

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.

HARNETT COUNTY, NORTH CAROLINA

Statement of Net Assets

June 30, 2004

	Governmental Activities	Business Type Activities	Total Primary Government
Assets			
Cash and investments	\$ 20,632,811	\$ 6,857,322	\$ 27,490,133
Taxes receivable, net	2,195,454	60,765	2,256,219
Accounts receivable, net:			
Accounts	1,030,022	1,846,114	2,876,136
Restricted intergovernmental	6,118,351	76,610	6,194,961
Other	15,739	-	15,739
Cash on deposit with escrow agent	3,093,903	-	3,093,903
Bond issue costs, net	283,278	429,775	713,053
Inventories	24,789	272,794	297,583
Capital assets:			
Nondepreciable	3,251,053	7,661,558	10,912,611
Depreciable	36,586,264	87,843,882	124,430,146
Total assets	<u>73,231,664</u>	<u>105,048,820</u>	<u>178,280,484</u>
Liabilities			
Accounts payable and accrued liabilities	1,339,881	421,556	1,761,437
Accrued interest payable	593,876	180,551	774,427
Customer deposits	-	598,181	598,181
Unearned revenue	779,496	30,616	810,112
Claims payable	246,636	-	246,636
Long-term liabilities:			
Due in less than one year	6,223,872	2,854,824	9,078,696
Due in more than one year	69,004,376	37,477,536	106,481,912
Total liabilities	<u>78,188,137</u>	<u>41,563,264</u>	<u>119,751,401</u>
Net assets			
Capital assets, net of related debt	30,644,658	60,379,951	91,024,609
Unrestricted	(35,601,131)	3,105,605	(32,495,526)
Total net assets	<u>\$ (4,956,473)</u>	<u>\$ 63,485,556</u>	<u>\$ 58,529,083</u>

HARNETT COUNTY, NORTH CAROLINA
Statement of Activities
Year Ended June 30, 2004

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 11,137,601	\$ 1,629,372	\$ 15,081	\$ 292,713	\$ (9,200,435)	\$ -	\$ (9,200,435)
Public safety	18,734,476	3,530,676	676,682	16,806	(14,510,312)	-	(14,510,312)
Environmental protection	339,734	-	5,629	-	(334,105)	-	(334,105)
Transportation	238,349	253,134	907,992	-	922,777	-	922,777
Economic and physical development	3,107,644	-	1,040,489	-	(2,067,155)	-	(2,067,155)
Human services	23,113,123	3,387,362	12,153,794	49,804	(7,522,163)	-	(7,522,163)
Cultural and recreational	1,036,545	508,809	6,268	-	(521,468)	-	(521,468)
Education	24,034,612	-	3,113,369	-	(20,921,243)	-	(20,921,243)
Debt service:							
Interest and fees	3,599,182	-	-	-	(3,599,182)	-	(3,599,182)
Total governmental activities	85,341,266	9,309,353	17,919,304	359,323	(57,753,286)	-	(57,753,286)
Business-type activities:							
Water and Sewer	11,046,073	12,119,400	-	1,240,394	-	2,313,721	2,313,721
Solid Waste	2,938,399	2,990,098	-	-	-	51,699	51,699
Total business-type activities	13,984,472	15,109,498	-	1,240,394	-	2,365,420	2,365,420
Total primary government	\$ 99,325,738	\$ 24,418,851	\$ 17,919,304	\$ 1,599,717	(57,753,286)	2,365,420	(55,387,866)
General revenues:							
Ad valorem taxes					36,538,896	-	36,538,896
Other taxes					16,365,422	90,198	16,455,620
Grants and contributions not restricted to specific programs					108,341	-	108,341
Investment earnings					773,627	98,324	871,951
Miscellaneous					1,505,336	51,392	1,556,728
Gain on sale of capital asset					-	8,814	8,814
Transfers					478,601	(478,601)	-
Total general revenues and transfers					55,770,223	(229,873)	55,540,350
Change in net assets					(1,983,063)	2,135,547	152,484
Net assets - beginning					(3,891,387)	61,350,009	57,458,622
Prior period adjustment for sales tax revenue					917,977	-	917,977
Net assets as restated					(2,973,410)	61,350,009	58,376,599
Net assets - ending					(4,956,473)	\$ 63,485,556	\$ 58,529,083

