

# **BASIC FINANCIAL STATEMENTS**

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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, 2006**

	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total Primary Government</b>
<b>Assets</b>			
Cash and investments	\$ 16,208,899	\$ 5,410,878	\$ 21,619,777
Taxes receivable, net	1,138,610	2,734	1,141,344
Accounts receivable, net:			
Accounts	2,439,794	7,015,442	9,455,236
Restricted intergovernmental	7,068,205	36,000	7,104,205
Other	12,244	-	12,244
Cash on deposit with escrow agent	6,190,215	-	6,190,215
Bond issue costs, net	212,460	365,566	578,026
Inventories	15,768	286,984	302,752
Capital assets:			
Nondepreciable	12,508,880	31,004,918	43,513,798
Depreciable	36,221,300	88,263,968	124,485,268
<b>Total assets</b>	<b>82,016,375</b>	<b>132,386,490</b>	<b>214,402,865</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	1,772,289	5,318,016	7,090,305
Accrued interest payable	312,748	186,246	498,994
Customer deposits	-	807,357	807,357
Unearned revenue	927,571	50,449	978,020
Claims payable	346,951	-	346,951
Long-term liabilities:			
Due in less than one year	7,756,725	3,189,328	10,946,053
Due in more than one year	60,779,950	43,947,724	104,727,674
<b>Total liabilities</b>	<b>71,896,234</b>	<b>53,499,120</b>	<b>125,395,354</b>
<b>Net assets</b>			
Capital assets, net of related debt	39,542,666	76,151,245	115,693,911
Unrestricted	(29,422,525)	2,736,125	(26,686,400)
<b>Total net assets</b>	<b>\$ 10,120,141</b>	<b>\$ 78,887,370</b>	<b>\$ 89,007,511</b>

**HARNETT COUNTY, NORTH CAROLINA**  
**Statement of Activities**  
**Year Ended June 30, 2006**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 11,780,292	\$ 1,953,538	\$ 43,573	\$ -	\$ (9,783,181)	\$ -	\$ (9,783,181)
Public safety	23,948,439	5,208,884	883,364	-	(17,856,191)	-	(17,856,191)
Environmental protection	121,443	-	192,253	-	70,810	-	70,810
Transportation	216,201	235,955	1,187,832	-	1,207,586	-	1,207,586
Economic and physical development	4,678,094	-	1,141,569	-	(3,536,525)	-	(3,536,525)
Human services	27,257,065	3,872,519	13,928,078	2,200	(9,454,268)	-	(9,454,268)
Cultural and recreational	1,188,384	528,604	3,881	-	(655,899)	-	(655,899)
Education	16,948,707	-	3,699,754	-	(13,248,953)	-	(13,248,953)
Debt service:							
Interest and fees	2,838,662	-	-	-	(2,838,662)	-	(2,838,662)
Total governmental activities	88,977,287	11,799,500	21,080,304	2,200	(56,095,283)	-	(56,095,283)
Business-type activities:							
Water and Sewer	13,185,106	15,822,667	411,375	8,773,746	-	11,822,682	11,822,682
Solid Waste	3,473,564	3,235,539	-	-	-	(238,025)	(238,025)
Total business-type activities	16,658,670	19,058,206	411,375	8,773,746	-	11,584,657	11,584,657
<b>Total primary government</b>	<b>\$ 105,635,957</b>	<b>\$ 30,857,706</b>	<b>\$ 21,491,679</b>	<b>\$ 8,775,946</b>	<b>(56,095,283)</b>	<b>11,584,657</b>	<b>(44,510,626)</b>
General revenues:							
Ad valorem taxes					40,420,076	-	40,420,076
Other taxes					19,051,924	101,665	19,153,589
Grants and contributions not restricted to specific programs					1,462,300	-	1,462,300
Investment earnings					901,167	162,363	1,063,530
Miscellaneous					1,940,896	57,179	1,998,075
Gain on sale of capital asset					129,507	(10,526)	118,981
Transfers					151,650	(151,650)	-
Total general revenues and transfers					64,057,520	159,031	64,216,551
Change in net assets					7,962,237	11,743,688	19,705,925
Net assets - beginning					2,157,904	67,143,682	69,301,586
Net assets - ending					\$ 10,120,141	\$ 78,887,370	\$ 89,007,511

