

Harnett County, North Carolina

**Comprehensive  
Annual  
Financial Report**

for the fiscal year ended June 30, 2004

---

Prepared by the Harnett County Finance Office

Vanessa W. Young, Finance Officer

# HARNETT COUNTY, NORTH CAROLINA

## TABLE OF CONTENTS

---

	PAGE
<b>INTRODUCTORY SECTION (UNAUDITED):</b>	
Letter of Transmittal.....	A-1
GFOA Certificate of Achievement.....	A-11
Map of Harnett County, North Carolina.....	A-12
Organizational Chart.....	A-13
Members of the Board of County Commissioners and Administrative and County Officers .....	A-14
 <b>FINANCIAL SECTION</b>	
 <b>INDEPENDENT AUDITORS' REPORT.....</b>	B-1
 <b>MANAGEMENT'S DISCUSSION AND ANALYSIS.....</b>	C-1
 <b>BASIC FINANCIAL STATEMENTS:</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS:</b>	
Statement of net assets .....	D-1
Statement of activities.....	D-2
 <b>FUND FINANCIAL STATEMENTS:</b>	
Balance sheet - governmental funds .....	E-1
Reconciliation of the balance sheet of governmental funds to the statement of net assets .....	E-2
Statement of revenues, expenditures and changes in fund balances – governmental funds.....	E-3
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities.....	E-4
Statement of revenues, expenditures and changes in fund balances - budget and actual – general fund .....	E-5
Statement of net assets – proprietary funds.....	E-6
Statement of revenues, expenses and changes in fund net assets – proprietary funds .....	E-8
Statement of cash flows – proprietary funds.....	E-10
Statement of fiduciary net assets – fiduciary funds .....	E-12
Notes to the basic financial statements .....	F-1
 <b>REQUIRED SUPPLEMENTAL FINANCIAL DATA</b>	
Law enforcement officers' special separation allowance – schedule of funding progress and notes to the required schedules.....	G-1
 <b>STATEMENTS/SCHEDULES:</b>	
<u>Major Funds - Governmental:</u>	
Schedule of revenues, expenditures and changes in fund balance - budget and actual – General Fund .....	H-1
Schedule of revenues, expenditures and changes in fund balance – School COPS 2002 Capital Project Fund.....	H-11

# HARNETT COUNTY, NORTH CAROLINA

## TABLE OF CONTENTS

---

	PAGE
<b>STATEMENTS/SCHEDULES (Continued):</b>	
<u>Nonmajor Funds - Governmental</u>	
Combining balance sheet - nonmajor governmental funds .....	I-1
Combining statement of revenues, expenditures and changes in fund balances - nonmajor governmental funds .....	I-2
<u>Nonmajor Special Revenue Funds:</u>	
Combining balance sheet - nonmajor special revenue funds .....	J-1
Combining statement of revenues, expenditures and changes in fund balances - nonmajor special revenue funds .....	J-2
Combining schedule of revenues and expenditures – budget and actual and changes in fund balances – nonmajor special revenue funds .....	J-3
<u>Nonmajor Debt Service Funds:</u>	
Combining balance sheet – nonmajor debt service funds .....	K-1
Combining statement of revenues, expenditures and changes in fund balances – nonmajor debt service funds .....	K-2
Combining schedule of revenues and expenditures – budget and actual and changes in fund balances – nonmajor debt service funds .....	K-3
<u>Nonmajor Capital Project Funds:</u>	
Combining balance sheet - nonmajor capital project funds .....	L-1
Combining schedule of revenues, expenditures and changes in fund balances - nonmajor capital project funds .....	L-3
Schedule of revenues, expenditures and changes in fund balance:	
Masterplan Design Courthouse .....	L-5
Shawtown Infrastructure .....	L-6
Transportation Facility Design .....	L-7
Scattered Site Housing .....	L-8
Airport Road Relocation .....	L-9
Airport Road Relocate Old Stage Road .....	L-10
Law Enforcement Expansion .....	L-11
Industrial Parks .....	L-12
School Improvements .....	L-13
Runway and Taxi Extension .....	L-14
Lockhart/Shawtown .....	L-15
<u>Enterprise Funds:</u>	
Schedule of operating expenses .....	M-1
Schedule of revenues and expenditures - budget and actual (non-GAAP) .....	M-2
Schedule of revenues and expenditures - budget and actual (non-GAAP)-non-operating enterprise funds .....	M-3
Schedule of revenues and expenditures - budget and actual (non-GAAP):	
Southwest Wastewater Expansion Capital Project .....	M-5
Western Harnett and Johnsonville School Sewer Extension Capital Project .....	M-6
Southwest Regional Transmission III (Design Phase) Capital Project .....	M-7

# HARNETT COUNTY, NORTH CAROLINA

## TABLE OF CONTENTS

---

	PAGE
<b>STATEMENTS/SCHEDULES (Continued):</b>	
<u>Enterprise Funds (Continued):</u>	
Northeast Water Plant 18mgd Expansion Capital Project.....	M-8
Harnett Fuquay Wastewater Capital Project .....	M-9
Anderson Creek Water Acquisition Capital Project .....	M-10
South Central Wastewater Capital Project .....	M-11
Titan Wastewater Extension Capital Project .....	M-12
Highway 87 Sewer Improvement Capital Project .....	M-13
Coats Wastewater Expansion Capital Project.....	M-14
Chlorine Dioxide Pilot Capital Project.....	M-15
Raw Water Intake Upgrade Capital Project.....	M-16
<u>Agency Funds:</u>	
Combining statement of fiduciary assets and liabilities – agency funds .....	N-1
Combining statement of changes in fiduciary assets and liabilities– agency funds.....	N-2
<b>OTHER SCHEDULES:</b>	
Schedule of ad valorem taxes receivable – General Fund .....	O-1
Analysis of current tax levy .....	O-2
<b>STATISTICAL SECTION (UNAUDITED):</b>	
General governmental expenditures by function .....	P-1
General governmental revenues by source .....	P-3
Property tax levies and collections – General Fund.....	P-5
Assessed value of taxable property .....	P-7
Ten largest taxpayers .....	P-8
Property tax rates – direct and overlapping governments .....	P-9
Ratio of net general bonded debt to assessed value and bonded debt per capita.....	P-10
Computation of legal debt margin .....	P-11
Computation of direct and overlapping debt .....	P-12
Demographic statistics.....	P-13
Bond coverage – water and sewer bonds.....	P-14
Property value, construction and bank deposits .....	P-15
Miscellaneous statistics .....	P-16
<b>COMPLIANCE SECTION</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government</u> <u>Auditing Standards</u> .....	Q-1
Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act.....	Q-3
Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act .....	Q-5

# HARNETT COUNTY, NORTH CAROLINA

## TABLE OF CONTENTS

---

PAGE

### COMPLIANCE SECTION (Continued):

Schedule of Findings and Questioned Costs.....	Q-7
Summary Schedule of Prior Year Audit Findings.....	Q-9
Schedule of Expenditures of Federal and State Awards .....	Q-10
Notes to Schedule of Expenditures of Federal and State Awards.....	Q-15