HARNETT COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds
June 30, 2004

	General	School COPS 2002	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 11,152,612	\$ 4,527,548	\$ 4,952,651	\$ 20,632,811
Taxes receivable, net	1,978,940	-	173,047	2,151,987
Accounts receivable, net:				
Accounts	773,882	-	256,140	1,030,022
Restricted intergovernmental	5,958,134	-	160,217	6,118,351
Other	15,739	-	-	15,739
Inventories	24,789	-	-	24,789
Cash on deposit with escrow agent	-	-	3,093,903	3,093,903
Total assets	<u>\$ 19,904,096</u>	<u>\$ 4,527,548</u>	<u>\$ 8,635,958</u>	<u>\$ 33,067,602</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 531,821	\$ -	\$ 808,060	\$ 1,339,881
Deferred revenues	2,742,576	-	188,907	2,931,483
Total liabilities	<u>3,274,397</u>	<u>-</u>	<u>996,967</u>	<u>4,271,364</u>
Fund balances:				
Reserved for inventories	24,789	-	-	24,789
Reserved for encumbrances	58,015	-	-	58,015
Reserved by State Statute	6,747,755	-	416,357	7,164,112
Reserved for debt service	241,945	-	3,093,903	3,335,848
Reserved for Register of Deeds	-	-	34,300	34,300
Designated for subsequent year's expenditures	2,523,678	-	-	2,523,678
Undesignated	7,033,517	4,527,548	-	11,561,065
Unreserved, reported in nonmajor:				
Special revenue	-	-	451,486	451,486
Capital projects	-	-	3,642,945	3,642,945
Total fund balances	<u>16,629,699</u>	<u>4,527,548</u>	<u>7,638,991</u>	<u>28,796,238</u>
Total liabilities and fund balances	<u>\$ 19,904,096</u>	<u>\$ 4,527,548</u>	<u>\$ 8,635,958</u>	<u>\$ 33,067,602</u>

HARNETT COUNTY, NORTH CAROLINA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets June 30, 2004

Amounts reported for governmental activities in the statement of net assets are different because:

Ending fund balance - governmental funds		\$	28,796,238
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			39,837,317
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			
Accrued Tax Penalties	\$	43,467	
Bond Issue Costs		283,278	
Deferred revenues		2,151,987	
			2,478,732
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Long term liabilities	\$	(75,228,248)	
Accrued interest payable		(593,876)	
Claims payable		(246,636)	
			(76,068,760)
Net assets of governmental activities		\$	<u>(4,956,473)</u>

HARNETT COUNTY, NORTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ending June 30, 2004