HARNETT COUNTY, NORTH CAROLINA

Balance Sheet  
Governmental Funds  
June 30, 2006

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 11,821,493	\$ 4,387,406	\$ 16,208,899
Taxes receivable, net	979,240	81,200	1,060,440
Accounts receivable, net:			
Accounts	1,598,773	841,021	2,439,794
Restricted intergovernmental	6,865,125	203,080	7,068,205
Other	12,244	-	12,244
Inventories	15,768	-	15,768
Cash on deposit with escrow agent	-	6,190,215	6,190,215
Total assets	<u>\$ 21,292,643</u>	<u>\$ 11,702,922</u>	<u>\$ 32,995,565</u>
<b>Liabilities and fund balances</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 669,207	\$ 1,103,082	\$ 1,772,289
Unearned revenue	847,082	80,489	927,571
Deferred revenues	979,240	81,200	1,060,440
Total liabilities	<u>2,495,529</u>	<u>1,264,771</u>	<u>3,760,300</u>
Fund balances:			
Reserved:			
Reserved for inventories	15,768	-	15,768
Reserved for encumbrances	459,458	-	459,458
Reserved by State statute	8,476,142	1,044,101	9,520,243
Reserved for debt service	-	6,190,215	6,190,215
Reserved for Register of Deeds	-	82,165	82,165
Unreserved:			
Designated for subsequent year's expenditures	3,124,165	-	3,124,165
Undesignated	6,721,581	-	6,721,581
Unreserved, reported in nonmajor:			
Special revenue	-	689,250	689,250
Capital projects	-	2,432,420	2,432,420
Total fund balances	<u>18,797,114</u>	<u>10,438,151</u>	<u>29,235,265</u>
Total liabilities and fund balances	<u>\$ 21,292,643</u>	<u>\$ 11,702,922</u>	<u>\$ 32,995,565</u>

**HARNETT COUNTY, NORTH CAROLINA**  
**Reconciliation of the Balance Sheet of Governmental Funds to the**  
**Statement of Net Assets**  
**June 30, 2006**

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

Ending fund balance - governmental funds	\$	29,235,265
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		48,730,180
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Accrued Tax Penalties	\$ 78,170	
Bond Issue Costs	212,460	
Deferred revenues	1,060,440	
		1,351,070
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	\$ (68,536,675)	
Accrued interest payable	(312,748)	
Claims payable	(346,951)	
		(69,196,374)
Net assets of governmental activities	\$	10,120,141

HARNETT COUNTY, NORTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2006

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Ad valorem taxes	\$ 37,542,102	\$ 3,343,644	\$ 40,885,746
Other taxes and licenses	17,907,935	1,143,989	19,051,924
Unrestricted intergovernmental	55,149	-	55,149
Restricted intergovernmental	19,113,929	885,227	19,999,156
Permits and fees	2,152,770	1,029,085	3,181,855
Sales and services	8,617,645	-	8,617,645
Investment earnings	703,095	320,722	1,023,817
Contributions	-	2,490,499	2,490,499
Other general revenues	1,941,367	187,483	2,128,850
Total revenues	<u>88,033,992</u>	<u>9,400,649</u>	<u>97,434,641</u>
<b>Expenditures</b>			
Current:			
General government	8,950,088	6,644,693	15,594,781
Public safety	18,532,426	5,197,431	23,729,857
Environmental protection	118,113	-	118,113
Transportation	90,547	-	90,547
Economic and physical development	4,544,820	805,394	5,350,214
Human services	26,533,626	742,837	27,276,463
Cultural and recreational	1,227,703	-	1,227,703
Education	16,103,254	845,453	16,948,707
Debt service:			
Principal	5,461,061	249,036	5,710,097
Interest and fees	3,150,290	2,861	3,153,151
Total expenditures	<u>84,711,928</u>	<u>14,487,705</u>	<u>99,199,633</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>3,322,064</u>	<u>(5,087,056)</u>	<u>(1,764,992)</u>
<b>Other financing sources (uses)</b>			
Bonds and capital lease issuance	393,330	789,500	1,182,830
Transfers in	123,397	3,597,997	3,721,394
Transfers out	(3,419,903)	(149,841)	(3,569,744)
Total other financing sources (uses)	<u>(2,903,176)</u>	<u>4,237,656</u>	<u>1,334,480</u>
<b>Net change in fund balances</b>	418,888	(849,400)	(430,512)
<b>Fund balance - beginning</b>	<u>18,378,226</u>	<u>11,287,551</u>	<u>29,665,777</u>
<b>Fund balance - ending</b>	<u>\$ 18,797,114</u>	<u>\$ 10,438,151</u>	<u>\$ 29,235,265</u>

