	-
Transfers out	<u>(36,943)</u>	<u>-</u>	<u>(36,943)</u>	<u>(36,943)</u>	<u>-</u>
Total other financing sources (uses)	<u>788,057</u>	<u>825,000</u>	<u>(36,943)</u>	<u>788,057</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 36,943</u>	<u>(36,943)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>36,943</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

ANIMAL SERVICES NEEDS ASSESSMENT STUDY
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Public safety:					
Legal and administrative	\$ 32,341	\$ -	\$ 32,341	\$ 32,341	\$ -
Total expenditures	<u>32,341</u>	<u>-</u>	<u>32,341</u>	<u>32,341</u>	<u>-</u>
Revenues over (under) expenditures	<u>(32,341)</u>	<u>-</u>	<u>(32,341)</u>	<u>(32,341)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in	<u>32,341</u>	<u>-</u>	<u>32,341</u>	<u>32,341</u>	<u>-</u>
Total other financing sources (uses)	<u>32,341</u>	<u>-</u>	<u>32,341</u>	<u>32,341</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

OLD DETENTION CENTER DEMO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Public safety:					
Legal and administrative	\$ 36,800	\$ 6,000	\$ 2,250	\$ 8,250	\$ 28,550
Construction	547,091	269,550	246,256	515,806	31,285
Total expenditures	<u>583,891</u>	<u>275,550</u>	<u>248,506</u>	<u>524,056</u>	<u>59,835</u>
Revenues over (under) expenditures	<u>(583,891)</u>	<u>(275,550)</u>	<u>(248,506)</u>	<u>(524,056)</u>	<u>59,835</u>
Other Financing Sources (Uses):					
Transfers in	<u>583,891</u>	<u>508,891</u>	<u>75,000</u>	<u>583,891</u>	<u>-</u>
Total other financing sources (uses)	<u>583,891</u>	<u>508,891</u>	<u>75,000</u>	<u>583,891</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 233,341</u>	<u>(173,506)</u>	<u>\$ 59,835</u>	<u>\$ 59,835</u>
Fund Balance:					
Beginning of year - July 1			<u>233,341</u>		
End of year - June 30			<u>\$ 59,835</u>		

HARNETT COUNTY, NORTH CAROLINA

BENHAVEN ELEMENTARY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 1,500,000	\$ -	\$ -	\$ -	\$ (1,500,000)
Investment earnings	800,000	710,467	-	710,467	(89,533)
Total revenues	<u>2,300,000</u>	<u>710,467</u>	<u>-</u>	<u>710,467</u>	<u>(1,589,533)</u>
Expenditures:					
Education:					
Legal and administrative	2,409,465	2,313,240	-	2,313,240	96,225
Construction	22,076,956	22,014,604	-	22,014,604	62,352
School allocation	1,500,000	-	-	-	1,500,000
Total expenditures	<u>25,986,421</u>	<u>24,327,844</u>	<u>-</u>	<u>24,327,844</u>	<u>1,658,577</u>
Revenues over (under) expenditures	<u>(23,686,421)</u>	<u>(23,617,377)</u>	<u>-</u>	<u>(23,617,377)</u>	<u>69,044</u>
Other Financing Sources (Uses):					
Bond proceeds	29,500,000	29,500,000	-	29,500,000	-
Transfer in	43,850	43,850	-	43,850	-
Transfer out	(8,387,098)	(8,317,206)	-	(8,317,206)	69,892
Bond premium	2,529,669	2,529,669	-	2,529,669	-
Total other financing sources (uses)	<u>23,686,421</u>	<u>23,756,313</u>	<u>-</u>	<u>23,756,313</u>	<u>69,892</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 138,936</u>	<u>-</u>	<u>\$ 138,936</u>	<u>\$ 138,936</u>
Fund Balance:					
Beginning of year - July 1			<u>138,936</u>		
End of year - June 30			<u>\$ 138,936</u>		

HARNETT COUNTY, NORTH CAROLINA

QSCB 2016 CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 242	\$ 174	\$ -	\$ 174	\$ (68)
Total revenues	<u>242</u>	<u>174</u>	<u>-</u>	<u>174</u>	<u>(68)</u>
Expenditures:					
Education:					
Construction	2,160,211	2,159,637	-	2,159,637	574
Debt issue costs	<u>40,031</u>	<u>40,031</u>	<u>-</u>	<u>40,031</u>	<u>-</u>
Total expenditures	<u>2,200,242</u>	<u>2,199,668</u>	<u>-</u>	<u>2,199,668</u>	<u>574</u>
Revenues over (under) expenditures	<u>(2,200,000)</u>	<u>(2,199,494)</u>	<u>-</u>	<u>(2,199,494)</u>	<u>506</u>
Other Financing Sources (Uses):					
Debt issued	<u>2,200,000</u>	<u>2,200,000</u>	<u>-</u>	<u>2,200,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,200,000</u>	<u>2,200,000</u>	<u>-</u>	<u>2,200,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 506</u>	<u>-</u>	<u>\$ 506</u>	<u>\$ 506</u>
Fund Balance:					
Beginning of year - July 1			<u>506</u>		
End of year - June 30			<u>\$ 506</u>		

HARNETT COUNTY, NORTH CAROLINA

**FORMER BENHAVEN ELEMENTARY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 156,530	\$ 156,530	\$ -	\$ 156,530	\$ -
Total revenues	<u>156,530</u>	<u>156,530</u>	<u>-</u>	<u>156,530</u>	<u>-</u>
Expenditures:					
Education:					
Legal and administrative	150,000	130,457	-	130,457	19,543
Engineering	100,000	66,429	24,404	90,833	9,167
Construction	<u>2,467,026</u>	<u>924,527</u>	<u>1,493,241</u>	<u>2,417,768</u>	<u>49,258</u>
Total expenditures	<u>2,717,026</u>	<u>1,121,413</u>	<u>1,517,645</u>	<u>2,639,058</u>	<u>77,968</u>
Revenues over (under) expenditures	<u>(2,560,496)</u>	<u>(964,883)</u>	<u>(1,517,645)</u>	<u>(2,482,528)</u>	<u>77,968</u>
Other Financing Sources (Uses):					
Transfers in	<u>2,560,496</u>	<u>2,560,496</u>	<u>-</u>	<u>2,560,496</u>	<u>-</u>
Total other financing sources (uses)	<u>2,560,496</u>	<u>2,560,496</u>	<u>-</u>	<u>2,560,496</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,595,613</u>	<u>(1,517,645)</u>	<u>\$ 77,968</u>	<u>\$ 77,968</u>
Fund Balance:					
Beginning of year - July 1			<u>1,595,613</u>		
End of year - June 30			<u>\$ 77,968</u>		

HARNETT COUNTY, NORTH CAROLINA

ERWIN ELEMENTARY SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 160,706	\$ 53,968	\$ 106,737	\$ 160,705	\$ (1)
Total revenues	<u>160,706</u>	<u>53,968</u>	<u>106,737</u>	<u>160,705</u>	<u>(1)</u>
Expenditures:					
Education:					
Legal and administrative	1,664,504	1,664,504	-	1,664,504	-
Engineering	217,614	217,614	-	217,614	-
Construction	<u>26,567,813</u>	<u>26,392,503</u>	<u>175,310</u>	<u>26,567,813</u>	<u>-</u>
Total expenditures	<u>28,449,931</u>	<u>28,274,621</u>	<u>175,310</u>	<u>28,449,931</u>	<u>-</u>
Revenues over (under) expenditures	<u>(28,289,225)</u>	<u>(28,220,653)</u>	<u>(68,573)</u>	<u>(28,289,226)</u>	<u>(1)</u>
Other Financing Sources (Uses):					
Transfers out	(3,110,632)	-	(3,110,632)	(3,110,632)	-
Bond premium	3,899,857	3,899,858	-	3,899,858	1
Bond proceeds	<u>27,500,000</u>	<u>27,500,000</u>	<u>-</u>	<u>27,500,000</u>	<u>-</u>
Total other financing sources (uses)	<u>28,289,225</u>	<u>31,399,858</u>	<u>(3,110,632)</u>	<u>28,289,226</u>	<u>1</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,179,205</u>	<u>(3,179,205)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>3,179,205</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

**JOHNSONVILLE ELEMENTARY RENOVATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ -	\$ 78,063	\$ -	\$ 78,063	\$ 78,063
Total revenues	-	78,063	-	78,063	78,063
Expenditures:					
Education:					
Legal and administrative	510,000	407,778	77,868	485,646	24,354
Engineering	255,000	-	-	-	255,000
Construction	4,335,000	1,945,389	1,519,299	3,464,688	870,312
Total expenditures	5,100,000	2,353,167	1,597,167	3,950,334	1,149,666
Revenues over (under) expenditures	(5,100,000)	(2,275,104)	(1,597,167)	(3,872,271)	1,227,729
Other Financing Sources (Uses):					
Transfers in	3,996,642	3,996,641	-	3,996,641	(1)
Bond proceeds	1,103,358	1,103,358	-	1,103,358	-
Total other financing sources (uses)	5,100,000	5,099,999	-	5,099,999	(1)
Net change in fund balance	\$ -	\$ 2,824,895	(1,597,167)	\$ 1,227,728	\$ 1,227,728
Fund Balance:					
Beginning of year - July 1			2,824,895		
End of year - June 30			\$ 1,227,728		

HARNETT COUNTY, NORTH CAROLINA

2022 G.O. BONDS SERIES 2021
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Education:					
Construction	\$ 12,682,156	\$ -	\$ -	\$ -	\$ 12,682,156
Total expenditures	<u>12,682,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,682,156</u>
Revenues over (under) expenditures	<u>(12,682,156)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,682,156</u>
Other Financing Sources (Uses):					
Transfers out	(444,225)	-	(444,225)	(444,225)	-
Bond premium	6,300,403	6,300,403	-	6,300,403	-
Bond proceeds	<u>6,825,978</u>	<u>6,594,012</u>	<u>-</u>	<u>6,594,012</u>	<u>(231,966)</u>
Total other financing sources (uses)	<u>12,682,156</u>	<u>12,894,415</u>	<u>(444,225)</u>	<u>12,450,190</u>	<u>(231,966)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,894,415</u>	<u>(444,225)</u>	<u>\$ 12,450,190</u>	<u>\$ 12,450,190</u>
Fund Balance:					
Beginning of year - July 1			<u>12,894,415</u>		
End of year - June 30			<u>\$ 12,450,190</u>		

HARNETT COUNTY, NORTH CAROLINA

2023 G.O. BONDS SERIES 2017
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Prior Years	Actual		Variance Over/Under
			Current Year	Total to Date	
Revenues:					
Investment earnings	\$ -	\$ -	\$ 1,325,364	\$ 1,325,364	\$ 1,325,364
Total revenues	<u>-</u>	<u>-</u>	<u>1,325,364</u>	<u>1,325,364</u>	<u>1,325,364</u>
Expenditures:					
Education:					
Construction	<u>3,354,340</u>	<u>-</u>	<u>1,410,408</u>	<u>1,410,408</u>	<u>1,943,932</u>
Total expenditures	<u>3,354,340</u>	<u>-</u>	<u>1,410,408</u>	<u>1,410,408</u>	<u>1,943,932</u>
Revenues over (under) expenditures	<u>(3,354,340)</u>	<u>-</u>	<u>(85,044)</u>	<u>(85,044)</u>	<u>3,269,296</u>
Other Financing Sources (Uses):					
Transfers in	<u>3,354,340</u>	<u>-</u>	<u>87,613</u>	<u>87,613</u>	<u>(3,266,727)</u>
Total other financing sources (uses)	<u>3,354,340</u>	<u>-</u>	<u>87,613</u>	<u>87,613</u>	<u>(3,266,727)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,569</u>	<u>\$ 2,569</u>	<u>\$ 2,569</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 2,569</u>		

HARNETT COUNTY, NORTH CAROLINA

2023 G.O. BONDS SERIES 2020

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ -	\$ -	\$ 13,604	\$ 13,604	\$ 13,604
Total revenues	-	-	13,604	13,604	13,604
Expenditures:					
Education:					
Construction	3,125,000	-	-	-	3,125,000
Total expenditures	3,125,000	-	-	-	3,125,000
Revenues over (under) expenditures	(3,125,000)	-	13,604	13,604	3,138,604
Other Financing Sources (Uses):					
Transfers in	3,125,000	-	3,110,632	3,110,632	(14,368)
Total other financing sources (uses)	3,125,000	-	3,110,632	3,110,632	(14,368)
Net change in fund balance	\$ -	\$ -	3,124,236	\$ 3,124,236	\$ 3,124,236
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			\$ 3,124,236		

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ENTERPRISE FUNDS

Enterprise funds account for operations financed and operated in a manner similar to private business enterprises – where the costs of providing services are financed primarily through user charges. Harnett County maintains one enterprise fund to account for the operations of the water and sewer districts. The County maintains nine additional funds to account for the debt service for each district. The County maintains a separate enterprise fund for the operations of the landfill.

INDIVIDUAL FUND DESCRIPTIONS:

Harnett County Public Utilities Fund – accounts for the operations of the ten water and sewer districts, which provide water and sewer to the residents of the County.

Individual Water and Sewer Funds – accounts for the debt service for each of the water and sewer districts. These funds are the Northeast Metro Water and Sewer District, the South Central Water and Sewer District, the West Central Water and Sewer District, the Northwest Water and Sewer District, the Southwest Water and Sewer District, the Southeast Water and Sewer District, the East Central Water and Sewer District, and the Riverside Water and Sewer District.

Solid Waste Management Fund – accounts for the operations of the Harnett County Landfill.