	General	School COPS 2002	Other Governmental Funds	Total Governmental Funds
Revenues				
Ad valorem taxes	\$ 34,158,417	\$ -	\$ 3,008,419	\$ 37,166,836
Other taxes and licenses	15,382,849	-	982,573	16,365,422
Unrestricted intergovernmental	108,341	-	-	108,341
Restricted intergovernmental	16,494,398	-	951,699	17,446,097
Permits and fees	1,795,173	-	999,321	2,794,494
Sales and services	6,514,859	-	-	6,514,859
Investment earnings	136,579	87,156	554,324	778,059
Contributions	-	-	832,530	832,530
Other general revenues	2,117,726	-	76,653	2,194,379
Total revenues	<u>76,708,342</u>	<u>87,156</u>	<u>7,405,519</u>	<u>84,201,017</u>
Expenditures				
Current:				
General government	9,739,688	-	2,074,182	11,813,870
Public safety	14,170,004	-	4,494,854	18,664,858
Environmental protection	106,973	-	15,600	122,573
Transportation	78,693	-	-	78,693
Economic and physical development	3,062,306	-	-	3,062,306
Human services	22,334,443	-	903,012	23,237,455
Cultural and recreational	985,871	-	-	985,871
Education	13,374,595	10,422,422	237,595	24,034,612
Debt service:				
Principal	4,627,118	-	4,223,095	8,850,213
Interest and fees	3,695,964	-	-	3,695,964
Total expenditures	<u>72,175,655</u>	<u>10,422,422</u>	<u>11,948,338</u>	<u>94,546,415</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,532,687</u>	<u>(10,335,266)</u>	<u>(4,542,819)</u>	<u>(10,345,398)</u>
Other financing sources (uses)				
Bonds and capital lease issuance	20,181,348	-	4,000,000	24,181,348
Bond premium	1,116,722	-	-	1,116,722
Transfers in	1,197,419	-	2,233,327	3,430,746
Transfers out	(2,192,874)	-	(759,271)	(2,952,145)
Payment to escrow agent	(20,610,463)	-	-	(20,610,463)
Total other financing sources (uses)	<u>(307,848)</u>	<u>-</u>	<u>5,474,056</u>	<u>5,166,208</u>
Net change in fund balances	<u>4,224,839</u>	<u>(10,335,266)</u>	<u>931,237</u>	<u>(5,179,190)</u>
Fund balance - beginning	<u>11,543,031</u>	<u>14,862,814</u>	<u>6,651,606</u>	<u>33,057,451</u>
Prior period adjustment for sales tax revenue	861,829	-	56,148	917,977
Fund balance - restated	<u>12,404,860</u>	<u>14,862,814</u>	<u>6,707,754</u>	<u>33,975,428</u>
Fund balance - ending	<u>\$ 16,629,699</u>	<u>\$ 4,527,548</u>	<u>\$ 7,638,991</u>	<u>\$ 28,796,238</u>

HARNETT COUNTY, NORTH CAROLINA

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ending June 30, 2004**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ (5,179,190)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$2,790,877) exceeded depreciation (\$1,923,673) in the current period. 867,204

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. (806,870)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (554,838)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts.

Proceeds	\$	(24,181,348)	
Payment to escrow agent		20,610,463	
Premium		(992,641)	
Principal payments		7,087,926	
Loss on refunding		1,565,561	
Law Enforcement		(14,953)	
Compensated absences		(126,008)	
			3,949,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Tax Penalties	\$	(73,102)	
Bond Issue Costs		283,278	
Accrued Interest Payable		(221,909)	
Claims payable		(246,636)	
			(258,369)

Change in net assets of governmental activities \$ (1,983,063)

HARNETT COUNTY, NORTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ending June 30, 2004

