

# **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, 2007

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Primary Government</u>
<b>Assets</b>			
Cash and investments	\$ 59,974,543	\$ 16,054,847	\$ 76,029,390
Taxes receivable, net	1,100,875	2,954	1,103,829
Accounts receivable, net:			
Accounts	2,628,987	3,647,008	6,275,995
Restricted intergovernmental	7,980,663	37,675	8,018,338
Other	3,608	-	3,608
Cash on deposit with escrow agent	4,175,346	-	4,175,346
Bond issue costs, net	892,041	671,205	1,563,246
Inventories	15,214	265,323	280,537
Capital assets:			
Nondepreciable	10,143,611	57,747,028	67,890,639
Depreciable	41,448,567	99,121,917	140,570,484
<b>Total assets</b>	<u>128,363,455</u>	<u>177,547,957</u>	<u>305,911,412</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	2,504,753	2,626,157	5,130,910
Accrued interest payable	472,661	390,008	862,669
Customer deposits	-	1,011,048	1,011,048
Unearned revenue	1,296,310	69,252	1,365,562
Claims payable	477,874	-	477,874
Long-term liabilities:			
Due in less than one year	8,462,536	4,325,957	12,788,493
Due in more than one year	97,643,179	62,039,311	159,682,490
<b>Total liabilities</b>	<u>110,857,313</u>	<u>70,461,733</u>	<u>181,319,046</u>
<b>Net assets</b>			
Capital assets, net of related debt	58,562,800	99,508,987	158,071,787
Unrestricted	(41,056,658)	7,577,237	(33,479,421)
<b>Total net assets</b>	<u>\$ 17,506,142</u>	<u>\$ 107,086,224</u>	<u>\$ 124,592,366</u>

**HARNETT COUNTY, NORTH CAROLINA**  
**Statement of Activities**  
**Year Ended June 30, 2007**

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	Primary Government Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 11,819,168	\$ 2,078,794	\$ 5,138	\$ -	\$ (9,735,236)	\$ -	\$ (9,735,236)
Public safety	23,195,858	4,972,808	676,900	-	(17,546,150)	-	(17,546,150)
Environmental protection	129,917	-	316,873	-	186,956	-	186,956
Transportation	639,875	246,468	2,427,366	-	2,033,959	-	2,033,959
Economic and physical development	4,958,192	-	1,184,349	-	(3,773,843)	-	(3,773,843)
Human services	29,108,185	4,021,385	14,980,951	19,656	(10,086,193)	-	(10,086,193)
Cultural and recreational	1,233,206	497,961	67,500	-	(667,745)	-	(667,745)
Education	18,006,432	-	838,329	-	(17,168,103)	-	(17,168,103)
Interest and fees	3,204,761	-	-	-	(3,204,761)	-	(3,204,761)
Total governmental activities	92,295,594	11,817,416	20,497,406	19,656	(59,961,116)	-	(59,961,116)
Business-type activities:							
Water and Sewer	15,117,851	19,837,949	-	21,431,292	-	26,151,390	26,151,390
Solid Waste	3,743,693	3,373,255	-	-	-	(370,438)	(370,438)
Total business-type activities	18,861,544	23,211,204	-	21,431,292	-	25,780,952	25,780,952
<b>Total primary government</b>	<b>\$ 111,157,138</b>	<b>\$ 35,028,620</b>	<b>\$ 20,497,406</b>	<b>\$ 21,450,948</b>	<b>(59,961,116)</b>	<b>25,780,952</b>	<b>(34,180,164)</b>
General revenues:							
Ad valorem taxes					42,322,460	-	42,322,460
North Carolina sales tax					20,068,211	-	20,068,211
Other taxes					1,083,171	107,930	1,191,101
Grants and contributions not restricted to specific programs					668,085	-	668,085
Investment earnings					1,485,912	240,284	1,726,196
Miscellaneous					1,500,079	2,288,887	3,788,966
Transfers					219,199	(219,199)	-
Total general revenues and transfers					67,347,117	2,417,902	69,765,019
Change in net assets					7,386,001	28,198,854	35,584,855
Net assets - beginning					10,120,141	78,887,370	89,007,511
Net assets - ending					\$ 17,506,142	\$ 107,086,224	\$ 124,592,366