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HARNETT COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Water and sewer sales	\$ 38,739,650	\$ 43,497,347	\$ 4,757,697
Other operating revenues	906,500	6,071,200	5,164,700
Total operating revenues	<u>39,646,150</u>	<u>49,568,547</u>	<u>9,922,397</u>
Non-operating revenues:			
Interest earned on investments	<u>10,000</u>	<u>555,432</u>	<u>545,432</u>
Total revenues	<u>39,656,150</u>	<u>50,123,979</u>	<u>10,467,829</u>
Expenditures:			
Salaries and employee benefits	9,578,876	8,953,325	625,551
Sewage treatment	3,645,000	3,306,496	338,504
Other operating expenses	20,143,978	16,630,125	3,513,853
Capital outlay	800,000	763,967	36,033
Debt service:			
Debt principal	3,049,000	3,049,000	-
Interest and fees	<u>1,430,957</u>	<u>1,426,956</u>	<u>4,001</u>
Total expenditures	<u>38,647,811</u>	<u>34,129,869</u>	<u>4,517,942</u>
Revenues over (under) expenditures	<u>1,008,339</u>	<u>15,994,110</u>	<u>14,985,771</u>
Other Financing Sources (Uses):			
Appropriated net position	25,359,677	-	(25,359,677)
Transfers in (out)	<u>(26,368,016)</u>	<u>(24,372,908)</u>	<u>1,995,108</u>
Total other financing sources (uses)	<u>(1,008,339)</u>	<u>(24,372,908)</u>	<u>(23,364,569)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (8,378,798)</u>	<u>\$ (8,378,798)</u>

HARNETT COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (8,378,798)	
Reconciling items:			
Debt principal		3,049,000	
Amortization of bond premium		382,540	
Amortization of deferred charge on refunding		(159,557)	
Increase in compensated absences		109,762	
Change in OPEB liability		(221,797)	
Change in deferred outflows of resources - OPEB		(79,994)	
Change in deferred inflows of resources - OPEB		40,599	
Change in deferred outflows - pension		984,945	
Change in net pension liability		(2,941,529)	
Change in deferred inflows - pension		1,665,991	
Contributed asset		10,654,949	
Interest and fees from project		(824,056)	
Lease revenue from districts		824,056	
Intrafund transfers		24,372,908	
Capital outlay		763,967	
Depreciation		<u>(19,354,075)</u>	
Change in net position		<u>\$ 10,888,911</u>	

HARNETT COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - SOUTH CENTRAL
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 554,000	\$ 554,000	\$ -
Interest and fees	<u>622,931</u>	<u>622,931</u>	<u>-</u>
Total expenditures	<u>1,176,931</u>	<u>1,176,931</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,176,931)</u>	<u>(1,176,931)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>1,176,931</u>	<u>622,931</u>	<u>(554,000)</u>
Total other financing sources (uses)	<u>1,176,931</u>	<u>622,931</u>	<u>(554,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (554,000)</u>	<u>\$ (554,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (554,000)	
Reconciling items:			
Debt principal		<u>554,000</u>	
Change in net position		<u>\$ -</u>	

HARNETT COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - WEST CENTRAL
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 115,000	\$ 115,000	\$ -
Interest and fees	<u>27,875</u>	<u>27,875</u>	<u>-</u>
Total expenditures	<u>142,875</u>	<u>142,875</u>	<u>-</u>
Revenues over (under) expenditures	<u>(142,875)</u>	<u>(142,875)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>142,875</u>	<u>27,875</u>	<u>(115,000)</u>
Total other financing sources (uses)	<u>142,875</u>	<u>27,875</u>	<u>(115,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (115,000)</u>	<u>\$ (115,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (115,000)	
Reconciling items:			
Debt principal		<u>115,000</u>	
Change in net position		<u>\$ -</u>	

HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - NORTHWEST
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 60,000	\$ 60,000	\$ -
Interest and fees	<u>14,087</u>	<u>14,087</u>	<u>-</u>
Total expenditures	<u>74,087</u>	<u>74,087</u>	<u>-</u>
Revenues over (under) expenditures	<u>(74,087)</u>	<u>(74,087)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>74,087</u>	<u>14,087</u>	<u>(60,000)</u>
Total other financing sources (uses)	<u>74,087</u>	<u>14,087</u>	<u>(60,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (60,000)	
Reconciling items:			
Debt principal		<u>60,000</u>	
Change in net position		<u>\$ -</u>	

HARNETT COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - SOUTHWEST
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 170,000	\$ 170,000	\$ -
Interest and fees	<u>41,412</u>	<u>41,412</u>	<u>-</u>
Total expenditures	<u>211,412</u>	<u>211,412</u>	<u>-</u>
Revenues over (under) expenditures	<u>(211,412)</u>	<u>(211,412)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>211,412</u>	<u>41,412</u>	<u>(170,000)</u>
Total other financing sources (uses)	<u>211,412</u>	<u>41,412</u>	<u>(170,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (170,000)</u>	<u>\$ (170,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (170,000)	
Reconciling items:			
Debt principal		<u>170,000</u>	
Change in net position		<u><u>\$ -</u></u>	

HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - SOUTHEAST
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 55,000	\$ 55,000	\$ -
Interest and fees	<u>22,100</u>	<u>22,100</u>	<u>-</u>
Total expenditures	<u>77,100</u>	<u>77,100</u>	<u>-</u>
Revenues over (under) expenditures	<u>(77,100)</u>	<u>(77,100)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>77,100</u>	<u>22,100</u>	<u>(55,000)</u>
Total other financing sources (uses)	<u>77,100</u>	<u>22,100</u>	<u>(55,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (55,000)</u>	<u>\$ (55,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (55,000)	
Reconciling items:			
Debt principal		<u>55,000</u>	
Change in net position		<u>\$ -</u>	

HARNETT COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - EAST CENTRAL
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 130,000	\$ 130,000	\$ -
Interest and fees	<u>66,513</u>	<u>66,513</u>	<u>-</u>
Total expenditures	<u>196,513</u>	<u>196,513</u>	<u>-</u>
Revenues over (under) expenditures	<u>(196,513)</u>	<u>(196,513)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>196,513</u>	<u>66,513</u>	<u>(130,000)</u>
Total other financing sources (uses)	<u>196,513</u>	<u>66,513</u>	<u>(130,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (130,000)</u>	<u>\$ (130,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (130,000)	
Reconciling items:			
Debt principal		<u>130,000</u>	
Change in net position		<u>\$ -</u>	

HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - RIVERSIDE
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 30,000	\$ 30,000	\$ -
Interest and fees	<u>29,138</u>	<u>29,138</u>	<u>-</u>
Total expenditures	<u>59,138</u>	<u>59,138</u>	<u>-</u>
Revenues under expenditures	<u>(59,138)</u>	<u>(59,138)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>59,138</u>	<u>29,138</u>	<u>(30,000)</u>
Total other financing sources (uses)	<u>59,138</u>	<u>29,138</u>	<u>(30,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (30,000)</u>	<u>\$ (30,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (30,000)	
Reconciling items:			
Debt principal		<u>30,000</u>	
Change in net position		<u>\$ -</u>	

HARNETT COUNTY, NORTH CAROLINA

SOUTHWEST WASTEWATER PUMP STATION & FORCE MAIN CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Expenditures:					
Construction	\$ 7,350,000	\$ -	\$ -	\$ -	\$ 7,350,000
Engineering	535,000	-	-	-	535,000
Land	8,000	-	-	-	8,000
Contingency	725,000	-	-	-	725,000
Total expenditures	<u>8,618,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,618,000</u>
Revenues over (under) expenditures	<u>(8,618,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,618,000</u>
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	8,618,000	-	8,618,000	8,618,000	-
Transfers out - Enterprise Fund	-	-	-	-	-
Total other financing sources (uses)	<u>8,618,000</u>	<u>-</u>	<u>8,618,000</u>	<u>8,618,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,618,000</u>	<u>\$ 8,618,000</u>	<u>\$ 8,618,000</u>

HARNETT COUNTY, NORTH CAROLINA

SCHOOL WASTEWATER EXTENSIONS CAPITAL PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Expenditures:					
Construction	2,688,100	2,327,311	111,246	2,438,557	249,543
Legal and administration	10,000	-	-	-	10,000
Engineering	591,105	507,204	-	507,204	83,901
Materials and supplies	45,000	-	-	-	45,000
Land	20,000	13,793	-	13,793	6,207
Total expenditures	<u>3,354,205</u>	<u>2,848,308</u>	<u>111,246</u>	<u>2,959,554</u>	<u>394,651</u>
Revenues over (under) expenditures	<u>(2,854,205)</u>	<u>(2,348,308)</u>	<u>(111,246)</u>	<u>(2,459,554)</u>	<u>394,651</u>
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>2,854,205</u>	<u>2,854,205</u>	<u>-</u>	<u>2,854,205</u>	<u>-</u>
Total other financing sources (uses)	<u>2,854,205</u>	<u>2,854,205</u>	<u>-</u>	<u>2,854,205</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 505,897</u>	<u>\$ (111,246)</u>	<u>\$ 394,651</u>	<u>\$ 394,651</u>

HARNETT COUNTY, NORTH CAROLINA

ADVANCED METER INFRASTRUCTURE CAPITAL PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Restricted intergovernmental	\$ -	\$ 62,204	\$ -	\$ 62,204	\$ 62,204
Total revenues	<u>-</u>	<u>62,204</u>	<u>-</u>	<u>62,204</u>	<u>62,204</u>
Expenditures:					
Construction	14,439,583	11,737,579	2,087,757	13,825,336	614,247
Engineering	665,781	455,589	98,457	554,046	111,735
Contingency	36,344	-	-	-	36,344
Total expenditures	<u>15,141,708</u>	<u>12,193,168</u>	<u>2,186,214</u>	<u>14,379,382</u>	<u>762,326</u>
Revenues over (under) expenditures	<u>(15,141,708)</u>	<u>(12,130,964)</u>	<u>(2,186,214)</u>	<u>(14,317,178)</u>	<u>824,530</u>
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>15,141,708</u>	<u>14,000,000</u>	<u>1,141,708</u>	<u>15,141,708</u>	<u>-</u>
Total other financing sources (uses)	<u>15,141,708</u>	<u>14,000,000</u>	<u>1,141,708</u>	<u>15,141,708</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,869,036</u>	<u>\$ (1,044,506)</u>	<u>\$ 824,530</u>	<u>\$ 824,530</u>

HARNETT COUNTY, NORTH CAROLINA

NORTHWEST HARNETT UTILITY EXTENSION CAPITAL PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Expenditures:					
Construction	\$ 1,869,000	\$ -	\$ 808,390	\$ 808,390	\$ 1,060,610
Engineering	304,900	138,380	70,391	208,771	96,129
Materials and supplies	204,100	-	-	-	204,100
Total expenditures	<u>2,378,000</u>	<u>138,380</u>	<u>878,781</u>	<u>1,017,161</u>	<u>1,360,839</u>
Revenues over (under) expenditures	<u>(2,378,000)</u>	<u>(138,380)</u>	<u>(878,781)</u>	<u>(1,017,161)</u>	<u>1,360,839</u>
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>2,378,000</u>	<u>400,000</u>	<u>1,978,000</u>	<u>2,378,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,378,000</u>	<u>400,000</u>	<u>1,978,000</u>	<u>2,378,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 261,620</u>	<u>\$ 1,099,219</u>	<u>\$ 1,360,839</u>	<u>\$ 1,360,839</u>

HARNETT COUNTY, NORTH CAROLINA

NORTH HARNETT WWTP CAPACITY CAPITAL PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 40,229,800	\$ -	\$ -	\$ -	\$ (40,229,800)
Total revenues	<u>40,229,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,229,800)</u>
Expenditures:					
Construction	50,000,000	-	-	-	50,000,000
Engineering	<u>4,365,000</u>	<u>200,530</u>	<u>993,475</u>	<u>1,194,005</u>	<u>3,170,995</u>
Total expenditures	<u>54,365,000</u>	<u>200,530</u>	<u>993,475</u>	<u>1,194,005</u>	<u>53,170,995</u>
Revenues over (under) expenditures	<u>(14,135,200)</u>	<u>(200,530)</u>	<u>(993,475)</u>	<u>(1,194,005)</u>	<u>12,941,195</u>
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>14,135,200</u>	<u>1,500,000</u>	<u>12,635,200</u>	<u>14,135,200</u>	<u>-</u>
Total other financing sources (uses)	<u>14,135,200</u>	<u>1,500,000</u>	<u>12,635,200</u>	<u>14,135,200</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,299,470</u>	<u>\$ 11,641,725</u>	<u>\$ 12,941,195</u>	<u>\$ 12,941,195</u>

HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Solid waste fees	\$ 8,104,080	\$ 8,431,403	\$ 327,323
Other operating revenues	81,981	32,506	(49,475)
Total operating revenues	<u>8,186,061</u>	<u>8,463,909</u>	<u>277,848</u>
Non-Operating Revenues:			
Restricted intergovernmental	260,000	378,939	118,939
Interest earned on investments	-	18,173	18,173
Total non-operating revenues	<u>260,000</u>	<u>397,112</u>	<u>137,112</u>
Total revenues	<u>8,446,061</u>	<u>8,861,021</u>	<u>414,960</u>
Expenditures:			
Salaries and employee benefits	1,342,751	1,175,907	166,844
Other operating expenses	6,473,334	4,892,423	1,580,911
Capital outlay	762,103	738,120	23,983
Debt service:			
Debt principal and interest	347,950	337,950	10,000
Total expenditures	<u>8,926,138</u>	<u>7,144,400</u>	<u>1,781,738</u>
Revenues over (under) expenditures	<u>(480,077)</u>	<u>1,716,621</u>	<u>2,196,698</u>
Other Financing Sources (Uses):			
Transfers in (out)	10,400	-	(10,400)
Appropriated net position	469,677	-	(469,677)
Total other financing sources (uses)	<u>480,077</u>	<u>-</u>	<u>(480,077)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,716,621</u>	<u>\$ 1,716,621</u>

HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 1,716,621	
Reconciling items:			
Debt principal		305,000	
Change in deferred outflows - pension		151,530	
Change in net pension liability		(452,543)	
Change in deferred inflows - pension		256,306	
Decrease in compensated absences		13,099	
Change in deferred outflows of resources - OPEB		(12,307)	
Change in deferred inflows of resources - OPEB		6,245	
Increase in other post-employment benefits		(34,123)	
Amortization of premium		16,972	
Capital outlay		738,120	
Depreciation		<u>(245,854)</u>	
Change in net position		<u>\$ 2,459,066</u>	

INTERNAL SERVICE FUNDS

Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, on a cost-reimbursement basis.