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

**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 Ended June 30, 2006**

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

Net change in fund balances - total governmental funds	\$	(430,512)
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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 (\$6,967,658) exceeded depreciation (\$2,016,119) in the current period.		4,951,539
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The net effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, and donations) is to increase net assets.		(480,852)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(533,969)
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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	\$	(1,182,487)	
Premium		124,080	
Principal payments		5,710,098	
Loss on refunding		(195,702)	
Law Enforcement		(36,315)	
Compensated absences		(171,585)	
			4,248,089

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	\$	68,299	
Bond Issue Costs		(35,410)	
Accrued Interest Payable		314,489	
Claims payable		(139,436)	
			207,942

Change in net assets of governmental activities	\$	<u>7,962,237</u>
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HARNETT COUNTY, NORTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - General Fund  
Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance With Final Positive Negative
<b>REVENUES</b>				
Ad valorem taxes	\$ 36,314,664	\$ 37,856,392	\$ 37,542,102	\$ (314,290)
Other taxes and licenses	17,185,000	17,786,410	17,907,935	121,525
Unrestricted intergovernmental	38,000	55,377	55,149	(228)
Restricted intergovernmental	17,666,864	19,722,763	19,113,929	(608,834)
Permits and fees	2,243,357	2,304,512	2,152,770	(151,742)
Sales and services	9,164,447	10,141,222	8,617,645	(1,523,577)
Investment earnings	175,000	541,700	703,095	161,395
Other general revenues	1,332,338	2,007,456	1,941,367	(66,089)
Total revenues	84,119,670	90,415,832	88,033,992	(2,381,840)
<b>EXPENDITURES</b>				
Current:				
General government	8,937,474	9,724,034	8,950,088	773,946
Public safety	18,691,089	20,871,115	18,532,426	2,338,689
Environmental protection	120,922	124,552	118,113	6,439
Transportation	95,814	96,144	90,547	5,597
Economic and physical development	4,179,106	4,813,598	4,544,820	268,778
Human services	27,105,233	28,056,092	26,533,626	1,522,466
Cultural and recreational	1,131,564	1,289,351	1,227,703	61,648
Education	15,950,899	16,221,383	16,103,254	118,129
Debt service:				
Principal	5,292,560	5,517,752	5,461,061	56,691
Interest and fees	3,127,743	3,150,299	3,150,290	9
Total expenditures	84,632,404	89,864,320	84,711,928	5,152,392
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(512,734)</u>	<u>551,512</u>	<u>3,322,064</u>	<u>2,770,552</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and capital lease issuance	-	393,331	393,330	(1)
Transfers in	531,000	523,377	123,397	(399,980)
Transfers out	(1,314,218)	(3,420,670)	(3,419,903)	767
Appropriated fund balance	2,750,000	2,622,503	-	(2,622,503)
Capital reserve	(500,000)	(500,000)	-	500,000
Contingency	(954,048)	(170,053)	-	170,053
Total other financing sources (uses)	<u>512,734</u>	<u>(551,512)</u>	<u>(2,903,176)</u>	<u>(2,351,664)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>418,888</u>	<u>\$ 418,888</u>
Fund balance - beginning			18,378,226	
Fund balance - ending			<u>\$ 18,797,114</u>	