HARNETT COUNTY, NORTH CAROLINA

Balance Sheet  
Governmental Funds  
June 30, 2007

	General	Law Enforcement Expansion	Overhills Elementary	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 15,403,067	\$ 23,508,972	\$ 16,975,707	\$ 4,086,713	\$ 59,974,459
Taxes receivable, net	939,180	-	-	120,033	1,059,213
Accounts receivable, net:					
Accounts	1,977,620	-	-	652,870	2,630,490
Restricted intergovernmental	7,480,225	-	-	500,701	7,980,926
Other	3,608	-	-	-	3,608
Inventories	15,214	-	-	-	15,214
Cash on deposit with escrow agent	-	-	-	4,175,346	4,175,346
Total assets	<u>\$ 25,818,914</u>	<u>\$ 23,508,972</u>	<u>\$ 16,975,707</u>	<u>\$ 9,535,663</u>	<u>\$ 75,839,256</u>
<b>Liabilities and fund balances</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 750,391	\$ 689,823	\$ 12,761	\$ 1,051,694	\$ 2,504,669
Unearned revenue	1,269,131	-	-	27,179	1,296,310
Deferred revenues	939,178	-	-	120,033	1,059,211
Total liabilities	<u>2,958,700</u>	<u>689,823</u>	<u>12,761</u>	<u>1,198,906</u>	<u>4,860,190</u>
Fund balances:					
Reserved:					
Reserved for inventories	15,214	-	-	-	15,214
Reserved for encumbrances	114,190	-	-	-	114,190
Reserved by State statute	9,461,453	-	-	1,153,571	10,615,024
Reserved for debt service	-	-	-	4,175,346	4,175,346
Reserved for Register of Deeds	-	-	-	87,172	87,172
Unreserved:					
Designated for subsequent year's expenditures	3,265,000	-	-	-	3,265,000
Undesignated	10,004,357	22,819,149	16,962,946	-	49,786,452
Unreserved, reported in nonmajor:					
Special revenue	-	-	-	731,401	731,401
Capital projects	-	-	-	2,189,267	2,189,267
Total fund balances	<u>22,860,214</u>	<u>22,819,149</u>	<u>16,962,946</u>	<u>8,336,757</u>	<u>70,979,066</u>
Total liabilities and fund balances	<u>\$ 25,818,914</u>	<u>\$ 23,508,972</u>	<u>\$ 16,975,707</u>	<u>\$ 9,535,663</u>	<u>\$ 75,839,256</u>

# HARNETT COUNTY, NORTH CAROLINA

## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets June 30, 2007

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

Ending fund balance - governmental funds		\$	70,979,066
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			51,592,178
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			
Accrued Tax Penalties	\$	41,662	
Bond Issue Costs		890,275	
Deferred revenues		1,059,211	
			<u>1,991,148</u>
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	\$	(106,105,715)	
Accrued interest payable		(472,661)	
Claims payable		(477,874)	
			<u>(107,056,250)</u>
Net assets of governmental activities		\$	<u><u>17,506,142</u></u>

HARNETT COUNTY, NORTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ending June 30, 2007