INDIVIDUAL FUND DESCRIPTIONS:

Workers' Compensation Fund – accounts for accumulated resources as self-insurance for workers' compensation claims.

Group Insurance Fund – accounts for the liabilities that have been incurred from prior years when the County was previously fully insured.

Employee Clinic Fund – accounts for the operations at the clinic that is exclusively for employees of Harnett County.

Medical Insurance Fund – accounts for the claims and payments for self-insured health insurance within the County.

Dental Insurance Fund – accounts for the dental insurance premiums and payments for employees of the County.

Unemployment Insurance Fund – accounts for the funds set aside for unemployment claims processed by the North Carolina Department of Commerce, Division of Employment Security.

HARNETT COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Group</u> <u>Insurance</u> <u>Fund</u>	<u>Employee</u> <u>Clinic</u> <u>Fund</u>	<u>Medical</u> <u>Insurance</u> <u>Fund</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 6,036,996	\$ 1,030,453	\$ 699,092	\$ 12,386,605
Accounts receivable	-	-	376	-
Total assets	<u>6,036,996</u>	<u>1,030,453</u>	<u>699,468</u>	<u>12,386,605</u>
Liabilities:				
Current liabilities:				
Claims payable	150,000	-	-	-
Accounts payable	12,529	-	6,922	1,233,272
Total current liabilities	<u>162,529</u>	<u>-</u>	<u>6,922</u>	<u>1,233,272</u>
Non-current liabilities:				
Claims payable	249,154	-	-	-
Total liabilities	<u>411,683</u>	<u>-</u>	<u>6,922</u>	<u>1,233,272</u>
Net Position:				
Unrestricted	<u>5,625,313</u>	<u>1,030,453</u>	<u>692,546</u>	<u>11,153,333</u>
Total net position	<u>\$ 5,625,313</u>	<u>\$ 1,030,453</u>	<u>\$ 692,546</u>	<u>\$ 11,153,333</u>

HARNETT COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	Dental Insurance Fund	Unemployment Insurance Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 846,058	\$ 1,937,236	\$ 22,936,440
Accounts receivable	<u>-</u>	<u>-</u>	<u>376</u>
Total assets	<u>846,058</u>	<u>1,937,236</u>	<u>22,936,816</u>
Liabilities:			
Current liabilities:			
Claims payable	-	-	150,000
Accounts payable	<u>58,242</u>	<u>-</u>	<u>1,310,965</u>
Total current liabilities	<u>58,242</u>	<u>-</u>	<u>1,460,965</u>
Non-current liabilities:			
Claims payable	<u>-</u>	<u>-</u>	<u>249,154</u>
Total liabilities	<u>58,242</u>	<u>-</u>	<u>1,710,119</u>
Net Position:			
Unrestricted	<u>787,816</u>	<u>1,937,236</u>	<u>21,226,697</u>
Total net position	<u>\$ 787,816</u>	<u>\$ 1,937,236</u>	<u>\$ 21,226,697</u>

HARNETT COUNTY, NORTH CAROLINA

**INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Workers' Compensation Fund</u>	<u>Group Insurance Fund</u>	<u>Employee Clinic Fund</u>	<u>Medical Insurance Fund</u>
Operating Revenues:				
County contribution	\$ 559,568	\$ 1,548,523	\$ 154,380	\$ 12,694,318
Operating Expenses:				
Benefits and premiums	854,567	1,502,258	178,080	10,980,584
Total expenditures	<u>854,567</u>	<u>1,502,258</u>	<u>178,080</u>	<u>10,980,584</u>
Change in net position	(294,999)	46,265	(23,700)	1,713,734
Net Position:				
Beginning of year - July 1	<u>5,920,312</u>	<u>984,188</u>	<u>716,246</u>	<u>9,439,599</u>
End of year - June 30	<u>\$ 5,625,313</u>	<u>\$ 1,030,453</u>	<u>\$ 692,546</u>	<u>\$ 11,153,333</u>

HARNETT COUNTY, NORTH CAROLINA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	Dental Insurance Fund	Unemployment Insurance Fund	Total
Operating Revenues:			
County contribution	\$ 519,534	\$ 128,055	\$ 15,604,378
Operating Expenses:			
Benefits and premiums	459,022	31,607	14,006,118
Total expenditures	459,022	31,607	14,006,118
Change in net position	60,512	96,448	1,598,260
Net Position:			
Beginning of year - July 1	727,304	1,840,788	19,628,437
End of year - June 30	\$ 787,816	\$ 1,937,236	\$ 21,226,697

HARNETT COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Workers' Compensation Fund	Group Insurance Fund	Employee Clinic Fund	Medical Insurance Fund
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 559,568	\$ 1,548,523	\$ 154,380	\$ 12,694,318
Cash paid to suppliers	<u>(685,935)</u>	<u>(1,502,258)</u>	<u>(176,010)</u>	<u>(10,831,291)</u>
Net cash provided (used) by operating activities	<u>(126,367)</u>	<u>46,265</u>	<u>(21,630)</u>	<u>1,863,027</u>
Net increase (decrease) in cash and cash equivalents	(126,367)	46,265	(21,630)	1,863,027
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>6,163,363</u>	<u>984,188</u>	<u>720,722</u>	<u>10,523,578</u>
End of year - June 30	<u>\$ 6,036,996</u>	<u>\$ 1,030,453</u>	<u>\$ 699,092</u>	<u>\$ 12,386,605</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (294,999)	\$ 46,265	\$ (23,700)	\$ 1,713,734
Change in claims payable	<u>168,632</u>	<u>-</u>	<u>2,070</u>	<u>149,293</u>
Net cash provided (used) by operating activities	<u>\$ (126,367)</u>	<u>\$ 46,265</u>	<u>\$ (21,630)</u>	<u>\$ 1,863,027</u>

HARNETT COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Dental Insurance Fund	Unemployment Insurance Fund	Total
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 519,534	\$ 128,055	\$ 15,604,378
Cash paid to suppliers	<u>(453,859)</u>	<u>(31,607)</u>	<u>(13,680,960)</u>
Net cash provided (used) by operating activities	<u>65,675</u>	<u>96,448</u>	<u>1,923,418</u>
Net increase (decrease) in cash and cash equivalents	65,675	96,448	1,923,418
Cash and Cash Equivalents:			
Beginning of year - July 1	<u>780,383</u>	<u>1,840,788</u>	<u>21,013,022</u>
End of year - June 30	<u>\$ 846,058</u>	<u>\$ 1,937,236</u>	<u>\$ 22,936,440</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 60,512	\$ 96,448	\$ 1,598,260
Change in claims payable	<u>5,163</u>	<u>-</u>	<u>325,158</u>
Net cash provided (used) by operating activities	<u>\$ 65,675</u>	<u>\$ 96,448</u>	<u>\$ 1,923,418</u>

HARNETT COUNTY, NORTH CAROLINA

**EMPLOYEE CLINIC FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN NET POSITION - FINANCIAL PLAN AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 191,875	\$ 154,380	\$ (37,495)
Total revenues	<u>191,875</u>	<u>154,380</u>	<u>(37,495)</u>
Expenditures:			
Benefits and premiums	<u>191,875</u>	<u>178,080</u>	<u>13,795</u>
Total expenditures	<u>191,875</u>	<u>178,080</u>	<u>13,795</u>
Change in net position	<u>\$ -</u>	<u>(23,700)</u>	<u>\$ (23,700)</u>
Net Position:			
Beginning of year - July 1		<u>716,246</u>	
End of year - June 30		<u>\$ 692,546</u>	

HARNETT COUNTY, NORTH CAROLINA

**WORKERS' COMPENSATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN NET POSITION - FINANCIAL PLAN AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 855,000	\$ 559,568	\$ (295,432)
Total revenues	<u>855,000</u>	<u>559,568</u>	<u>(295,432)</u>
Expenditures:			
Benefits and premiums	855,000	854,567	433
Total expenditures	<u>855,000</u>	<u>854,567</u>	<u>433</u>
Change in net position	<u>\$ -</u>	(294,999)	<u>\$ (294,999)</u>
Net Position:			
Beginning of year - July 1		<u>5,920,312</u>	
End of year - June 30		<u>\$ 5,625,313</u>	

HARNETT COUNTY, NORTH CAROLINA

GROUP INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 1,550,000	\$ 1,548,523	\$ (1,477)
Total revenues	<u>1,550,000</u>	<u>1,548,523</u>	<u>(1,477)</u>
Expenditures:			
Benefits and premiums	<u>1,550,000</u>	<u>1,502,258</u>	<u>47,742</u>
Total expenditures	<u>1,550,000</u>	<u>1,502,258</u>	<u>47,742</u>
Change in net position	<u>\$ -</u>	46,265	<u>\$ 46,265</u>
Net Position:			
Beginning of year - July 1		<u>984,188</u>	
End of year - June 30		<u>\$ 1,030,453</u>	

HARNETT COUNTY, NORTH CAROLINA

**UNEMPLOYMENT INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 250,000	\$ 128,055	\$ (121,945)
Total revenues	<u>250,000</u>	<u>128,055</u>	<u>(121,945)</u>
Expenditures:			
Benefits and premiums	<u>250,000</u>	<u>31,607</u>	<u>218,393</u>
Total expenditures	<u>250,000</u>	<u>31,607</u>	<u>218,393</u>
Change in net position	<u>\$ -</u>	96,448	<u>\$ 96,448</u>
Net Position:			
Beginning of year - July 1		<u>1,840,788</u>	
End of year - June 30		<u>\$ 1,937,236</u>	

HARNETT COUNTY, NORTH CAROLINA

MEDICAL INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 12,253,500	\$ 12,694,318	\$ 440,818
Total revenues	<u>12,253,500</u>	<u>12,694,318</u>	<u>440,818</u>
Expenditures:			
Benefits and premiums	12,576,500	10,980,584	1,595,916
Total expenditures	<u>12,576,500</u>	<u>10,980,584</u>	<u>1,595,916</u>
Other Financing Sources (Uses):			
Appropriated fund balance	323,000	-	(323,000)
Total other financing sources (uses)	<u>323,000</u>	<u>-</u>	<u>(323,000)</u>
Change in net position	<u>\$ -</u>	1,713,734	<u>\$ 1,713,734</u>
Net Position:			
Beginning of year - July 1		<u>9,439,599</u>	
End of year - June 30		<u>\$ 11,153,333</u>	

HARNETT COUNTY, NORTH CAROLINA

**DENTAL INSURANCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN NET POSITION - FINANCIAL PLAN AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 650,000	\$ 519,534	\$ (130,466)
Total revenues	<u>650,000</u>	<u>519,534</u>	<u>(130,466)</u>
Expenditures:			
Benefits and premiums	<u>650,000</u>	<u>459,022</u>	<u>190,978</u>
Total expenditures	<u>650,000</u>	<u>459,022</u>	<u>190,978</u>
Change in net position	<u>\$ -</u>	60,512	<u>\$ 60,512</u>
Net Position:			
Beginning of year - July 1		<u>727,304</u>	
End of year - June 30		<u><u>\$ 787,816</u></u>	

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FIDUCIARY FUNDS

Custodial funds are used to account for short-term custodial collections of resources on behalf of another individual, entity or government. Trust funds account for resources that are required to be held in trust for the members and beneficiaries of defined benefit plans, defined contribution plans or other postemployment benefit plans.

INDIVIDUAL FUND DESCRIPTIONS:

CUSTODIAL FUNDS:

Municipal Tax 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.

Jail Inmate Pay Fund – This fund accounts for monies held by Harnett County on the behalf of inmates in the Harnett County Detention Center.

PENSION TRUST FUNDS:

OPEB Trust Fund – accounts for the County’s contributions for healthcare coverage provided to qualified retirees.

LEO Trust Fund – accounts for the County’s contributions for separation allowance payments provided to qualified law enforcement retirees.