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

HARNETT COUNTY, NORTH CAROLINA

Statement of Net Assets  
 Proprietary Funds  
 June 30, 2006

	Enterprise Funds						
	Harnett County Public Utilities	Northeast Metro Water and Sewer Fund	Buies Creek/ Coats Water and Sewer Fund	South Central Water and Sewer Fund	West Central Water and Sewer Fund	Northwest Water and Sewer Fund	Southwest Water and Sewer Fund
<b>Assets</b>							
Current assets							
Cash and investments	\$ 3,280,508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes receivable, net	-	-	-	-	-	-	-
Accounts Receivable, net:							
Accounts	6,840,383	-	-	-	-	-	-
Restricted intergovernmental	-	-	-	-	-	-	-
Inventories	286,984	-	-	-	-	-	-
Investment in direct financing leases	(25,895,954)	5,224,041	612,872	2,990,898	2,183,365	1,972,902	6,944,859
Total current assets	(15,488,089)	5,224,041	612,872	2,990,898	2,183,365	1,972,902	6,944,859
Noncurrent assets							
Capital assets, net	117,325,668	-	-	-	-	-	-
Bond issuance costs, net	365,566	-	-	-	-	-	-
Total noncurrent assets	117,691,234	-	-	-	-	-	-
Total assets	102,203,145	5,224,041	612,872	2,990,898	2,183,365	1,972,902	6,944,859
<b>Liabilities</b>							
Current liabilities							
Accounts payable and accrued liabilities	5,218,234	-	-	-	-	-	-
Accrued interest payable	66,652	32,391	2,872	12,594	8,365	7,902	30,539
Long-term liabilities due in less than one year	1,016,714	802,000	105,000	246,212	70,000	95,000	396,843
Customer deposits	807,357	-	-	-	-	-	-
Unearned revenue	47,716	-	-	-	-	-	-
Accrued vacation	262,220	-	-	-	-	-	-
Total current liabilities	7,418,893	834,391	107,872	258,806	78,365	102,902	427,382
Noncurrent liabilities							
Accrued landfill closure and postclosure care costs	-	-	-	-	-	-	-
Long-term debt	16,975,317	4,389,650	505,000	2,732,092	2,105,000	1,870,000	6,517,477
Total noncurrent liabilities	16,975,317	4,389,650	505,000	2,732,092	2,105,000	1,870,000	6,517,477
Total liabilities	24,394,210	5,224,041	612,872	2,990,898	2,183,365	1,972,902	6,944,859
<b>Net assets</b>							
Capital assets net of related debt	74,208,027	-	-	-	-	-	-
Unrestricted net assets	3,600,908	-	-	-	-	-	-
Total net assets	\$ 77,808,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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
\$ -	\$ -	\$ -	\$ -	\$ 3,280,508	\$ 2,130,370	\$ 5,410,878
-	-	-	-	-	2,734	2,734
-	-	-	-	6,840,383	175,059	7,015,442
-	-	-	-	-	36,000	36,000
-	-	-	-	286,984	-	286,984
162,659	1,272,411	3,376,877	1,155,080	-	-	-
162,659	1,272,411	3,376,877	1,155,080	10,407,875	2,344,163	12,752,038
-	-	-	-	117,325,668	1,943,218	119,268,886
-	-	-	-	365,566	-	365,566
-	-	-	-	117,691,234	1,943,218	119,634,452
162,659	1,272,411	3,376,877	1,155,080	128,099,109	4,287,381	132,386,490
-	-	-	-	5,218,234	99,782	5,318,016
563	5,411	14,377	4,580	186,246	-	186,246
6,688	26,000	59,000	15,500	2,838,957	55,846	2,894,803
-	-	-	-	807,357	-	807,357
-	-	-	-	47,716	2,733	50,449
-	-	-	-	262,220	32,305	294,525
7,251	31,411	73,377	20,080	9,360,730	190,666	9,551,396
-	-	-	-	-	2,947,317	2,947,317
155,408	1,241,000	3,303,500	1,135,000	40,929,444	70,963	41,000,407
155,408	1,241,000	3,303,500	1,135,000	40,929,444	3,018,280	43,947,724
162,659	1,272,411	3,376,877	1,155,080	50,290,174	3,208,946	53,499,120
-	-	-	-	74,208,027	1,943,218	76,151,245
-	-	-	-	3,600,908	(864,783)	2,736,125
\$ -	\$ -	\$ -	\$ -	\$ 77,808,935	\$ 1,078,435	\$ 78,887,370

HARNETT COUNTY, NORTH CAROLINA

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Proprietary Funds  
 Year Ended June 30, 2006