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
REVENUES				
Ad valorem taxes	\$ 33,049,209	\$ 34,185,725	\$ 34,158,417	\$ (27,308)
Other taxes and licenses	14,875,000	14,975,000	15,382,849	407,849
Unrestricted intergovernmental	44,500	149,868	108,341	(41,527)
Restricted intergovernmental	15,680,166	17,474,185	16,494,398	(979,787)
Permits and fees	1,353,550	1,795,422	1,795,173	(249)
Sales and services	5,468,124	5,770,790	6,514,859	744,069
Investment earnings	215,000	215,800	136,579	(79,221)
Other general revenues	1,144,072	2,108,240	2,117,726	9,486
Total revenues	<u>71,829,621</u>	<u>76,675,030</u>	<u>76,708,342</u>	<u>33,312</u>
EXPENDITURES				
Current:				
General government	9,197,479	10,743,570	9,739,688	1,003,882
Public safety	13,852,363	14,795,482	14,170,004	625,478
Environmental protection	109,539	108,625	106,973	1,652
Transportation	49,610	80,610	78,693	1,917
Economic and physical development	3,156,751	3,410,246	3,062,306	347,940
Human services	23,470,783	24,615,361	22,334,443	2,280,918
Cultural and recreational	960,258	1,076,415	985,871	90,544
Education	13,253,104	13,463,242	13,374,595	88,647
Debt service:				
Principal	4,238,453	4,786,401	4,627,118	159,283
Interest and fees	3,994,428	3,977,369	3,695,964	281,405
Total expenditures	<u>72,282,768</u>	<u>77,057,321</u>	<u>72,175,655</u>	<u>4,881,666</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(453,147)</u>	<u>(382,291)</u>	<u>4,532,687</u>	<u>4,914,978</u>
OTHER FINANCING SOURCES (USES)				
Bonds and capital lease issuance	-	24,527,509	20,181,348	(4,346,161)
Bond premium	-	1,116,722	1,116,722	-
Transfers in	202,692	1,197,421	1,197,419	(2)
Transfers out	(1,409,643)	(2,193,321)	(2,192,874)	447
Appropriated fund balance	1,660,098	690,593	-	(690,593)
Payment to escrow agent	-	(24,956,633)	(20,610,463)	4,346,170
Total other financing sources (uses)	<u>453,147</u>	<u>382,291</u>	<u>(307,848)</u>	<u>(690,139)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>4,224,839</u>	<u>\$ 4,224,839</u>
Fund balance - beginning			11,543,031	
Prior period adjustment			<u>861,829</u>	
Fund balance - restated			<u>12,404,860</u>	
Fund balance - ending			<u>\$ 16,629,699</u>	

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HARNETT COUNTY, NORTH CAROLINA

Statement of Net Assets
 Proprietary Funds
 June 30, 2004

	Enterprise Funds						
	Harnett County Public Utilities	Northeast Metro Water Sewer Fund	Buies Creek/ Coats Sewer Fund	South Central Water and Sewer Fund	West Central Water and Sewer Fund	Northwest Water and Sewer Fund	Southwest Water and Sewer Fund
Assets							
Current assets							
Cash and investments	\$ 4,297,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes receivable, net	-	-	-	-	-	-	-
Accounts Receivable, net:							
Accounts	1,682,566	-	-	-	-	-	-
Restricted intergovernmental	43,324	-	-	-	-	-	-