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HARNETT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS

JUNE 30, 2023

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Assets:			
Cash and cash equivalents	\$ 301,919	\$ 32,321	\$ 334,240
Taxes receivables for other governments, net	174,420	-	174,420
Total assets	<u>476,339</u>	<u>32,321</u>	<u>508,660</u>
Liabilities:			
Accounts payable and accrued liabilities	-	17,877	17,877
Due to other governments	301,919	-	301,919
Total liabilities	<u>301,919</u>	<u>17,877</u>	<u>319,796</u>
Net Position:			
Restricted for:			
Individuals, organizations, and other governments	174,420	14,444	188,864
Total net position	<u>\$ 174,420</u>	<u>\$ 14,444</u>	<u>\$ 188,864</u>

HARNETT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Additions:			
Ad valorem taxes for other governments	\$ 14,306,645	\$ -	\$ 14,306,645
Collections on behalf of inmates	-	590,411	590,411
Total additions	<u>14,306,645</u>	<u>590,411</u>	<u>14,897,056</u>
Deductions:			
Tax distributions to other governments	14,308,863	-	14,308,863
Payments on behalf of inmates	-	611,538	611,538
Total deductions	<u>14,308,863</u>	<u>611,538</u>	<u>14,920,401</u>
Net increase (decrease) in fiduciary net position	(2,218)	(21,127)	(23,345)
Net position, beginning	<u>176,638</u>	<u>35,571</u>	<u>212,209</u>
Net position, ending	<u>\$ 174,420</u>	<u>\$ 14,444</u>	<u>\$ 188,864</u>

HARNETT COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

JUNE 30, 2023

	<u>OPEB Trust Fund</u>	<u>LEO Trust Fund</u>	<u>Total Pension Trust Funds</u>
Assets:			
Restricted cash and cash equivalents	\$ 1,123,085	\$ 318,301	\$ 1,441,386
Net Position:			
Restricted for:			
Defined benefit pensions	-	318,301	318,301
Post-employment benefits other than pensions	<u>1,123,085</u>	<u>-</u>	<u>1,123,085</u>
Total net position	<u>\$ 1,123,085</u>	<u>\$ 318,301</u>	<u>\$ 1,441,386</u>

HARNETT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>OPEB Trust Fund</u>	<u>LEO Trust Fund</u>	<u>Total Pension Trust Funds</u>
Additions:			
Employer contributions:	\$ 1,260,675	\$ 188,907	\$ 1,449,582
Investment income:	78,156	(59,591)	18,565
Total additions	<u>1,338,831</u>	<u>129,316</u>	<u>1,468,147</u>
Deductions:			
Benefit payments	<u>1,148,990</u>	<u>181,432</u>	<u>1,330,422</u>
Change in net position	189,841	(52,116)	137,725
Net Position:			
Beginning of year, July 1	<u>933,244</u>	<u>370,417</u>	<u>1,303,661</u>
End of year, June 30	<u>\$ 1,123,085</u>	<u>\$ 318,301</u>	<u>\$ 1,441,386</u>

OTHER SCHEDULES

Schedule of Ad Valorem Taxes Receivable – General Fund

Analysis of Current Tax Levy

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HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF AD VALOREM TAXES RECEIVABLE
 JUNE 30, 2023

Fiscal Year	Uncollected Balance July 1, 2022	Additions	Collections and Credits	Uncollected Balance June 30, 2023
2022-2023	\$ -	\$ 80,414,447	\$ 79,957,356	\$ 457,091
2021-2022	399,623	-	210,845	188,778
2020-2021	184,972	-	55,952	129,020
2019-2020	129,101	-	28,824	100,277
2018-2019	63,178	-	9,813	53,365
2017-2018	52,785	-	8,230	44,555
2016-2017	46,398	-	5,484	40,914
2015-2016	38,423	-	2,993	35,430
2014-2015	31,243	-	3,034	28,209
2013-2014	71,879	-	13,332	58,547
2012-2013	75,230	-	75,230	-
Total	\$ 1,092,832	\$ 80,414,447	\$ 80,371,093	1,136,186
Less: allowance for uncollectible accounts - General Fund				561,916
Ad valorem taxes receivable, net - General Fund				\$ 574,270
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 79,931,250
Reconciling items:				
Interest collected				364,613
Taxes written off				75,230
Total collections and credits				\$ 80,371,093

HARNETT COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2023

	County-Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	<u>\$ 10,755,844,533</u>	\$ 0.7500	<u>\$ 80,668,834</u>	<u>\$ 71,237,537</u>	<u>\$ 9,431,297</u>
Total	<u>10,755,844,533</u>		<u>80,668,834</u>	<u>71,237,537</u>	<u>9,431,297</u>
Discoveries:					
Abatements	<u>(19,079,025)</u>		<u>(254,387)</u>	<u>(254,387)</u>	<u>-</u>
Total	<u>(19,079,025)</u>		<u>(254,387)</u>	<u>(254,387)</u>	<u>-</u>
Total property valuation	<u><u>\$ 10,736,765,508</u></u>				
Net Levy			80,414,447	70,983,150	9,431,297
Uncollected taxes at June 30, 2023			<u>(457,091)</u>	<u>(457,091)</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 79,957,356</u>	<u>\$ 70,526,059</u>	<u>\$ 9,431,297</u>
Current Levy Collection Percentage			<u>99.43%</u>	<u>99.36%</u>	<u>100.00%</u>

STATISTICAL SECTION

(unaudited)

This part of Harnett County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	P-223
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	P-229
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	P-237
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	P-241
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	P-245

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Harnett County, North Carolina
Net Position by Component
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 50,365,917	\$ 44,566,178	\$ 55,813,622	\$ (68,658,054)	\$ 54,269,404	\$ 51,755,245	\$ 40,586,139	\$ 45,363,315	\$ 57,578,059	\$ 66,070,060
Restricted	11,787,945	15,913,835	17,766,806	44,513,234	17,376,057	21,274,854	23,518,517	23,565,286	24,411,608	57,114,767
Unrestricted	(94,656,363)	(88,995,853)	(78,490,540)	35,023,661	(80,953,920)	(92,557,019)	(65,395,023)	(61,583,090)	(75,414,982)	(70,530,252)
Total governmental activities net position	\$ (32,502,491)	\$ (28,515,840)	\$ (4,910,112)	\$ 10,878,841	\$ (9,308,459)	\$ (19,526,920)	\$ (1,290,367)	\$ 7,345,511	\$ 6,574,685	\$ 52,654,575
Business-type activities										
Net investment in capital assets	\$ 245,118,371	\$ 266,725,165	\$ 278,517,784	\$ 278,274,105	\$ 281,674,631	\$ 282,059,841	\$ 285,552,395	\$ 288,429,644	\$ 293,777,712	\$ 294,098,489
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	55,340,802	44,073,005	42,596,106	49,940,891	49,628,551	56,308,299	63,428,897	71,531,344	86,258,794	99,493,768
Total business-type activities net position	\$ 300,459,173	\$ 310,798,170	\$ 321,113,890	\$ 328,214,996	\$ 331,303,182	\$ 338,368,140	\$ 348,981,292	\$ 359,960,988	\$ 380,036,506	\$ 393,592,257
Primary Government										
Net investment in capital assets	\$ 295,484,288	\$ 311,291,343	\$ 334,331,406	\$ 209,616,051	\$ 335,944,035	\$ 333,815,086	\$ 326,138,534	\$ 333,792,959	\$ 351,355,771	\$ 360,168,549
Restricted	11,787,945	15,913,835	17,766,806	44,513,234	17,376,057	21,274,854	23,518,517	23,565,286	24,411,608	57,114,767
Unrestricted	(39,315,551)	(44,922,848)	(35,894,434)	84,964,552	(31,325,369)	(36,248,720)	(1,966,126)	9,948,254	10,843,812	28,963,516
Total primary government net position	\$ 267,956,682	\$ 282,282,330	\$ 316,203,778	\$ 339,093,837	\$ 321,994,723	\$ 318,841,220	\$ 347,690,925	\$ 367,306,499	\$ 386,611,191	\$ 446,246,832

Harnett County, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General Government	\$ 13,333,033	\$ 13,148,888	\$ 9,196,366	\$ 14,655,806	\$ 16,113,489	\$ 23,498,036	\$ 19,607,411	\$ 17,181,824	\$ 19,397,236	\$ 20,108,801
Public Safety	34,627,720	35,683,468	37,715,350	40,417,079	42,464,618	43,001,530	48,548,276	53,578,893	58,526,377	62,024,084
Transportation	276,823	952,006	927,620	999,651	1,183,864	2,164,719	1,925,372	2,570,391	414,281	585,124
Environmental Protection	138,994	170,630	182,736	181,452	166,931	178,917	226,440	224,948	265,800	440,337
Economic & physical development	3,809,848	4,164,532	2,732,724	5,156,771	4,249,021	3,993,304	4,819,635	3,122,757	4,715,574	11,356,233
Human Services	25,863,878	25,702,623	28,109,695	29,721,428	26,671,296	26,939,763	28,276,022	26,123,875	24,138,142	30,330,752
Cultural & Recreational	1,473,554	1,513,720	1,667,895	2,236,204	2,938,458	3,187,931	3,277,094	3,409,512	3,091,532	4,265,525
Education	36,423,566	27,562,131	27,328,710	26,811,390	45,366,104	31,850,277	33,351,865	44,215,752	62,205,098	54,820,083
Debt Service:										
Interest and fees	6,332,214	5,463,869	5,315,756	4,825,862	5,443,930	5,224,806	4,666,259	6,463,671	8,454,218	8,037,921
Total governmental activities expenses	122,279,630	114,361,867	113,176,852	125,005,643	144,597,711	140,039,283	144,698,374	156,891,623	181,208,258	191,968,860
Business type activities										
Water and Sewer	28,650,534	28,444,236	31,176,432	32,111,467	34,137,473	36,798,468	34,883,209	38,069,462	39,523,538	49,890,017
Solid Waste	4,474,124	4,618,158	4,741,515	5,338,278	5,423,198	5,404,615	5,453,348	5,749,294	6,243,062	6,401,955
Total business-type activities	33,124,658	31,062,394	35,917,947	37,449,745	39,560,671	42,203,083	40,336,557	43,818,756	45,766,600	56,291,972
Total primary government expenses	\$ 155,404,288	\$ 145,424,261	\$ 149,094,799	\$ 162,455,388	\$ 184,158,382	\$ 182,242,366	\$ 185,034,931	\$ 200,710,379	\$ 226,974,858	\$ 248,260,832
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 4,207,620	\$ 3,090,449	\$ 9,083,933	\$ 8,004,787	\$ 8,063,442	\$ 8,360,038	\$ 15,550,149	\$ 13,633,676	\$ 17,186,944	\$ 24,194,043
Public Safety	7,243,162	7,637,977	8,553,075	8,525,597	7,846,993	7,753,365	14,421,702	12,644,304	15,939,718	22,431,210
Transportation	1,444	1,705	2,205	2,943	3,790	-	-	-	-	-
Environmental protection	-	3,963	8,438	2,400	800	-	-	-	-	-
Economic and physical development	8,085	10,766	20,714	24,814	4,175	-	-	-	-	-
Human services	2,315,561	2,192,224	2,567,833	4,023,634	2,255,009	2,228,092	4,144,378	3,633,606	4,580,612	6,446,079
Cultural and recreational	39,974	43,284	49,369	51,996	72,403	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
General government	1,874,813	1,593,065	1,634,027	1,510,115	1,539,880	1,521,624	2,830,307	2,541,860	3,066,559	4,077,093
Public Safety	747,873	648,901	1,022,612	579,565	1,101,278	1,086,874	3,142,783	1,772,491	2,234,445	11,691,195
Transportation	3,957,957	1,042,078	582,821	660,431	552,814	546,401	1,016,338	891,079	1,123,316	1,580,790
Environmental protection	-	26,965	30,426	22,915	25,169	24,702	45,947	40,284	50,783	71,464
Economic and physical development	41,017	41,395	45,512	34,825	18,697	18,773	34,919	30,616	38,595	54,312
Human services	15,504,353	16,327,523	18,472,123	18,612,304	16,540,601	1,597,713	7,351,447	6,846,499	2,121,377	11,434,286
Cultural and recreational	162,175	164,619	161,213	168,442	180,196	197,613	367,572	322,271	406,264	571,714
Education	2,763,557	1,902,400	1,902,400	400	-	-	-	-	-	-
Capital grants and contributions:										
General government	-	335,462	28,493	22,252	117,150	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Economic and physical development	978,203	517,082	39,584	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-
Cultural and recreational	-	39,421	5,750	-	29,078	-	-	-	-	-
Total governmental activities programs revenues	39,845,794	35,619,279	44,210,528	42,247,420	38,351,475	23,335,195	48,905,542	42,356,686	46,748,613	82,552,186

Harnett County, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services:										
Water and Sewer	34,620,175	32,511,677	34,697,530	36,147,419	39,326,703	40,260,717	41,527,755	42,406,003	49,392,182	49,744,356
Solid Waste	5,023,318	5,219,143	5,360,576	5,827,446	5,798,149	6,091,812	6,406,797	7,950,319	8,348,325	8,495,874
Operating grants and contributions:										
Water and Sewer	-	-	-	-	-	-	-	-	-	-
Solid Waste	-	-	268,549	75,793	28,680	-	-	-	-	-
Capital grants and contributions:										
Water and Sewer	8,937,389	4,172,600	6,430,392	2,218,064	622,358	3,005,857	2,581,893	4,138,486	7,766,687	10,654,949
Solid Waste	30,000	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	48,610,882	41,903,420	46,757,047	44,268,722	45,775,890	49,358,386	50,516,445	54,494,808	65,507,194	68,895,179
Total primary government program revenues	\$ 88,456,676	\$ 77,522,699	\$ 90,967,575	\$ 86,516,142	\$ 84,127,365	\$ 72,693,581	\$ 99,421,987	\$ 96,851,494	\$ 112,255,807	\$ 151,447,365
Net (expense)/revenue										
Governmental activities	\$ (82,433,836)	\$ (78,742,588)	\$ (68,966,324)	\$ (82,758,223)	\$ (106,246,236)	\$ (116,704,088)	\$ (95,792,832)	\$ (114,534,937)	\$ (134,459,645)	\$ (109,416,674)
Business-type activities	15,486,224	10,841,026	10,839,100	6,818,977	6,215,219	7,155,303	10,179,888	10,676,052	19,740,594	12,603,207
Total primary government net expense	\$ (66,947,612)	\$ (67,901,562)	\$ (58,127,224)	\$ (75,939,246)	\$ (100,031,017)	\$ (109,548,785)	\$ (85,612,944)	\$ (103,858,885)	\$ (114,719,051)	\$ (96,813,467)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Ad valorem taxes	\$ 64,309,216	\$ 65,789,144	\$ 68,369,184	\$ 70,197,361	\$ 70,459,916	\$ 73,555,031	\$ 75,867,248	\$ 80,167,654	\$ 85,540,859	\$ 92,631,013
Local option sales tax	14,884,498	16,757,810	19,279,814	20,518,531	21,796,176	23,633,916	33,693,156	39,711,979	44,617,913	48,835,887
Other taxes	2,505,838	4,009,772	4,778,883	8,538,405	9,215,929	9,530,846	2,778,003	3,050,213	1,848,542	5,460,901
Unrestricted grants and contributions	38,861	67,514	41,665	120,415	56,135	4,994	14,153	43,235	15,078	45,001
Investment earnings	2,677	11,672	102,503	280,826	950,379	1,647,672	1,676,825	66,876	146,776	8,523,762
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital asset	-	-	-	-	-	-	-	-	-	-
Transfers	400,000	(2,030)	-	397,814	-	71,486	-	-	-	-
Total governmental activities	82,141,090	86,633,882	92,572,049	99,655,538	102,876,349	108,443,945	114,029,385	123,039,957	132,169,168	155,496,564
Business-type activities:										
Other taxes	237,297	234,276	268,129	282,599	258,016	282,191	283,640	299,010	333,365	378,939
Investment earnings	543	660	3,491	(470)	29,994	44,537	149,624	4,634	1,559	573,605
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital asset	-	-	-	-	-	-	-	-	-	-
Transfers	(400,000)	2,030	-	(397,814)	(397,814)	(71,486)	-	-	-	-
Total business-type activities	(162,160)	236,966	271,620	282,129	(109,804)	255,242	433,264	303,644	334,924	952,544
Total primary government	\$ 81,978,930	\$ 86,870,848	\$ 92,843,669	\$ 99,937,667	\$ 102,766,545	\$ 108,699,187	\$ 114,462,649	\$ 123,343,601	\$ 132,504,092	\$ 156,449,108
Change in Net Position										
Governmental activities	\$ (292,746)	\$ 7,891,294	\$ 23,605,725	\$ 16,897,315	\$ (3,389,887)	\$ (8,260,143)	\$ 18,236,553	\$ 8,505,020	\$ (2,290,477)	\$ 46,079,890
Business-type activities	15,324,064	11,077,992	11,110,720	7,101,106	6,105,415	7,410,545	10,613,152	10,979,696	20,075,518	13,555,751
Total primary government	\$ 15,031,318	\$ 18,969,286	\$ 34,716,445	\$ 23,998,421	\$ 2,715,528	\$ (849,598)	\$ 28,849,705	\$ 19,484,716	\$ 17,785,041	\$ 59,635,641