	General	Law Enforcement Expansion	Overhills Elementary	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Ad valorem taxes	\$ 38,789,824	\$ -	\$ -	\$ 3,570,373	\$ 42,360,197
Other taxes and licenses	19,876,095	-	-	1,277,052	21,153,147
Unrestricted intergovernmental	111,481	-	-	-	111,481
Restricted intergovernmental	17,228,277	-	-	1,739,088	18,967,365
Permits and fees	2,255,375	-	-	1,094,433	3,349,808
Sales and services	8,530,503	-	-	-	8,530,503
Investment earnings	981,303	169,450	114,512	292,621	1,557,886
Contributions	-	-	-	2,037,782	2,037,782
Other general revenues	1,430,606	4,946	-	172,637	1,608,189
<b>Total revenues</b>	<b>89,203,464</b>	<b>174,396</b>	<b>114,512</b>	<b>10,183,986</b>	<b>99,676,358</b>
<b>Expenditures</b>					
Current:					
General government	9,586,226	1,873,945	848,650	1,778,512	14,087,333
Public safety	17,233,702	-	-	5,428,163	22,661,865
Environmental protection	129,917	-	-	-	129,917
Transportation	176,958	-	-	-	176,958
Economic and physical development	4,888,842	-	-	1,890,427	6,779,269
Human services	28,497,872	-	-	767,377	29,265,249
Cultural and recreational	1,206,477	-	-	-	1,206,477
Education	17,724,119	-	-	282,313	18,006,432
Principal	11,188,939	-	-	160,908	11,349,847
Interest and fees	2,989,028	-	-	2,206	2,991,234
<b>Total expenditures</b>	<b>93,622,080</b>	<b>1,873,945</b>	<b>848,650</b>	<b>10,309,906</b>	<b>106,654,581</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,418,616)</b>	<b>(1,699,549)</b>	<b>(734,138)</b>	<b>(125,920)</b>	<b>(6,978,223)</b>
<b>Other financing sources (uses)</b>					
Bonds and capital lease issuance	5,371,857	24,130,133	17,697,084	1,303,750	48,502,824
Transfers in	4,547,844	-	-	1,730,882	6,278,726
Transfers out	(1,437,985)	-	-	(4,621,541)	(6,059,526)
<b>Total other financing sources (uses)</b>	<b>8,481,716</b>	<b>24,130,133</b>	<b>17,697,084</b>	<b>(1,586,909)</b>	<b>48,722,024</b>
<b>Net change in fund balances</b>	<b>4,063,100</b>	<b>22,430,584</b>	<b>16,962,946</b>	<b>(1,712,829)</b>	<b>41,743,801</b>
<b>Fund balance - beginning</b>	<b>18,797,114</b>	<b>388,565</b>	<b>-</b>	<b>10,049,566</b>	<b>29,235,265</b>
<b>Fund balance - ending</b>	<b>\$ 22,860,214</b>	<b>\$ 22,819,149</b>	<b>\$ 16,962,946</b>	<b>\$ 8,336,757</b>	<b>\$ 70,979,066</b>

**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, 2007**

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

Net change in fund balances - total governmental funds \$ 41,743,801

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 (\$4,999,162) exceeded depreciation (\$2,124,569) in the current period. 2,874,593

The net effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, and donations) is to increase net assets. (12,695)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,227

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	\$	(48,502,175)	
Premium		22,491	
Principal payments		11,140,942	
Loss on refunding		(9,737)	
Law Enforcement		(24,726)	
Compensated absences		(195,840)	
		<hr/>	(37,569,045)

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	\$	36,508	
Bond Issue Costs		602,448	
Accrued Interest Payable		(159,913)	
Claims payable		(130,923)	
		<hr/>	<hr/> 348,120

Change in net assets of governmental activities \$ 7,386,001

**HARNETT COUNTY, NORTH CAROLINA**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - General Fund  
Year Ending June 30, 2007**

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>REVENUES</b>				
Ad valorem taxes	38,761,546	38,499,414	\$ 38,789,824	\$ 290,410
Other taxes and licenses	18,205,000	19,703,500	19,876,095	172,595
Unrestricted intergovernmental	38,500	39,094	111,481	72,387
Restricted intergovernmental	14,465,781	17,770,743	17,228,277	(542,466)
Permits and fees	2,550,375	2,596,276	2,255,375	(340,901)
Sales and services	9,221,960	9,294,524	8,530,503	(764,021)
Investment earnings	355,000	995,000	981,303	(13,697)
Other general revenues	1,616,082	1,694,160	1,430,606	(263,554)
<b>Total revenues</b>	<b>85,214,244</b>	<b>90,592,711</b>	<b>89,203,464</b>	<b>(1,389,247)</b>
<b>EXPENDITURES</b>				
Current:				
General government	9,770,993	10,398,512	9,586,226	812,286
Public safety	18,927,015	19,687,390	17,233,702	2,453,688
Environmental protection	128,602	132,327	129,917	2,410
Transportation	104,838	181,298	176,958	4,340
Economic and physical development	4,754,995	5,229,056	4,888,842	340,214
Human services	27,791,417	30,180,718	28,497,872	1,682,846
Cultural and recreational	1,451,803	1,517,816	1,206,477	311,339
Education	17,756,544	17,875,544	17,724,119	151,425
Debt service:				-
Principal	6,130,395	11,197,279	11,188,939	8,340
Interest and fees	3,408,242	3,493,253	2,989,028	504,225
<b>Total expenditures</b>	<b>90,224,844</b>	<b>99,893,193</b>	<b>93,622,080</b>	<b>6,271,113</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,010,600)</b>	<b>(9,300,482)</b>	<b>(4,418,616)</b>	<b>4,881,866</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and capital lease issuance	-	5,371,858	5,371,857	(1)
Transfers in	2,315,924	4,948,278	4,547,844	(400,434)
Transfers out	(429,489)	(1,488,690)	(1,437,985)	50,705
Appropriated fund balance	3,124,165	469,036	-	(469,036)
<b>Total other financing sources (uses)</b>	<b>5,010,600</b>	<b>9,300,482</b>	<b>8,481,716</b>	<b>(818,766)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,063,100</b>	<b>\$ 4,063,100</b>
Fund balance - beginning			<u>18,797,114</u>	
Fund balance - ending			<u>\$ 22,860,214</u>	