Inventories	272,794	-	-	-	-	-	-
Investment in direct financing leases	(27,945,855)	6,147,261	823,852	3,362,690	2,314,658	2,154,070	6,980,519
Total current assets	(21,649,592)	6,147,261	823,852	3,362,690	2,314,658	2,154,070	6,980,519
Noncurrent assets							
Capital assets, net	93,702,404	-	-	-	-	-	-
Bond issuance costs, net	429,775	-	-	-	-	-	-
Total noncurrent assets	94,132,179	-	-	-	-	-	-
Total assets	72,482,587	6,147,261	823,852	3,362,690	2,314,658	2,154,070	6,980,519
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	349,073	-	-	-	-	-	-
Accrued interest payable	37,651	42,411	3,852	15,790	9,658	9,070	36,314
Long-term liabilities due in less than one year	1,122,170	780,650	105,000	178,148	60,000	85,000	375,743
Customer deposits	598,181	-	-	-	-	-	-
Unearned revenue	36,624	-	-	-	-	-	-
Total current liabilities	2,143,699	823,061	108,852	193,938	69,658	94,070	412,057
Noncurrent liabilities							
Accrued landfill closure and postclosure care costs	-	-	-	-	-	-	-
Accrued vacation pay	208,275	-	-	-	-	-	-
Long-term debt	7,683,875	5,324,200	715,000	3,168,752	2,245,000	2,060,000	6,568,462
Total noncurrent liabilities	7,892,150	5,324,200	715,000	3,168,752	2,245,000	2,060,000	6,568,462
Total liabilities	10,035,849	6,147,261	823,852	3,362,690	2,314,658	2,154,070	6,980,519
Net assets							
Capital assets net of related debt	58,576,915	-	-	-	-	-	-
Unrestricted net assets	3,869,823	-	-	-	-	-	-
Total net assets	\$ 62,446,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Enterprise Funds						
Bunnlevel/ Riverside Water and Sewer Fund	Southeast Water and Sewer Fund	East Central Water and Sewer Fund	Riverside Water and Sewer Fund	Total Public Utility Funds	Solid Waste Management Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 4,297,579	\$ 2,559,743	\$ 6,857,322
-	-	-	-	-	60,765	60,765
-	-	-	-	1,682,566	163,548	1,846,114
-	-	-	-	43,324	33,286	76,610
-	-	-	-	272,794	-	272,794
170,647	1,321,620	3,485,841	1,184,697	-	-	-
170,647	1,321,620	3,485,841	1,184,697	6,296,263	2,817,342	9,113,605
-	-	-	-	93,702,404	1,803,036	95,505,440
-	-	-	-	429,775	-	429,775
-	-	-	-	94,132,179	1,803,036	95,935,215
170,647	1,321,620	3,485,841	1,184,697	100,428,442	4,620,378	105,048,820
-	-	-	-	349,073	72,483	421,556
647	5,620	14,841	4,697	180,551	-	180,551
3,952	24,000	53,000	14,500	2,802,163	52,661	2,854,824
-	-	-	-	598,181	-	598,181
-	-	-	-	36,624	(6,008)	30,616
4,599	29,620	67,841	19,197	3,966,592	119,136	4,085,728
-	-	-	-	-	3,255,288	3,255,288
-	-	-	-	208,275	26,098	234,373
166,048	1,292,000	3,418,000	1,165,500	33,806,837	181,038	33,987,875
166,048	1,292,000	3,418,000	1,165,500	34,015,112	3,462,424	37,477,536
170,647	1,321,620	3,485,841	1,184,697	37,981,704	3,581,560	41,563,264
-	-	-	-	58,576,915	1,803,036	60,379,951
-	-	-	-	3,869,823	(764,218)	3,105,605
\$ -	\$ -	\$ -	\$ -	\$ 62,446,738	\$ 1,038,818	\$ 63,485,556