Harnett County, North Carolina
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2014 ¹	2015	2016	2017 ²	2018 ³	2019	2020 ⁴	2021 ⁵	2022 ⁶	2023 ⁷
General Fund										
Non Spendable	\$ 111,181	\$ 159,625	\$ 1,418,606	\$ 232,245	\$ 216,378	\$ 249,757	\$ 2,637,760	\$ 2,199,381	\$ 2,210,399	\$ 2,356,195
Restricted	9,260,952	11,496,063	11,966,027	9,068,575	10,337,775	11,199,201	15,306,174	17,550,550	17,948,916	19,310,705
Committed	-	-	-	-	-	-	8,872,608	9,756,795	16,424,560	21,684,428
Assigned	3,193,811	2,600,000	-	-	422,916	2,433,321	8,363,192	12,577,649	24,949,812	30,562,847
Unassigned	18,732,095	19,417,388	26,311,973	32,547,008	32,201,423	29,737,935	31,349,433	40,218,952	41,662,778	51,201,876
Total General Fund	\$ 31,298,039	\$ 33,673,076	\$ 39,696,606	\$ 41,847,828	\$ 43,178,492	\$ 43,620,214	\$ 66,529,167	\$ 82,303,327	\$ 103,196,465	\$ 125,116,051
All other governmental funds										
Non Spendable	\$ -	\$ -	\$ 4,212	\$ 4,212	\$ 4,212	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	12,479,663	8,809,048	7,594,332	37,153,665	19,255,559	17,985,905	22,791,271	24,303,276	45,485,914	51,629,389
Committed	440,695	24,102	122,485	181,634	197,814	492,117	5,254,119	5,065,015	5,575,041	13,236,739
Assigned	60,348	246,463	2,316,903	5,001,315	6,045,578	5,821,813	3,415,325	3,410,004	48,780	76,557
Unassigned	(1,869,528)	(881,516)	(895,755)	(618,241)	(1,857,918)	(1,386,783)	(7,402,400)	(4,103,999)	(8,238,596)	(24,398,041)
Total all other governmental funds	\$ 11,111,178	\$ 8,198,097	\$ 9,142,177	\$ 41,722,585	\$ 23,645,245	\$ 22,913,052	\$ 24,058,315	\$ 28,674,296	\$ 42,871,139	\$ 40,544,644

¹ The increase in Fund Balance for all other governmental funds is due to the cash on deposit with an escrow agent for the Highlands Middle School Capital Project.
² The decrease in Fund Balance for all other governmental funds is due to the spend-down of escrow funds for the Highlands Middle School Capital Project.
³ The increase in Fund Balance for all other governmental funds is due to the cash on deposit with an escrow agent for the Benhaven Elementary School Capital Project.
⁴ The increase in Fund Balance for all other governmental funds is due to the increase in sales tax receipts allocated to the debt service fund and increased operating grants for several project funds.
⁵ The increase in Fund Balance for all other governmental funds is due to the cash on deposit with an escrow agent for the Erwin Elementary School and Government Complex South Capital Project Funds.
⁶ The increase in Fund Balance for all other governmental funds is due to the cash on deposit with an escrow agent for the Northwest Harnett Elementary School Capital Project Fund.
⁷ The increase in Fund Balance for all other governmental funds is due to increased operating grants for several funds from both Federal and State sources.

Harnett County, North Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Ad valorem taxes	\$ 64,806,230	\$ 66,264,541	\$ 68,317,095	\$ 70,285,326	\$ 70,437,519	\$ 73,612,822	\$ 75,758,317	\$ 80,099,213	\$ 85,562,489	\$ 92,590,675
Other taxes and licenses	17,390,336	20,767,582	24,058,697	29,056,936	31,012,105	33,164,762	36,471,159	42,762,192	46,466,455	54,296,788
Unrestricted Intergovernmental	38,861	67,514	41,665	120,415	56,135	4,994	14,153	43,235	15,078	45,001
Restricted Intergovernmental	24,545,233	21,497,462	23,003,139	22,873,759	19,843,450	19,910,706	28,408,647	23,744,458	25,156,563	50,144,277
Permits and fees	3,686,220	3,379,086	3,466,824	3,545,871	3,824,231	2,929,161	2,422,016	2,590,141	2,391,886	2,619,018
Sales and services	7,378,303	7,435,368	8,863,752	7,604,780	7,793,750	7,602,674	9,571,668	10,338,766	11,797,382	13,942,527
Investment earnings	2,677	11,672	102,503	280,826	950,379	1,647,672	1,676,825	66,876	146,776	8,523,762
Other general revenues	4,041,279	4,602,797	3,631,950	3,639,506	4,113,580	2,546,588	6,568,738	3,880,348	5,517,356	5,281,029
Total revenues	121,889,139	124,026,022	131,485,625	137,407,419	138,031,149	141,419,379	160,891,523	163,525,229	177,053,985	227,443,077
Expenditures										
General government	16,619,446	13,320,651	13,684,269	13,769,610	17,852,956	16,168,276	30,945,013	28,532,332	21,541,255	23,460,563
Public safety	33,945,599	35,489,816	36,668,046	39,640,768	41,743,221	42,920,389	47,679,464	49,432,661	52,368,982	64,909,338
Transportation	369,745	418,731	392,951	436,495	472,869	537,989	691,366	911,473	261,357	454,271
Environmental protection	128,133	165,801	182,736	181,452	166,931	178,917	226,440	224,948	265,800	440,337
Economic and physical development	7,761,858	5,087,189	3,291,512	4,988,437	4,142,456	3,644,583	4,285,897	4,699,442	5,215,836	9,735,873
Human services	25,287,199	26,243,188	28,000,704	29,235,907	25,870,415	23,785,760	23,930,556	25,179,507	27,210,434	29,391,184
Cultural and recreational	1,391,118	1,495,843	1,498,127	2,131,641	2,859,436	4,069,047	3,226,045	3,436,177	3,152,113	4,245,949
Education	36,423,566	27,562,131	27,328,710	26,811,390	45,366,104	31,850,277	33,351,865	44,215,752	62,205,098	54,820,083
Debt Service										
Principal	8,240,495	9,719,273	11,551,597	13,660,527	14,511,973	14,307,300	13,810,496	12,611,865	13,773,022	16,683,427
Interest and fees	6,491,804	5,575,501	4,959,473	3,849,231	4,547,768	4,318,798	4,518,023	5,421,947	6,411,526	7,072,844
Total primary government expenses	\$ 136,658,963	\$ 125,078,124	\$ 127,558,125	\$ 134,705,458	\$ 157,534,129	\$ 141,781,336	\$ 162,665,165	\$ 174,666,104	\$ 192,405,423	\$ 211,213,869
Excess of revenues over (under) expenditures	(14,769,824)	(1,052,102)	3,927,500	2,701,961	(19,502,980)	(361,957)	(1,773,642)	(11,140,875)	(15,351,438)	16,229,208

Harnett County, North Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other financing sources (uses)										
Bonds & capital lease issuance	\$ 5,497,253	\$ -	\$ 2,200,000	\$ 29,500,000	\$ 1,902,953	\$ -	\$ 21,145,000	\$ 78,910,000	\$ 43,000,000	\$ -
Lease liability issued	-	-	-	-	-	-	-	-	1,141,316	236,537
Subscription liabilities issued	-	-	-	2,529,669	-	-	3,847,498	11,024,698	6,300,403	3,127,346
Bond premium	-	29,486,750	37,018,000	-	-	-	-	-	-	-
Long-term debt refunded	-	(28,970,662)	(36,177,890)	-	-	-	835,360	(58,534,840)	-	-
Payment to escrow agents	2,595,269	4,172,536	1,207,791	386,398	9,504,216	7,924,291	13,969,859	5,733,474	6,208,979	14,786,238
Transfers in	(2,195,269)	(4,174,566)	(1,207,791)	(386,398)	(8,650,865)	(7,852,805)	(13,969,859)	(5,733,474)	(6,208,979)	(14,786,238)
Transfers out										
Total other financing sources (uses)	5,897,253	514,058	3,040,110	32,029,669	2,756,304	71,486	25,827,858	31,399,858	50,441,719	3,363,883
Net change in fund balances	\$ (8,872,571)	\$ (538,044)	\$ 6,967,610	\$ 34,731,630	\$ (16,746,676)	\$ (290,471)	\$ 24,054,216	\$ 20,258,983	\$ 35,090,281	\$ 19,593,091
Debt service as a percentage of noncapital expenditures	11.63%	12.48%	13.59%	13.33%	12.54%	13.53%	12.57%	11.28%	11.36%	12.09%

Harnett County, North Carolina
Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Fiscal Year	Governmental Activities							Business-type Activities	
	Ad Valorem	Sales Tax	Excise Stamp - Real Property	Occupancy Tax	Cable Franchise License	Solid Waste	Total		
2014	64,309,216	14,884,498	410,360	430,146	197,213	237,297	80,468,730		
2015	65,789,144	16,757,810	412,126	437,316	204,052	234,276	83,834,724		
2016	68,369,184	19,279,814	468,981	554,405	197,107	268,129	89,137,620		
2017	70,197,361	20,518,531	524,096	536,184	199,443	282,599	92,258,214		
2018	70,459,916	21,796,176	590,167	588,940	194,145	258,016	93,887,360		
2019	73,555,031	23,633,916	577,423	559,449	191,975	282,191	98,799,985		
2020	75,867,248	33,693,156	736,458	-	181,015	283,640	110,761,517		
2021	80,167,654	39,711,979	1,012,527	-	177,156	299,010	121,368,326		
2022	85,540,859	44,617,913	1,565,634	-	282,908	333,365	132,340,679		
2023	92,631,013	48,835,887	1,536,644	-	211,169	378,939	143,593,652		

Harnett County, North Carolina
General Governmental Tax Revenues by Source¹
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Fiscal Year	Ad Valorem	Sales Tax	Excise Stamp Real Property	Occupancy Tax	Cable TV		Total
					Franchise	Franchise	
2014	58,191,905	14,884,498	410,360	430,146	197,213		74,114,122
2015	59,642,848	16,757,810	412,126	437,316	204,052		77,454,152
2016	61,273,129	19,279,814	468,981	554,405	197,107		81,773,436
2017	62,973,475	20,518,531	524,096	536,184	199,443		84,751,729
2018	63,099,033	21,796,176	590,167	588,940	194,145		86,268,461
2019	65,856,490	23,633,916	577,423	559,449	191,975		90,819,253
2020	67,452,336	33,693,156	736,458	-	181,015		102,062,965
2021	70,991,210	39,711,979	1,012,527	-	177,156		111,892,872
2022	73,671,144	44,617,913	1,565,634	-	282,908		120,137,599
2023	79,566,637	48,835,887	1,536,644	-	211,169		130,150,337

¹ Includes Ad Valorem Tax and Other Taxes and Licenses

Harnett County, North Carolina
Assessed Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Personal Property				Less: Tax Exempt Real Property ²	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value ³	Assessed Value as a Percentage of Actual Value ⁴
	Real Property	Public Service ¹	Motor Vehicle	Other					
2014	6,537,809,885	175,425,257	557,527,295	364,317,559	272,762,996	7,362,317,000	0.725	7,883,552,942	93.39%
2015	6,662,194,513	172,878,610	793,557,474	373,097,429	285,138,156	7,716,589,870	0.750	7,544,166,363	102.29%
2016	6,936,338,652	193,236,973	852,439,776	368,420,022	294,049,816	8,056,385,607	0.750	7,852,739,210	102.59%
2017 ⁵	6,967,722,434	195,247,388	918,026,527	360,205,365	293,157,895	8,148,043,819	0.750	7,509,695,274	108.50%
2018	7,315,657,297	201,237,625	961,509,860	363,254,196	314,350,768	8,527,308,210	0.750	8,235,352,924	103.55%
2019	7,388,162,947	192,608,831	1,059,727,569	479,953,699	352,986,800	8,767,466,246	0.750	8,513,030,873	102.99%
2020	7,497,543,732	215,670,039	1,094,229,365	520,070,544	337,360,248	8,990,153,432	0.750	8,501,095,968	105.75%
2021	7,676,230,114	221,810,777	1,274,006,967	575,559,942	339,086,346	9,408,521,454	0.750	8,200,662,442	114.73%
2022 ⁵	7,903,811,970	219,183,204	1,320,326,972	605,007,396	361,036,236	9,687,293,306	0.750	9,036,008,187	107.21%
2023	12,165,113,593	265,131,929	1,501,617,717	552,052,138	1,132,796,314	13,351,119,063	0.591	13,753,943,045	97.07%

¹ Public service companies' property includes real and personal property of utilities, railroad and buslines, etc. These assessments are made by the North Carolina Department of Revenue with no distinction between real and personal property.