HARNETT COUNTY, NORTH CAROLINA

Statement of Net Assets  
 Proprietary Funds  
 June 30, 2007

	Enterprise Funds						
	Harnett County Public Utilities	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	Southwest Water and Sewer Fund
<b>Assets</b>							
<b>Current assets</b>							
Cash and investments	\$ 12,438,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes receivable, net	-	-	-	-	-	-	-
Accounts Receivable, net:							
Accounts	3,505,392	-	-	-	-	-	-
Restricted intergovernmental	-	-	-	-	-	-	-
Inventories	265,323	-	-	-	-	-	-
Investment in direct financing leases	(24,063,107)	4,416,484	507,382	2,743,355	2,113,190	1,877,569	6,545,730
<b>Total current assets</b>	<b>(7,853,459)</b>	<b>4,416,484</b>	<b>507,382</b>	<b>2,743,355</b>	<b>2,113,190</b>	<b>1,877,569</b>	<b>6,545,730</b>
<b>Noncurrent assets</b>							
Capital assets, net	154,207,312	-	-	-	-	-	-
Bond issuance costs, net	637,499	-	-	-	-	-	-
<b>Total noncurrent assets</b>	<b>154,844,811</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>146,991,352</b>	<b>4,416,484</b>	<b>507,382</b>	<b>2,743,355</b>	<b>2,113,190</b>	<b>1,877,569</b>	<b>6,545,730</b>
<b>Liabilities</b>							
<b>Current liabilities</b>							
Accounts payable and accrued liabilities	2,204,508	-	-	-	-	-	-
Accrued interest payable	271,762	26,834	2,382	11,263	8,190	7,569	28,252
Long-term liabilities due in less than one year	2,073,854	813,900	105,000	261,312	70,000	100,000	405,243
Customer deposits	1,011,048	-	-	-	-	-	-
Unearned revenue	66,299	-	-	-	-	-	-
Accrued vacation	294,512	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>5,921,983</b>	<b>840,734</b>	<b>107,382</b>	<b>272,575</b>	<b>78,190</b>	<b>107,569</b>	<b>433,495</b>
<b>Noncurrent liabilities</b>							
Accrued landfill closure and postclosure care costs	-	-	-	-	-	-	-
Long-term debt	34,934,674	3,575,750	400,000	2,470,780	2,035,000	1,770,000	6,112,235
<b>Total noncurrent liabilities</b>	<b>34,934,674</b>	<b>3,575,750</b>	<b>400,000</b>	<b>2,470,780</b>	<b>2,035,000</b>	<b>1,770,000</b>	<b>6,112,235</b>
<b>Total liabilities</b>	<b>40,856,657</b>	<b>4,416,484</b>	<b>507,382</b>	<b>2,743,355</b>	<b>2,113,190</b>	<b>1,877,569</b>	<b>6,545,730</b>
<b>Net assets</b>							
Capital assets net of related debt	97,069,136	-	-	-	-	-	-
Unrestricted net assets	9,065,559	-	-	-	-	-	-
<b>Total net assets</b>	<b>\$ 106,134,695</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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
\$ -	\$ -	\$ -	\$ -	\$ 12,438,933	3,615,914	\$ 16,054,847
-	-	-	-	-	2,954	2,954
-	-	-	-	3,505,392	141,616	3,647,008
-	-	-	-	-	37,674	37,674
-	-	-	-	265,323	-	265,323
155,955	1,246,300	3,317,624	1,139,518	-	-	-
155,955	1,246,300	3,317,624	1,139,518	16,209,648	3,798,158	20,007,806
-	-	-	-	154,207,312	2,661,633	156,868,945
-	-	-	-	637,499	33,706	671,205
-	-	-	-	154,844,811	2,695,339	157,540,150
155,955	1,246,300	3,317,624	1,139,518	171,054,459	6,493,497	177,547,956
-	-	-	-	2,204,508	421,649	2,626,157
547	5,300	14,124	4,518	380,741	9,267	390,008
6,688	27,000	62,000	16,000	3,940,997	57,508	3,998,505
-	-	-	-	1,011,048	-	1,011,048
-	-	-	-	66,299	2,953	69,252
-	-	-	-	294,512	32,940	327,452
7,235	32,300	76,124	20,518	7,898,105	524,317	8,422,422
-	-	-	-	-	2,922,544	2,922,544
148,720	1,214,000	3,241,500	1,119,000	57,021,659	2,095,108	59,116,767
148,720	1,214,000	3,241,500	1,119,000	57,021,659	5,017,652	62,039,311
155,955	1,246,300	3,317,624	1,139,518	64,919,764	5,541,969	70,461,733
-	-	-	-	97,069,136	2,439,851	99,508,987
-	-	-	-	9,065,559	(1,488,323)	7,577,236
\$ -	\$ -	\$ -	\$ -	\$ 106,134,695	\$ 951,528	\$ 107,086,223