HARNETT COUNTY, NORTH CAROLINA

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Funds
 Year Ended June 30, 2004

	Enterprise Funds						
	Harnett County Public Utilities	Northeast Metro Water Sewer Fund	Buies Creek/ Coats Sewer Fund	South Central Water and Sewer Fund	West Central Water and Sewer Fund	Northwest Water and Sewer Fund	Southwest Water and Sewer Fund
Operating revenues							
Charges for services	\$ 10,284,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water and sewer taps	439,152	-	-	-	-	-	-
Solid waste user fees	-	-	-	-	-	-	-
Other operating revenues	1,420,842	-	-	-	-	-	-
Total operating revenues	12,144,116	-	-	-	-	-	-
Operating expenses							
Operating expense	6,884,558	-	-	-	-	-	-
Depreciation	2,599,094	-	-	-	-	-	-
Total operating expenses	9,483,652	-	-	-	-	-	-
Operating income (loss)	2,660,464	-	-	-	-	-	-
Nonoperating revenue (expense)							
Investment earnings	78,870	-	-	-	-	-	-
Solid waste state taxes	-	-	-	-	-	-	-
Federal and state grants	100,434	-	-	-	-	-	-
Interest on debt	(188,216)	(266,978)	(51,610)	(200,490)	(127,226)	(124,346)	(320,313)
Amortization	(13,353)	-	-	-	-	-	-
Other nonoperating expenses	44,329	-	-	-	-	-	-
Total nonoperating revenue (expense)	22,064	(266,978)	(51,610)	(200,490)	(127,226)	(124,346)	(320,313)
Income (loss) before transfers and contributions	2,682,528	(266,978)	(51,610)	(200,490)	(127,226)	(124,346)	(320,313)
Transfers in	3,012,609	266,978	51,610	200,490	127,226	124,346	320,313
Transfers out	(4,871,054)	-	-	-	-	-	-
Capital contributions	1,139,960	-	-	-	-	-	-
Change in net assets	1,964,043	-	-	-	-	-	-
Total net assets - beginning	60,482,695	-	-	-	-	-	-
Total net assets - ending	\$ 62,446,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Enterprise Funds						
Bunnlevel/ Riverside Water and Sewer Fund	Southeast Water and Sewer Fund	East Central Water and Sewer Fund	Riverside Water and Sewer Fund	Total Public Utility Funds	Solid Waste Management Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 10,284,122	\$ -	\$ 10,284,122
-	-	-	-	439,152	-	439,152
-	-	-	-	-	2,982,765	2,982,765
-	-	-	-	1,420,842	7,333	1,428,175
-	-	-	-	12,144,116	2,990,098	15,134,214
-	-	-	-	6,884,558	2,822,250	9,706,808
-	-	-	-	2,599,094	116,149	2,715,243
-	-	-	-	9,483,652	2,938,399	12,422,051
-	-	-	-	2,660,464	51,699	2,712,163
-	-	-	-	78,870	19,454	98,324
-	-	-	-	-	125,688	125,688
-	-	-	-	100,434	-	100,434
(8,301)	(68,479)	(180,461)	(56,977)	(1,593,397)	-	(1,593,397)
-	-	-	-	(13,353)	-	(13,353)
-	-	-	-	44,329	-	44,329
(8,301)	(68,479)	(180,461)	(56,977)	(1,383,117)	145,142	(1,237,975)
(8,301)	(68,479)	(180,461)	(56,977)	1,277,347	196,841	1,474,188
8,301	68,479	180,461	56,977	4,417,790	-	4,417,790
-	-	-	-	(4,871,054)	(25,337)	(4,896,391)
-	-	-	-	1,139,960	-	1,139,960
-	-	-	-	1,964,043	171,504	2,135,547
-	-	-	-	60,482,695	867,314	61,350,009
\$ -	\$ -	\$ -	\$ -	\$ 62,446,738	\$ 1,038,818	\$ 63,485,556

HARNETT COUNTY, NORTH CAROLINA
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2004

	Harnett County Public Utilities Fund	Northeast Metro Water and Sewer Fund	Buies Creek/ Coats Sewer Fund	South Central Water and Sewer Fund	West Central Water and Sewer Fund	Northwest Water and Sewer Fund
Operating activities						
Cash received for goods and services	\$ 12,169,022	\$ -	\$ -	\$ -	\$ -	\$ -
Cash paid to employees	(2,813,487)	-	-	-	-	-
Cash paid for goods and services	(4,524,749)	-	-	-	-	-
Net cash provided by (used in) operating activities	4,830,786	-	-	-	-	-
Noncapital financing activities						
Transfers in	3,012,609	-	-	-	-	-
Transfers out	(4,871,054)	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	(1,858,445)	-	-	-	-	-
Capital and related financing activities						
Proceeds from debt	3,654,129	-	-	-	-	-
Municipal contributions	373,224	-	-	-	-	-
Federal and state grants	100,434	-	-	-	-	-
Proceeds from investment in direct financing leases	(2,947,010)	1,028,580	105,490	138,423	(1,570)	47,410
Solid waste state tax	-	-	-	-	-	-
Principal payments on bond maturities and capital leases	(1,172,259)	(1,024,600)	(105,000)	(135,900)	2,600	(46,000)
Purchase of capital assets	(1,574,319)	-	-	-	-	-
Interest payments on debt	(188,216)	(3,980)	(490)	(2,523)	(1,030)	(1,410)
Net cash provided (used) by capital and related financing activities	(1,754,017)	-	-	-	-	-
Investing activities						
Interest on investments	78,870	-	-	-	-	-
Net cash provided (used) in investing activities	78,870	-	-	-	-	-
Net increase in cash and cash equivalents/investments	1,297,194	-	-	-	-	-
Cash and cash equivalents/investments						
Beginning of year	3,000,385	-	-	-	-	-
End of year	\$ 4,297,579	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ 2,660,464	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2,599,094	-	-	-	-	-
(Increase) decrease in accounts receivable	(17,192)	-	-	-	-	-
(Increase) decrease in inventories	326	-	-	-	-	-
(Increase) decrease in bond issuance costs	(362,126)	-	-	-	-	-
Increase (decrease) in accounts payable	18,320	-	-	-	-	-
Increase (decrease) in accrued interest payable	(124,723)	-	-	-	-	-
Increase (decrease) in unearned revenue	3,275	-	-	-	-	-
Increase (decrease) in customer deposits	38,823	-	-	-	-	-
Increase (decrease) in landfill closure and postclosure care costs	-	-	-	-	-	-
Increase (decrease) in accrued vacation pay	14,525	-	-	-	-	-
Total adjustments	2,170,322	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ 4,830,786	\$ -	\$ -	\$ -	\$ -	\$ -
Noncash investing, capital, and financing activities:						
Contributions of capital assets	\$ 766,736	\$ -	\$ -	\$ -	\$ -	\$ -