	Enterprise Funds						
	Harnett County Public Utilities	Northeast Metro Water and Sewer Fund	Buies Creek/ Coats Water and Sewer Fund	South Central Water and Sewer Fund	West Central Water and Sewer Fund	Northwest Water and Sewer Fund	Southwest Water and Sewer Fund
<b>Operating revenues</b>							
Charges for services	\$ 13,473,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water and sewer taps	650,241	-	-	-	-	-	-
Solid waste user fees	-	-	-	-	-	-	-
Other operating revenues	1,712,891	-	-	-	-	-	-
Johnston County	4,000	-	-	-	-	-	-
Total operating revenues	15,840,467	-	-	-	-	-	-
<b>Operating expenses</b>							
Operating expense	8,662,619	-	-	-	-	-	-
Depreciation	3,049,587	-	-	-	-	-	-
Total operating expenses	11,712,206	-	-	-	-	-	-
<b>Operating income (loss)</b>	4,128,261	-	-	-	-	-	-
<b>Nonoperating revenue (expense)</b>							
Investment earnings	87,855	-	-	-	-	-	-
Solid waste state taxes	-	-	-	-	-	-	-
Federal and state grants	510,941	-	-	-	-	-	-
Interest on debt	(205,557)	(203,245)	(39,850)	(152,710)	(101,987)	(98,285)	(268,482)
Amortization	(21,927)	-	-	-	-	-	-
Other nonoperating expenses	(76,918)	-	-	-	-	-	-
Total nonoperating revenue (expense)	294,394	(203,245)	(39,850)	(152,710)	(101,987)	(98,285)	(268,482)
<b>Income (loss) before transfers and contributions</b>	4,422,655	(203,245)	(39,850)	(152,710)	(101,987)	(98,285)	(268,482)
Transfers in	4,834,297	203,245	39,850	152,710	101,987	98,285	268,482
Transfers out	(6,137,279)	-	-	-	-	-	-
Capital contributions	8,674,180	-	-	-	-	-	-
<b>Change in net assets</b>	11,793,853	-	-	-	-	-	-
<b>Total net assets - beginning</b>	66,015,082	-	-	-	-	-	-
<b>Total net assets - ending</b>	\$ 77,808,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Enterprise Funds						
Bunlevel/ 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
\$ -	\$ -	\$ -	\$ -	\$ 13,473,335	\$ -	\$ 13,473,335
-	-	-	-	650,241	-	650,241
-	-	-	-	-	3,227,530	3,227,530
-	-	-	-	1,712,891	8,009	1,720,900
-	-	-	-	4,000	-	4,000
-	-	-	-	15,840,467	3,235,539	19,076,006
-	-	-	-	8,662,619	3,286,574	11,949,193
-	-	-	-	3,049,587	186,990	3,236,577
-	-	-	-	11,712,206	3,473,564	15,185,770
-	-	-	-	4,128,261	(238,025)	3,890,236
-	-	-	-	87,855	74,508	162,363
-	-	-	-	-	141,044	141,044
-	-	-	-	510,941	-	510,941
(7,089)	(66,108)	(175,130)	(55,612)	(1,374,055)	-	(1,374,055)
-	-	-	-	(21,927)	-	(21,927)
-	-	-	-	(76,918)	(10,526)	(87,444)
(7,089)	(66,108)	(175,130)	(55,612)	(874,104)	205,026	(669,078)
(7,089)	(66,108)	(175,130)	(55,612)	3,254,157	(32,999)	3,221,158
7,089	66,108	175,130	55,612	6,002,795	-	6,002,795
-	-	-	-	(6,137,279)	(17,166)	(6,154,445)
-	-	-	-	8,674,180	-	8,674,180
-	-	-	-	11,793,853	(50,165)	11,743,688
-	-	-	-	66,015,082	1,128,600	67,143,682
\$ -	\$ -	\$ -	\$ -	\$ 77,808,935	\$ 1,078,435	\$ 78,887,370

HARNETT COUNTY, NORTH CAROLINA  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2006