² Exempt real estate only, does not include Elderly Exemption or Deferred. Exempt properties are not reported in the year-to-year levy; therefore, annual scrolls were not maintained. The information presented was compiled from reports prepared for the Department of Revenue.

³ Estimated actual taxable value reflects an increase in real and exempt property. Estimated Actual Taxable Value was computed by using Real Estate Assessment Sales Ratio Study Percentages from the North Carolina Department of Revenue.

⁴ Estimated actual values and the ratio of total assessed value to total estimated actual value have been adjusted to reflect updated sales assessment ratio percentages from the North Carolina Department of Revenue.

⁵ Denotes the year in which a revaluation was effective January 1st and reflected in the following fiscal year.

Note: A revaluation of real property is required by North Carolina General Statutes at least every eight years. Assessed valuations are established by the Board of Commissioners at 100% of market value as of the year of the revaluation. The last revaluation was effective January 1, 2017 and reflected in the 2018 fiscal year.

Source: Harnett County Tax Department and NCDMV

**Harnett County, North Carolina
Property Tax Rates - Direct and Overlapping¹ Governments**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Harnett County	0.725	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.591	0.591
Municipalities:										
City of Dunn	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Aversboro School District	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020
Aversboro Fire District	0.070	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090
Downtown Revitalization	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012
Combined Rate	1.245	1.270	1.270	1.270	1.270	1.270	1.270	1.270	1.111	1.213
Town of Benson	0.530	0.530	0.530	0.530	0.540	0.530	0.530	0.550	0.550	0.590
Satellite Properties	1.255	1.280	1.280	1.280	1.290	1.280	1.280	1.300	1.141	1.181
Town of Broadway	0.440	0.440	0.440	0.440	0.490	0.490	0.490	0.490	0.530	0.440
Satellite Properties	1.165	1.190	1.190	1.190	1.240	1.240	1.240	1.240	1.121	1.031
Combined Rate	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520
Town of Lillington	1.245	1.270	1.270	1.270	1.270	1.270	1.270	1.270	1.111	1.111
Combined Rate	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.490	0.490
Town of Coats	1.315	1.340	1.340	1.340	1.340	1.340	1.340	1.340	1.081	1.081
Combined Rate	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.490	0.490
Town of Angier	1.255	1.280	1.280	1.280	1.280	1.280	1.280	1.280	1.081	1.081
Combined Rate	0.480	0.480	0.510	0.510	0.510	0.510	0.510	0.510	0.480	0.480
Town of Erwin	1.205	1.230	1.260	1.260	1.260	1.260	1.260	1.260	1.071	1.071
Combined Rate										
Fire Tax Districts:										
Anderson Creek Fire District	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110
Combined Rate	0.835	0.860	0.860	0.860	0.860	0.860	0.860	0.860	0.701	0.701
Angier/Black River Fire District	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.075	0.075
Combined Rate	0.795	0.820	0.820	0.820	0.820	0.820	0.820	0.820	0.666	0.666

Harnett County, North Carolina
Property Tax Rates - Direct and Overlapping¹ Governments

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Benhaven Fire District	0.090	0.090	0.090	0.090	0.090	0.090	0.100	0.110	0.110	0.120
Combined Rate	0.815	0.840	0.840	0.840	0.840	0.840	0.850	0.860	0.701	0.711
Benson Banner Fire District	0.070	0.070	0.090	0.090	0.100	0.100	0.100	0.120	0.120	0.120
Combined Rate	0.795	0.820	0.840	0.840	0.850	0.850	0.850	0.870	0.711	0.711
Boone Trail Emergency Services	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.080	0.100
Combined Rate	0.795	0.820	0.820	0.820	0.820	0.820	0.820	0.820	0.671	0.691
Buies Creek Fire District	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Combined Rate	0.825	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.691	0.691
Crains Creek	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Combined Rate	0.825	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.691	0.691
Coats-Grove Fire District	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.110	0.110	0.110
Combined Rate	0.815	0.840	0.840	0.840	0.840	0.840	0.840	0.860	0.701	0.701
Cypress Creek	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.950	0.950	0.095
Combined Rate	0.810	0.835	0.835	0.835	0.835	0.835	0.835	1.700	1.541	0.686
Duke (Erwin) Fire District	0.070	0.070	0.080	0.080	0.085	0.085	0.095	0.095	0.095	0.095
Combined Rate	0.795	0.820	0.830	0.830	0.835	0.835	0.845	0.845	0.686	0.686
Flat Branch Fire District	0.120	0.120	0.120	0.120	0.120	0.120	0.130	0.130	0.130	0.130
Combined Rate	0.845	0.870	0.870	0.870	0.870	0.870	0.880	0.880	0.721	0.721
Flatwoods	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.120
Combined Rate	0.845	0.870	0.870	0.870	0.870	0.870	0.870	0.870	0.711	0.711
Godwin Falcon	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.150	0.150	0.150
Combined Rate	0.825	0.850	0.850	0.850	0.850	0.850	0.850	0.900	0.741	0.741
Northwest Harnett Fire District	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Combined Rate	0.805	0.830	0.830	0.830	0.830	0.830	0.830	0.830	0.671	0.671
Spout Springs	0.100	0.100	0.100	0.100	0.100	0.120	0.120	0.120	0.120	0.120
Combined Rate	0.825	0.850	0.850	0.850	0.850	0.870	0.870	0.870	0.711	0.711

**Harnett County, North Carolina
Property Tax Rates - Direct and Overlapping¹ Governments**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Summerville Bunnlevel	0.080	0.080	0.080	0.080	0.080	0.100	0.100	0.100	0.100	0.100
Combined Rate	0.805	0.830	0.830	0.830	0.830	0.850	0.850	0.850	0.691	0.691
West Area Fire District	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.110
Combined Rate	-	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.691	0.701
West Johnston Fire District	-	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Combined Rate	-	0.820	0.820	0.820	0.820	0.820	0.820	0.820	0.661	0.661

¹ Overlapping rates are those of local and county governments that apply to property owners within Harnett County. Not all overlapping rates apply to all Harnett County property owners (e.g. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

Source: Harnett County Tax Department

**Harnett County, North Carolina
Principal Property Taxpayers
Ten Year Comparison
(Unaudited)**

Taxpayer	2022			2013			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Progress ¹	\$ 109,498,275	1	0.91%	55,274,047	1	0.90%			
Rooms to Go	79,546,776	2	0.66%						
Delhaize America, Inc	70,134,983	3	0.58%	27,449,380	3	0.40%			
South River EMC	46,639,351	4	0.39%	30,307,594	2	0.50%			
Wal-Mart Real Estate Business	27,004,321	6	0.26%	12,318,880	8	0.20%			
Piedmont Natural Gas Co., Inc.	31,374,695	5	0.23%						
Central EMC	25,417,527	7	0.21%	16,780,286	6	0.20%			
Anderson Creek Club Properties									
H MS Kids Inc	21,648,125	8	0.18%						
Wincor	12,827,956	9	0.11%	11,643,090	9	0.20%			
Carolina Telephone				25,662,609	4	0.40%			
Food Lion Stores, Distribution				22,895,353	5	0.30%			
Oldcastle APG South Inc.				13,643,568	7	0.20%			
CSX Transportation	12,380,403	10	0.10%	9,358,840	10	0.10%			
	<u>\$ 436,472,412</u>		<u>3.63%</u>	<u>\$ 225,333,647</u>		<u>3.40%</u>			

¹ Progress Energy, Inc. (formerly Carolina Power & Light) merged with, and became a wholly-owned subsidiary of Duke Energy Corporation on July 2, 2012

Source: Harnett County Tax Department

Harnett County, North Carolina
Property Tax Levies and Collections - General Fund
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Total Net Tax Levy	Current Tax Collections	Percent of Net Levy Collected	Collected in Subsequent Years	Total Tax Collections	Total Tax Collections To Net Levy
2014	57,157,246	56,392,456	98.66%	706,243	57,098,699	99.90%
2015	58,578,502	58,254,988	99.45%	295,305	58,550,293	99.95%
2016	61,131,564	60,690,471	99.28%	405,663	61,096,134	99.94%
2017	62,808,873	62,470,305	99.46%	297,654	62,767,959	99.93%
2018	63,211,354	62,911,822	99.53%	254,977	63,166,799	99.93%
2019	65,988,291	65,733,131	99.61%	201,795	65,934,926	99.92%
2020	67,744,202	67,264,728	99.29%	379,197	67,643,925	99.85%
2021	70,935,348	70,537,914	99.44%	268,414	70,806,328	99.82%
2022	74,074,566	73,674,943	99.46%	210,845	73,885,788	99.75%
2023	80,414,447	79,957,356	99.43%	-	79,957,356	99.43%

Source: Harnett County Tax Department

Harnett County, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities				Business-type Activities							Total Primary Government	Per Capita ¹
	Capitalized Leases	Installment Purchase	Limited Obligation Bonds	General Obligation Bonds	Capitalized Leases	Installment Purchase	General Obligation Bonds	Revenue Bonds	Limited Obligation Bonds	Special Obligation Bonds	State Bond Loan		
2014	5,850,448	137,149,779	-	-	630,642	3,399,694	33,321,000	11,650,000	19,695,000	1,594,000	21,419,030	234,709,593	1,922
2015	5,088,148	130,875,519	-	-	483,098	2,907,373	32,299,000	11,973,000	-	1,434,000	19,603,909	204,664,047	1,637
2016	3,803,938	130,613,196	-	-	333,175	2,140,436	30,900,000	11,218,000	18,095,000	1,270,000	17,008,978	215,382,723	1,700
2017	21,516,887	148,494,622	-	-	180,835	1,923,553	29,935,000	10,418,000	17,340,000	1,102,000	15,730,902	246,641,799	1,925
2018	20,710,289	108,667,200	-	28,025,000	26,041	1,712,075	28,949,000	9,585,000	16,570,000	929,000	14,452,826	229,626,431	1,754
2019	18,120,802	98,424,386	-	26,550	-	1,502,990	27,946,000	8,730,000	15,790,000	752,000	13,174,748	184,467,476	1,390
2020	16,700,284	87,453,759	21,145,000	25,075,000	-	1,297,429	26,913,000	7,855,000	14,985,000	571,000	11,896,672	213,892,144	1,594
2021	15,902,930	27,542,067	65,115,000	51,100,000	-	-	11,694,000	15,375,000	15,525,000	-	-	202,253,997	1,487
2022	15,091,623	26,376,834	56,540,000	91,250,000	-	-	11,452,000	13,520,000	14,330,000	-	-	228,560,457	1,681
2023	14,266,118	25,487,421	48,060,000	86,250,000	-	-	11,203,000	11,640,000	13,105,000	-	-	210,011,539	1,513

¹ Provided by the NC Department of Commerce. Latest information available is represented. Refer to the schedule on page P-18 for personal income and population data.

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

Harnett County, North Carolina
Direct and Overlapping Governmental Activities Debt
For the fiscal year ending June 30, 2023
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated share of Overlapping Debt
Harnett County			
Debt repaid with property taxes	\$ 123,359,118	100%	\$ 123,359,118
Total direct debt			123,359,118
Municipality:			
Town of Angier	7,414,462	100%	7,414,462
Town of Coats	-	100%	-
City of Dunn	11,938,510	100%	11,938,510
Town of Erwin	-	100%	-
Town of Lillington	1,100,000	100%	1,100,000
Total overlapping debt			<u>20,452,972</u>
Total direct and overlapping debt			<u>\$ 143,812,090</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 Harnett 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.

¹ The percentage of overlapping debt applicable is estimated by considering that the residents of the Towns are responsible for not only the debt of the Town, but the County as well.

Harnett County, North Carolina
Pledged Revenue Coverage - Water & Sewer
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Gross Revenues ¹	Direct Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements		Coverage
				Principal	Interest	
2014	29,460,994	17,364,629	12,096,365	590,000	568,838	1043.84%
2015	29,075,972	17,341,136	11,734,836	615,000	586,288	976.85%
2016	30,898,090	18,278,264	12,619,826	800,000	295,916	1151.53%
2017	34,090,243	20,843,978	13,246,265	833,000	263,575	1207.97%
2018	37,788,792	22,945,987	14,842,805	855,000	242,501	1352.42%
2019	38,416,283	23,759,031	14,657,252	875,000	220,869	1337.50%
2020	39,711,911	21,679,777	18,032,134	896,000	198,731	1647.17%
2021	39,919,546	23,281,892	16,637,654	2,200,000	363,115	649.12%
2022	47,804,229	25,548,563	22,255,666	1,855,000	652,250	887.65%
2023	48,920,006	29,331,969	19,588,037	1,880,000	596,600	790.92%
				Total	Total	

¹ Total operating revenues including interest

² Total operating expenses exclusive of depreciation and amortization

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

Harnett County, North Carolina
Computation of Legal Debt Margin
Last Ten Fiscal Years
(amounts expressed in thousands)
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 586,243	\$ 624,066	\$ 634,974	\$ 651,844	\$ 654,277	\$ 699,838	\$ 703,537	\$ 752,682	\$ 1,147,025	\$ 1,063,564
Total net debt applicable to limit	\$ 189,739	\$ 260,392	\$ 100,000	\$ 259,449	\$ 228,452	\$ 215,850	\$ 352,698	\$ 209,015	\$ 190,149	\$ 174,649
Legal debt margin	\$ 396,504	\$ 363,674	\$ 534,974	\$ 392,395	\$ 425,825	\$ 483,988	\$ 350,839	\$ 543,667	\$ 956,876	\$ 888,915
Total net debt applicable to the limit as a percentage of debt limit	32.37%	41.73%	15.75%	39.80%	34.92%	30.84%	50.13%	27.77%	16.58%	16.42%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value	13,294,552,885
Debt Limit (8% of total assessed value)	1,063,564,231
Debt applicable to limit:	
Certificates of participation	-
Installment purchase	25,487,421
Revolving loan	-
General obligation bond	97,453,000
State bond loans	-
Revenue bonds	11,640,000
Limited obligation bond	61,165,000
Special obligation bond	-
Obligation under capital lease	14,266,118
Subtotal	210,011,539
Authorized and unissued debt	-
Total Gross Debt	210,011,539
Less: Statutory deductions	
Bonds issued and outstanding for water and sewer purposes	23,723,000
Revenue bonds	11,640,000
	35,363,000
Total amount of debt applicable to debt limit	174,648,539
Legal debt margin	\$888,915,692