Southwest Water and Sewer Fund	Bunneville/ Riverside Water and Sewer Fund	Southeast Water and Sewer Fund	East Central Water and Sewer Fund	Riverside Water and Sewer Fund	Eliminations	Total Public Utility Funds	Solid Waste Management Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,169,022	\$ 2,956,882	\$ 15,125,904
-	-	-	-	-	-	(2,813,487)	(475,779)	(3,289,266)
-	-	-	-	-	-	(4,524,749)	(2,351,923)	(6,876,672)
-	-	-	-	-	-	4,830,786	129,180	4,959,966
-	-	-	-	-	-	3,012,609	-	3,012,609
-	-	-	-	-	-	(4,871,054)	(25,337)	(4,896,391)
-	-	-	-	-	-	(1,858,445)	(25,337)	(1,883,782)
-	-	-	-	-	-	3,654,129	273,500	3,927,629
-	-	-	-	-	-	373,224	-	373,224
-	-	-	-	-	-	100,434	-	100,434
1,544,763	(2,951)	22,094	50,715	14,056	-	-	125,688	125,688
(1,538,709)	3,000	(22,000)	(50,500)	(14,000)	-	(4,103,368)	(39,801)	(4,143,169)
-	-	-	-	-	-	(1,574,319)	(325,139)	(1,899,458)
(6,054)	(49)	(94)	(215)	(56)	-	(204,117)	-	(204,117)
-	-	-	-	-	-	(1,754,017)	34,248	(1,719,769)
-	-	-	-	-	-	78,870	19,454	98,324
-	-	-	-	-	-	78,870	19,454	98,324
-	-	-	-	-	-	1,297,194	157,545	1,454,739
-	-	-	-	-	-	3,000,385	2,402,198	5,402,583
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,297,579	\$ 2,559,743	\$ 6,857,322
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,660,464	\$ 51,699	\$ 2,712,163
-	-	-	-	-	-	2,599,094	116,149	2,715,243
-	-	-	-	-	-	(17,192)	(27,208)	(44,400)
-	-	-	-	-	-	326	-	326
-	-	-	-	-	-	(362,126)	-	(362,126)
-	-	-	-	-	-	18,320	16,437	34,757
-	-	-	-	-	-	(124,723)	-	(124,723)
-	-	-	-	-	-	3,275	(6,008)	(2,733)
-	-	-	-	-	-	38,823	-	38,823
-	-	-	-	-	-	-	(24,666)	(24,666)
-	-	-	-	-	-	14,525	2,777	17,302
-	-	-	-	-	-	2,170,322	77,481	2,247,803
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,830,786	\$ 129,180	\$ 4,959,966
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 766,736	\$ -	\$ 766,736

HARNETT COUNTY, NORTH CAROLINA

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 157,399
Total assets	<u>\$ 157,399</u>
Liabilities	
Accounts payable and accrued liabilities	\$ 157,399
Total liabilities	<u>\$ 157,399</u>