HARNETT COUNTY, NORTH CAROLINA

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Proprietary Funds  
 Year Ended June 30, 2007

	Enterprise Funds						
	Harnett County Public Utilities	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	Southwest Water and Sewer Fund
<b>Operating revenues</b>							
Charges for services	\$ 16,251,331	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water and sewer taps	679,840	-	-	-	-	-	-
Solid waste user fees	-	-	-	-	-	-	-
Other operating revenues	4,732,787	-	-	-	-	-	-
Johnston County	177,600	-	-	-	-	-	-
Total operating revenues	<u>21,841,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating expenses</b>							
Operating expense	10,246,860	-	-	-	-	-	-
Depreciation	3,260,469	-	-	-	-	-	-
Total operating expenses	<u>13,507,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating income (loss)</b>	<u>8,334,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Nonoperating revenue (expense)</b>							
Investment earnings	132,856	-	-	-	-	-	-
Solid waste state taxes	-	-	-	-	-	-	-
Federal and state grants	-	-	-	-	-	-	-
Interest on debt	(477,462)	(172,087)	(33,970)	(140,993)	(100,208)	(94,492)	(255,062)
Amortization	(37,282)	-	-	-	-	-	-
Other nonoperating expenses	-	-	-	-	-	-	-
Total nonoperating revenue (expense)	<u>(381,888)</u>	<u>(172,087)</u>	<u>(33,970)</u>	<u>(140,993)</u>	<u>(100,208)</u>	<u>(94,492)</u>	<u>(255,062)</u>
<b>Income (loss) before transfers and contributions</b>	<u>7,952,341</u>	<u>(172,087)</u>	<u>(33,970)</u>	<u>(140,993)</u>	<u>(100,208)</u>	<u>(94,492)</u>	<u>(255,062)</u>
Transfers in	3,554,723	172,087	33,970	140,993	100,208	94,492	255,062
Transfers out	(4,842,188)	-	-	-	-	-	-
Appropriated retained earnings	-	-	-	-	-	-	-
Capital contributions	21,661,017	-	-	-	-	-	-
<b>Change in net assets</b>	<u>28,325,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total net assets - beginning</b>	<u>77,808,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total net assets - ending</b>	<u>\$ 106,134,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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
\$ -	\$ -	\$ -	\$ -	\$ 16,251,331	\$ -	\$ 16,251,331
-	-	-	-	679,840	-	679,840
-	-	-	-	-	3,372,601	3,372,601
-	-	-	-	4,732,787	17,969	4,750,756
-	-	-	-	177,600	-	177,600
-	-	-	-	21,841,558	3,390,570	25,232,128
-	-	-	-	10,246,860	3,501,373	13,748,233
-	-	-	-	3,260,469	246,219	3,506,688
-	-	-	-	13,507,329	3,747,592	17,254,921
-	-	-	-	8,334,229	(357,022)	7,977,207
-	-	-	-	132,856	107,428	240,284
-	-	-	-	-	150,067	150,067
(6,982)	(64,823)	(172,268)	(54,893)	(1,573,240)	-	(1,573,240)
-	-	-	-	(37,282)	-	(37,282)
(6,982)	(64,823)	(172,268)	(54,893)	(1,477,666)	257,495	(1,220,171)
(6,982)	(64,823)	(172,268)	(54,893)	6,856,563	(99,527)	6,757,036
6,982	64,823	172,268	54,893	4,650,501	100,000	4,750,501
-	-	-	-	(4,842,188)	(127,513)	(4,969,701)
-	-	-	-	21,661,017	-	21,661,017
-	-	-	-	28,325,893	(127,040)	28,198,853
-	-	-	-	77,808,802	1,078,568	78,887,370
\$ -	\$ -	\$ -	\$ -	\$ 106,134,695	\$ 951,528	\$ 107,086,223