	Harnett County Public Utilities Fund	Northeast Metro Water and Sewer Fund	Buies Creek/ Coats Water and Sewer Fund	South Central Water and Sewer Fund	West Central Water and Sewer Fund	Northwest Water and Sewer Fund
<b>Operating activities</b>						
Cash received for goods and services	\$ 12,291,285	\$ -	\$ -	\$ -	\$ -	\$ -
Cash paid to employees	(3,193,789)	-	-	-	-	-
Cash paid for goods and services	(595,328)	-	-	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>8,502,168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Noncapital financing activities</b>						
Transfers in	4,834,297	993,695	144,850	383,158	171,987	193,285
Transfers out	(6,137,279)	-	-	-	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(1,302,982)</b>	<b>993,695</b>	<b>144,850</b>	<b>383,158</b>	<b>171,987</b>	<b>193,285</b>
<b>Capital and related financing activities</b>						
Proceeds from debt	11,026,461	-	-	-	-	-
Municipal contributions	6,255,310	-	-	-	-	-
Federal and state grants	510,941	-	-	-	-	-
Proceeds from investment in direct financing leases	(1,789,251)	795,962	105,490	231,729	70,146	95,315
Solid waste state tax	-	-	-	-	-	-
Principal payments on bond maturities and capital leases	(884,104)	(790,450)	(105,000)	(230,448)	(70,000)	(95,000)
Purchase of capital assets	(21,257,054)	-	-	-	-	-
Interest payments on debt	(227,484)	(999,207)	(145,340)	(384,439)	(172,133)	(193,600)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(6,365,181)</b>	<b>(993,695)</b>	<b>(144,850)</b>	<b>(383,158)</b>	<b>(171,987)</b>	<b>(193,285)</b>
<b>Investing activities</b>						
Interest on investments	87,855	-	-	-	-	-
<b>Net cash provided (used) in investing activities</b>	<b>87,855</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents/investments</b>	<b>921,860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents/investments</b>						
<b>Beginning of year</b>	<b>2,358,648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>End of year</b>	<b>\$ 3,280,508</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>						
Operating income (loss)	\$ 4,128,261	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	3,049,587	-	-	-	-	-
<b>Change in assets and liabilities</b>						
(Increase) decrease in accounts receivable	(3,715,611)	-	-	-	-	-
(Increase) decrease in inventories	(32,238)	-	-	-	-	-
(Increase) decrease in bond issuance costs	37,625	-	-	-	-	-
Increase (decrease) in accounts payable	4,801,216	-	-	-	-	-
Increase (decrease) in accrued interest payable	32,180	-	-	-	-	-
Increase (decrease) in unearned revenue	(13,672)	-	-	-	-	-
Increase (decrease) in customer deposits	180,101	-	-	-	-	-
Increase (decrease) in landfill closure and postclosure care costs	-	-	-	-	-	-
Increase (decrease) in accrued vacation pay	34,719	-	-	-	-	-
Total adjustments	4,373,907	-	-	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 8,502,168</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Noncash investing, capital, and financing activities:</b>						
Contributions of capital assets	\$ 2,418,870	\$ -	\$ -	\$ -	\$ -	\$ -

Southwest Water and Sewer Fund	Bunlevel/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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,291,285	\$ 3,280,402	\$ 15,571,687
-	-	-	-	-	-	(3,193,789)	(552,928)	(3,746,717)
-	-	-	-	-	-	(595,328)	(2,742,568)	(3,337,896)
-	-	-	-	-	-	8,502,168	(15,094)	8,487,074
657,024	11,041	91,108	230,630	70,612	-	7,781,687	-	7,781,687
-	-	-	-	-	-	(6,137,279)	(17,166)	(6,154,445)
657,024	11,041	91,108	230,630	70,612	-	1,644,408	(17,166)	1,627,242
-	-	-	-	-	-	11,026,461	-	11,026,461
-	-	-	-	-	-	6,255,310	-	6,255,310
390,746	3,960	25,107	55,737	15,059	-	510,941	-	510,941
-	-	-	-	-	-	-	141,044	141,044
(388,542)	(3,952)	(25,000)	(55,500)	(15,000)	-	(2,662,996)	(54,230)	(2,717,226)
-	-	-	-	-	-	(21,257,054)	(311,134)	(21,568,188)
(659,228)	(11,049)	(91,215)	(230,667)	(70,671)	-	(3,185,233)	-	(3,185,233)
(657,024)	(11,041)	(91,108)	(230,630)	(70,612)	-	(9,312,571)	(224,320)	(9,536,891)
-	-	-	-	-	-	87,855	74,508	162,363
-	-	-	-	-	-	87,855	74,508	162,363
-	-	-	-	-	-	921,860	(182,072)	739,788
-	-	-	-	-	-	2,358,648	2,312,442	4,671,090
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,280,508	\$ 2,130,370	\$ 5,410,878
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,128,261	\$ (238,025)	\$ 3,890,236
-	-	-	-	-	-	3,049,587	166,990	3,236,577
-	-	-	-	-	-	(3,715,611)	6,675	(3,708,936)
-	-	-	-	-	-	(32,238)	-	(32,238)
-	-	-	-	-	-	37,625	-	37,625
-	-	-	-	-	-	4,801,216	24,229	4,825,445
-	-	-	-	-	-	32,180	-	32,180
-	-	-	-	-	-	(13,672)	38,189	24,516
-	-	-	-	-	-	180,101	-	180,101
-	-	-	-	-	-	-	(37,381)	(37,381)
-	-	-	-	-	-	34,719	4,230	38,949
-	-	-	-	-	-	4,373,907	222,931	4,596,838
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,502,168	\$ (15,094)	\$ 8,487,074
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,418,870	\$ -	\$ 2,418,870

HARNETT COUNTY, NORTH CAROLINA

Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2006

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	<u>Agency Funds</u>
<b>Assets</b>	
Cash and investments	\$ 188,419
Total assets	<u>\$ 188,419</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	\$ 188,419
Total liabilities	<u>\$ 188,419</u>