Harnett County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Population		Median Household Income		Per Capita Income		Median Age		Unemployment Rate		School Enrollment		% School Enrollment in K-12 Grades	
2014	122,135		45,655		20,128		33.5		5.8%		36,452		63.2%	
2015	124,987		45,533		21,293		33.3		6.3%		35,743		71.9%	
2016	126,666		44,880		19,813		33.2		6.8%		36,366		67.3%	
2017	128,140		48,960		21,202		34.0		4.2%		38,130		66.2%	
2018	130,881		51,637		22,096		34.0		3.7%		38,222		66.6%	
2019	132,754		51,479		23,248		34.5		4.3%		38,839		64.3%	
2020	134,214		51,022		23,571		34.9		3.6%		36,516		68.7%	
2021	135,976		55,753		23,689		34.8		4.3%		37,986		66.1%	
2022	135,966		62,478		28,452		35.5		2.9%		36,825		68.5%	
2023	138,832		59,676		26,962		35.3		4.2%		36,823		68.5%	

Source: American Community Survey (ACS), 1-year estimates
* "School Enrollment" represents population 3 years and over enrolled in school

**Harnett County, North Carolina
Principal Utility Rate Payers
(Unaudited)**

Customer	2023			Contract Expiration
	Gallons Used (000's)	Annual Revenues	Percentage of Total Water Revenues	
Ft. Bragg Main Base	1,705,345	\$2,826,988	6.70%	2046
Town of Holy Springs	1,212,419	2,485,459	6.00%	2040
Town of Fuquay-Varina	1,170,583	2,539,963	6.10%	2040
Johnston County	477,376	978,630	2.30%	2056
Moore County	533,220	1,093,101	2.60%	2042
Town of Angier	451,889	1,105,335	2.70%	2046
Town of Lillington	456,124	825,110	2.00%	Automatic Renewal
	<u>6,006,956</u>	<u>\$11,854,586</u>	<u>28.40%</u>	

Source: Harnett Regional Water Department

**Harnett County, North Carolina
Principal Employers
Current Year and Ten Years Ago
(Unaudited)**

Employer	Employment Type	2023		2014	
		Employment Range	Employment Range	Employment Range	Employment Range
Harnett County Public Schools	Educational Services	1000+	1000+	1000+	
Campbell University	Educational Services	1000+	1000+	500 - 999	
Food Lion Distribution Center	Retail Trade	1000+	1000+	500 - 999	
County of Harnett	Public Administration	1000+	1000+	500 - 999	
Harnett Health System (Betsy Johnson)	Health Care and Social Assistance	500 - 999	500 - 999	500 - 999	
Wal-Mart Associates, Inc.	Retail Trade	500 - 999	500 - 999	250 - 499	
Carlie C's Operation Center, Inc.	Retail Trade	250 - 499	250 - 499	250 - 499	
Rooms to Go	Retail Trade	250 - 499	250 - 499	250 - 499	
NC Department of Public Safety	Public Administration	250 - 499	250 - 499	250 - 499	
Champion Home Builders Inc	Manufacturing	100 - 249	100 - 249		
Edwards Brothers, Inc	Manufacturing			250 - 499	
Principle Long Term Care, Inc.	Education & Health Services			100 - 249	

Source: NC Department of Commerce, Labor and Economic Analysis Division (LEAD), Demand Driven Data Delivery System (D4)

Harnett County, North Carolina
Full-time County Government Employees by Function
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	101	103.47	103.47	114.07	114.07	123.25	115	115	124	130
Public Safety	298.5	303.5	317	340	340	357.5	353	353	360	363
Environmental Protection	2	3	3	3	3	3	3	3	3	4
Economic and Physical Development	38	24	24	24.75	24.75	31.63	27	27	26	27
Human Services	257.5	256.25	256.25	264.18	264.18	263	256	256	262	272
Cultural & Recreation	13	14	14	21	21	22	25	25	27	27
Water and Wastewater	101	101.5	101.5	105.2	105.2	105	104	104	109	110
Solid Waste	14	15.28	15.28	16	16	17	17	17	17	17
Total	825	821	834.5	888.2	888.2	922.38	900	900	928	950

Source: Harnett County Budget Office

Harnett County, North Carolina
Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fire										
Number of calls answered	6,707	5,783	6,926	8,897	8,740	7,889	6,927	7,312	8,416	8,383
Emergency Medical Services										
Number of Calls Answered	28,128	28,260	20,920	22,327	23,330	24,359	23,978	25,440	27,580	30,049
Number of Transports										
Scheduled	8,577	6,336	8,963	10,829	9,513	9,572	8,503	6,973	6,624	7,744
Sheriff										
Number of law violations:										
Arrests	11,014	10,650	8,228	8,228	3,223	3,896	2,540	3,533	3,458	1,827
Traffic violations	4,249	4,574	4,757	4,757	4,608	6,179	2,726	515	287	803
Inspections										
Residential										
Number of permits issued	1,978	2,045	2,557	2,651	2,651	2,944	2,309	3,546	3,643	3,652
Dollar value of permits	2,237,951	2,039,965	16,433,476	155,136,632	155,136,632	132,315,944	115,259,230	246,649,794	262,575,379	273,019,915
Commercial										
Number of permits issued	200	197	243	275	275	367	180	270	270	346
Dollar value of permits	89,693,126	85,324,034	49,320,109	41,343,585	41,343,585	10,654,116	11,482,737	41,445,207	55,845,034	44,989,768
Total										
Number of permits issued	2,178	2,242	2,800	2,926	2,926	3,311	2,489	3,816	3,913	3,998
Dollar value of permits	91,931,077	87,363,999	65,753,585	196,480,217	196,480,217	142,970,060	126,741,967	288,095,001	318,420,413	318,009,683
Culture and Recreation										
Circulation	266,376	356,210	312,489	291,329	315,945	296,710	273,084	226,643	366,200	376,890
Utilities										
Water System:										
Daily average treatment in gallons	13,458,193	14,303,069	15,260,645	15,798,980	15,798,980	16,234,505	16,261,357	17,012,641	17,165,610	18,190,353
Sewer System:										
Daily average treatment in gallons	9,069,152	8,146,790	8,579,768	10,006,818	10,006,818	10,005,959	8,385,830	12,020,000	7,953,607	8,825,058

Source: Information provided by various county departments

Harnett County, North Carolina
Capital Assets Statistics by Function
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fire										
Number of Stations	19	20	20	20	20	20	20	20	20	20
Emergency Medical Services										
Number of Ambulances	27	27	28	31	32	33	34	34	34	34
Number of Quick Response Vehicles	9	9	9	9	9	9	9	9	9	9
Number of Transport Vans	2	2	2	2	2	2	2	2	3	3
Sheriff										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	176	176	181	177	177	177	172	150	150	151
Culture and Recreation										
Number of libraries	6	6	6	7	7	7	7	7	7	7
Library collections	209,709	226,870	249,268	269,880	300,199	327,852	336,106	399,016	453,733	753,814
Number of Parks	6	6	7	8	8	8	8	9	9	9
Park acreage	1,101	1,101	1,215	1,222	1,222	1,222	1,222	1,426	1,426	1,426
Number of Ball Fields	6	6	6	8	8	8	8	10	10	10
Number of tennis courts	12	12	12	12	12	12	12	12	12	12
Number of playground areas	2	2	2	3	3	3	3	4	5	5
Number of soccer fields	2	2	2	2	2	2	2	5	5	5
Number of County owned senior centers	1	1	1	1	1	1	1	1	1	1
Miles of Walking Trails										17.62
Utilities										
Water System:										
Miles of water main	2,239	2,239	1,433	1,438	1,451	1,456	1,523	1,465	1,489	1,493
Number of service connections	42,900	43,555	44,274	44,568	45,110	45,709	46,704	47,647	49,421	50,383
Number of fire hydrants	4,603	4,603	4,605	4,630	4,977	5,090	5,102	5,147	5,201	3,981

Harnett County, North Carolina
Capital Assets Statistics by Function
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sewer System:										
Miles of sanitary sewer	354	354	362	364	406	408	417	421	429	429
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of service connections	11,421	11,970	12,515	12,688	13,031	13,218	13,191	13,751	14,010	14,573
Maximum daily capacity of treatment plant in gallons	20,600,000	20,600,000	20,600,000	20,600,000	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000	222,500,000
Facilities and services not included in primary government:										
Education:										
Number of schools	27	28	28	28	29	29	28	28	29	28
Number of teachers	1,335	1,227	1,252	1,260	1,257	1,257	1,239	1,241	1,230	1,246
Number of students	19,847	20,099	20,252	20,357	20,306	20,097	19,940	19,012	19,337	19,529
Universities	1	1	1	1	1	1	1	1	1	1
Community colleges	1	1	1	1	1	1	1	1	1	1
Hospitals:										
Number of hospitals	2	2	2	2	2	2	2	2	2	2
Number of patient beds	151	151	151	151	151	151	151	131	131	131

Source: Information provided by various county departments and local hospital administration department.

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COMPLIANCE SECTION

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*

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

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

Schedule of Findings, Responses, and Questioned Costs

Schedule of Prior Year Audit Findings

Schedule of Expenditures of Federal and State Awards

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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

To the Board of Commissioners
Harnett County
Lillington, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Harnett County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated November 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Harnett 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 Harnett County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harnett 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 results 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
November 30, 2023

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

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

Independent Auditor's Report

To the Board of Commissioners
Harnett County
Lillington, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Harnett County, North Carolina's compliance with the types of compliance requirements identified as subject to audit 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 Harnett County's major federal programs for the year ended June 30, 2023. Harnett 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.

In our opinion, Harnett 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Harnett County and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Harnett County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Harnett County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Harnett County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Harnett County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Harnett County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Harnett County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Harnett County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
November 30, 2023

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Independent Auditor's Report

To the Board of Commissioners
Harnett County
Lillington, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Harnett County, North Carolina's compliance, with the types of compliance requirements identified as subject to audit 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 Harnett County's major state programs for the year ended June 30, 2023. Harnett 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.

In our opinion, Harnett 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 state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Harnett County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Harnett County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Harnett County's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Harnett County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Harnett County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Harnett County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Harnett County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Harnett County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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 combination of deficiencies, in internal control over compliance, such that there is a 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 combination of deficiencies, in internal 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
November 30, 2023

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HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

1. Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether
The financial statements audited were prepared
in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

Non-compliance material to financial
statements noted? No

Federal Awards

Internal control over major federal
programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

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)? No

Identification of major federal programs:

<u>Program Name</u>	<u>Federal Assistance Listing Number</u>
Medicaid Cluster	93.778
COVID -19 Coronavirus State and Local Fiscal Recovery Funds	21.027
Child Support Enforcement	93.563
Airport Improvement Program, COVID-19 Airport Programs, and Infrastructure Investment and Jobs Act Programs	20.106

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

Auditee qualified as low-risk auditee? Yes

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

1. Summary of Auditor's Results (continued):

State Awards

Internal control over major state programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

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? No

Auditee qualified as low-risk auditee? No

Identification of major state programs:

Program Name

Medicaid Cluster
State Aid to Airports
General Fund Appropriation
Public School Building Capital Fund (Lottery)
State Foster Home Program/ SFHF Maximization

2. Findings Related to the Audit of the Basic Financial Statements

None reported

3. Findings and Questioned Costs Related to the Audit of Federal Awards

None reported

4. Findings and Questioned Costs Related to the Audit of State Awards

None reported

HARNETT COUNTY, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

None

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
FEDERAL AWARD EXPENDITURES					
<u>U.S. Department of Agriculture</u>					
Passed-Through the N.C. Department of Health and Human Services: Division of Social Services:					
<u>Supplemental Nutrition Assistance Program Cluster (SNAP) (Note 3):</u>					
State Administrative Matching Grant for the					
Supplemental Nutrition Assistance Program - Administration	10.561	185NC406S2514	\$ 1,353,902	\$ -	\$ -
Total Supplemental Nutrition Assistance Program Cluster (SNAP) (Note3)			1,353,902	-	-
Division of Public Health:					
Administration:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5NC700705	729,525	-	-
National Resource Conservation Service					
Emergency Watershed Protection Program - Floodplain Easements - Disaster Relief Appropriations Act	10.923	NR204532XXXXC044	384,871	-	-
<u>Total U.S. Department of Agriculture</u>			2,468,298	-	-
<u>U.S. Department of Justice Office</u>					
Office of Justice Programs					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0559	52,451	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	PROJ014773	20,991	-	-
Equitable Sharing Program	16.922	NC0430000	432,582	-	-
Treatment Court Discretionary Grant Program	16.585	13PBJA-22-GG-04375-VTCX	300	-	-
Treatment Court Discretionary Grant Program	16.585	2020-VC-BX-0128	191,724	-	-
Treatment Court Discretionary Grant Program	16.585	2019-VC-BX-0081	38,412	-	-
<u>Total U.S. Department of Justice Office</u>			736,460	-	-
<u>U.S. Department of Labor</u>					
Department of Labor/Employment and Training					
Passed-through Central Carolina Community					
WIOA Cluster					
WIA/WIOA Adult Program	17.258	13-2040-02	146,815	-	-
WIA/WIOA Youth Activities	17.259	13-2040-02	203,682	-	-
WIA/WIOA Dislocated Worker Formula Grant	17.278	13-2040-02	149,766	-	-
<u>Total WIOA Cluster</u>			500,263	-	-
<u>Total U.S. Department of Labor</u>			500,263	-	-
<u>U.S. Department of Health and Human Services</u>					
Administration For Community Living					
Passed-Through Mid-Carolina Council of Governments:					
Aging Cluster:					
Nutrition Services and CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, and American Rescue Plan for Nutrition Services Under Title III-C of the Older Americans Act					
	93.045	AAANT3CM, AAANT3HD	322,562	18,974	-
Nutrition Services Incentive Program	93.053	UNKNOWN	43,760	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers, CARES Act for Supportive Services Under Title III-B of the Older Americans Act, and American Rescue Plan for Supportive Services Under Title III-B of the Older Americans Act	93.044	16-701-33	292,002	74,205	-
<u>Total Aging Cluster</u>			658,324	93,179	-
Special Programs for the Aging:					
National Family Caregiver Support, Title III, Part E	93.052	17-701	23,793	1,586	-
National Family Caregiver Support, Title III, Part E - Supplemental Nutrition Funding (HDC5)	93.052	17-701	11,059	-	-
COVID-19 National Family Caregiver Support, Title III, Part E - Nutrition	93.052	17-701	16,814	2,967	-
COVID-19 National Family Caregiver Support, Title III, Part E - In-Home Aid	93.052	17-701	10,362	1,828	-
<u>Total Administration For Community Living</u>			720,352	99,560	-

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
Division of Administration for Children & Families Passed-Through the N.C. Department of Health & Human Services: Division of Social Services Subsidized Child Care Program Cluster: (Note 3) Child Care Development Fund Cluster: Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration	93.596	G1901NCCCDF	198,441	-	-
Passed through Chatham County Partnership of Children Child Care and Development Block Grant - Discretionary	93.575	3289204013	25,013	-	-
Total Subsidized Child Care Program Cluster/ Child Care Development Fund Cluster (Note 3)			223,454	-	-
Division of Social Services Foster Care, Adoption Cluster, and Guardianship Assistance Cluster: (Note 3) Foster Care - Title IV-E - Administration	93.658	1501NCFOST,1601NCFOST	740,544	161,929	-
Adoption Assistance - Administration	93.659	1501NCADPT,1601NCADPT	26,616	-	-
Direct Benefit Payments: Foster Care - Title IV-E	93.658	1501NCFOST,1601NCFOST	600,198	160,192	-
Total Foster Care, Adoption Cluster, and Guardianship Assistance Cluster (Note 3)			1,367,358	322,121	-
Temporary Assistance for Needy Families Division of Social Services Administration: Temporary Assistance for Needy Families	93.558	G1602NCTANF & 1702NCTANF	694,141	-	-
Division of Public Health Temporary Assistance for Needy Families	93.558	G1602NCTANF & 1702NCTANF	16,203	-	-
Total Temporary Assistance for Needy Families			710,344	-	-
Direct Benefit Payments: COVID - 19 Low-Income Home Energy Assistance	93.568	G16B1NCLIEA & G17B1NCLIEA	610,007	-	-
Low-Income Home Energy Assistance	93.568	G16B1NCLIEA & G17B1NCLIEA	565,233	-	-
John H Chafee Foster Care Independence Program for Successful Transition to Adulthood	93.674	G1501NC1420,G1601NC1420	1,247	-	-
Administration: <u>Special Children Adoption Fund Cluster (Note 3):</u> MaryLee Allen Promoting Safe and Stable Families	93.556	G1501NCFPSS & G1601NCFPSS	45,030	-	-
Stephanie Tubb Jones Child Welfare Services Program	93.645	G1501NCCWSS & G1601NCCWSS	87,372	-	-
Total Special Children Adoption Fund Cluster (Note 3)			132,402	-	-
<u>Refugee and Entrant Assistance Cluster (Note 3):</u> Refugee and Entrant Assistance - State Replacement Designee Administered Programs	93.566	1601NCRMA	39	-	-
Total Refugee and Entrant Assistance Cluster (Note 3)			39	-	-
Child Support Enforcement	93.563	1604NC4005	1,312,610	-	-
Social Services Block Grant - In Home Services	93.667	G1601NCSOSR & G1701NCSOSR	28,812	-	-
Social Services Block Grant - Child Protective Services	93.667	G1601NCSOSR & G1701NCSOSR	149,580	-	-
Social Services Block Grant - Adult Day Care	93.667	G1601NCSOSR & G1701NCSOSR	31,573	19,501	-
COVID-19 Social Services Block Grant - Adult Day Care	93.667	G1601NCSOSR & G1701NCSOSR	11,073	-	-
Social Services Block Grant - Other Services	93.667	G1601NCSOSR & G1701NCSOSR	328,980	-	-
John H Chafee Foster Care Program for Successful Transition to Adulthood - Administrative and Services	93.674	G1501NC1420,G1601NC1420	8,645	2,161	-
John H Chafee Foster Care Program for Successful Transition to Adulthood - Direct Benefit Payments	93.674	G1501NC1420,G1601NC1420	24,986	-	-
Total Division of Administration for Children & Families			5,506,343	343,783	-
Centers for Medicare and Medicaid Services Passed-Through the N.C. Department of Health and Human Services: Division of Medical Assistance: Division of Social Services Medicaid Cluster: Administration: Medical Assistance Program	93.778	XIX-MAP21	3,359,678	343,793	-
Total Medicaid Cluster			3,359,678	343,793	-
Division of Social Services Administration: Children's Health Insurance Program - NC Health Choice	93.767	CHIP21	88,444	5,856	-

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
Passed-Through the N.C. Department of Insurance Division of Seniors Health Insurance Information Program Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	UNKNOWN	22,130	-	-
Total for Centers for Medicare and Medicaid Services			3,470,252	349,649	-
Center for Disease Control and Prevention Passed-Through the N.C. Department of Health and Human Services:					
COVID 19 Immunization Cooperative Agreements - COVID 19 Vaccination Program	93.268	NH23IP922624	173,909	-	-
Immunization Cooperative Agreements	93.268	3H23IP000759-04	34,330	-	-
Division of Public Health Public Health Emergency Preparedness	93.069	NU90TP922002	38,729	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	NU52PS910218	50	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK000530	194,457	-	-
Preventive Health and Health Services Block Grant	93.991	NU50CK000530	30,607	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	1NB01OT009160-01-00	36	-	-
NC Cooperative Agreement for Emergency Response: Public Health COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response; Public Health Crisis Response	93.354	NU90TP922104	76,458	-	-
Total Centers for Disease Control and Prevention Health Resources and Service Administration			548,576	-	-
Maternal and Child Health Services Block Grant to the States Total Health Resources and Service Administration	93.994	BO4MC29320	133,772	-	-
			133,772	-	-
Office of Assistant Secretary For Health Passed-Through the N.C. Department of Health and Human Services:					
Family Planning - Services	93.217	FPHPA046226-01-00	64,882	-	-
Total Office of Assistant Secretary for Health		FPHPA046226-02-00	64,882	-	-
Total U.S. Department of Health and Human Services			10,444,177	792,992	-
<u>The Institute of Museum and Library Services</u> Corporation for National and Community Service Passed-Through the N.C. Department of Cultural Resources COVID 19 Grants to States	45.310	NC-21-325	156,105	-	-
Total Institute of Museum and Library Services			156,105	-	-
<u>U.S. Department of Transportation</u> Passed-through the N.C. Department of Transportation Airport Improvement Program, COVID-19 Airport Programs, and Infrastructure Investment and Jobs Act Programs	20.106	36237.25.20.2	35,577	-	-
Airport Improvement Program, COVID-19 Airport Programs, and Infrastructure Investment and Jobs Act Programs	20.106	36237.25.18.1	82,000	-	-
Airport Improvement Program, COVID-19 Airport Programs, and Infrastructure Investment and Jobs Act Programs	20.106	36237.25.19.2	118,240	-	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	36233.50.24.3	57,252	7,156	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	36233.50.25.4	49,982	6,247	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	36233.50.25.1	250,764	16,006	-
Total U.S. Department of Transportation			593,815	29,409	-
<u>U.S. Department of Homeland Security</u> Federal Emergency Management Agency: Disaster Grants - Public Assistance (Presidentially Declared Disasters) - Passed-through N.C. Dept. of Crime Control and Public Safety	97.036	4487	255,977	-	-
Division of Emergency Management Homeland Security Grant Program	97.067	EMW-2021-SS-00039-2140021	3,697	-	-
Homeland Security Grant Program	97.067	EMW-2020-SS-00023/MOA 2040028	-	-	-
Emergency Management Performance Grants	97.042	EMA-2021-EP-00015	36,703	26,703	-
Assistance to Firefighters Grants	97.044	EMW-2021-FG-01362	424,211	-	-
Total N.C. Dept. of Crime Control and Public Safety			464,611	26,703	-
Total U.S. Department of Homeland Security			720,588	26,703	-

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
<u>U.S. Department of Treasury</u>					
Direct Program					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	OMB No. 1505-0271	7,001,497	-	-
<u>Total U.S. Department of Treasury</u>			<u>7,001,497</u>	<u>-</u>	<u>-</u>
TOTAL FEDERAL AWARD EXPENDITURES			22,621,203	849,104	-
STATE AWARD EXPENDITURES					
<u>N.C. Department of Agriculture & Consumer Services</u>					
Division of Soil and Water Conservation					
Streamflow Rehab Assistance Program (StRAP)		22-080-4110	-	379,528	-
Emergency Watershed Protection Program			-	311,408	-
<u>Total N.C. Department of Agriculture & Consumer Services</u>			<u>-</u>	<u>690,936</u>	<u>-</u>
<u>N.C. Department of Natural and Cultural Resources</u>					
State Aid to Public Libraries		FY 2022-2023	-	191,144	-
NC Arts Council		FY2022-92868	-	110,467	-
<u>Total N.C. Department of Natural and Cultural Resources</u>			<u>-</u>	<u>301,611</u>	<u>-</u>
<u>N.C. Department of Health and Human Services</u>					
Division of Public Health:					
Woman Health Service Fund			-	11,597	-
Family Planning			-	12,014	-
Child Health			-	24,969	-
Maternal Health (Prenatal)			-	10,403	-
Integrated Targeted Testing Services			-	44,051	-
Aid-to-Counties			-	112,781	-
Tuberculosis Control			-	33,969	-
Food and Lodging			-	12,070	-
HIV/STD State			-	500	-
General Communicable Disease Control			-	4,001	-
School Nurse Funding Initiative			-	150,000	-
Sexually Transmitted Diseases (DRUGS)			-	782	-
Public Health Nursing			-	-	-
Healthy Communities			-	3,747	-
Communicable Diseases Pandemic Recovery			-	387,780	-
<u>Total Division of Public Health</u>			<u>-</u>	<u>808,664</u>	<u>-</u>
<u>Division of Social Services</u>					
Division of Social Services					
Administration:					
State Child Welfare/CPS/CS LD			-	142,050	-
Smart Start			-	49,917	-
Direct Benefit Payments:					
SFHF Maximization			-	389,692	-
State Foster Home Program			-	200,249	-
<u>Total Division of Social Services</u>			<u>-</u>	<u>781,908</u>	<u>-</u>
<u>Total N.C. Department of Health and Human Services</u>			<u>-</u>	<u>1,590,572</u>	<u>-</u>
<u>N.C. Department of Public Safety</u>					
Division of Juvenile Justice					
CBA-Juvenile Restitution		543-10591	-	97,500	-
CBA-JCPC ADM		543-11433	-	15,500	-
Harnett United Pal		1443-23559	-	72,500	-
Pal Career Readiness		243-23210	-	99,545	-
Multi-use Shelter Acquisition		543-23077	-	191,400	-
Teen Court at Risk Youth		543-11764	-	35,000	-
Division of Emergency Management					
2022 Tier II LEPC Grant		T2-2022-2170030	-	984	-
<u>Total N.C. Department of Public Safety</u>			<u>-</u>	<u>512,429</u>	<u>-</u>
<u>N.C. Department of Transportation</u>					
State Aid to Airports		36244.35.7.1	-	4,039,107	-
Rural Operating Assistance Program (ROAP):					
Work First Transportation Grant		FY 2021-2022	-	34,228	-
Rural General Public Program (RGP)		FY2021-2022	-	100,930	-
Elderly and Disabled Transportation Assistance Program (EDTAP)		FY2021-2022	-	41,037	-
<u>Total N.C. Department of Transportation</u>			<u>-</u>	<u>4,215,302</u>	<u>-</u>

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
<u>NC Department of Public Instruction</u>					
Public School Building Capital Fund (Lottery)			-	9,050,342	-
<u>Total NC Department of Instruction</u>			<u>-</u>	<u>9,050,342</u>	<u>-</u>
<u>N.C. Office of State Budget and Management</u>					
General Fund Appropriation		S.L. 2022-74, Sec. 24.2.(15)	-	1,184,893	1,027,500
State Capital Infrastructure Fund (SCIF) - Shawtown Area Community Center		S.L. 2021-180	-	51,664	-
State Capital Infrastructure Fund (SCIF) - Harnett Innovative Court Program		S.L. 2021-180, Sec. 16.5	-	200,000	-
State Capital Infrastructure Fund (SCIF) - Parks Improvement Project		S.L. 2021-180	-	211,484	-
<u>Total N.C. Office of State Budget and Management</u>			<u>-</u>	<u>1,648,041</u>	<u>1,027,500</u>
<u>NC Department of Military and Veterans Affairs</u>					
Division of Veterans Affairs			-	2,083	-
<u>Total NC Department of Military and Veterans Affairs</u>			<u>-</u>	<u>2,083</u>	<u>-</u>
TOTAL STATE AWARD EXPENDITURES			<u>-</u>	<u>18,011,316</u>	<u>1,027,500</u>
TOTAL FEDERAL/STATE AWARD EXPENDITURES			<u>\$ 22,621,203</u>	<u>\$ 18,860,420</u>	<u>\$ 1,027,500</u>

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of Harnett County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Harnett County, it is not intended to and does not present the financial position, changes in net position or cash flows of Harnett County.

Note 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. Harnett County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs

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