HARNETT COUNTY, NORTH CAROLINA

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2007

	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	Southwest Water and Sewer Fund
<b>Operating activities</b>							
Cash received for goods and services	\$ 25,398,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash paid to employees	(3,758,784)	-	-	-	-	-	-
Cash paid for goods and services	(9,514,672)	-	-	-	-	-	-
Net cash provided by (used in) operating activities	12,125,367	-	-	-	-	-	-
<b>Noncapital financing activities</b>							
Transfers in	3,554,723	974,087	138,970	387,205	170,208	189,492	651,905
Transfers out	(4,842,188)	-	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	(1,287,465)	974,087	138,970	387,205	170,208	189,492	651,905
<b>Capital and related financing activities</b>							
Proceeds from debt	20,197,940	-	-	-	-	-	-
Municipal contributions	-	-	-	-	-	-	-
Federal and state grants	-	-	-	-	-	-	-
Proceeds from investment in direct financing leases	(1,832,857)	807,557	105,490	247,543	70,175	95,333	399,129
Solid waste state tax	-	-	-	-	-	-	-
Principal payments on bond maturities and capital leases	(1,218,858)	(802,000)	(105,000)	(248,212)	(70,000)	(95,000)	(396,842)
Purchase of capital assets	(18,481,096)	-	-	-	-	-	-
Interest payments on debt	(477,462)	(979,644)	(139,480)	(388,536)	(170,383)	(189,825)	(654,192)
Net cash provided (used) by capital and related financing activities	(1,812,333)	(974,087)	(138,970)	(387,205)	(170,208)	(189,492)	(651,905)
<b>Investing activities</b>							
Interest on investments	132,856	-	-	-	-	-	-
Net cash provided (used) in investing activities	132,856	-	-	-	-	-	-
<b>Net increase in cash and cash equivalents/investments</b>							
	9,158,425	-	-	-	-	-	-
<b>Cash and cash equivalents/investments</b>							
Beginning of year	3,280,508	-	-	-	-	-	-
End of year	\$ 12,438,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>							
Operating income (loss)	\$ 8,334,229	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	3,260,489	-	-	-	-	-	-
<b>Change in assets and liabilities</b>							
(Increase) decrease in accounts receivable	3,334,991	-	-	-	-	-	-
(Increase) decrease in inventories	21,661	-	-	-	-	-	-
(Increase) decrease in bond issuance costs	(271,933)	-	-	-	-	-	-
Increase (decrease) in accounts payable	(3,013,726)	-	-	-	-	-	-
Increase (decrease) in accrued interest payable	205,110	-	-	-	-	-	-
Increase (decrease) in unearned revenue	18,583	-	-	-	-	-	-
Increase (decrease) in customer deposits	203,691	-	-	-	-	-	-
Increase (decrease) in landfill closure and postclosure care costs	-	-	-	-	-	-	-
Increase (decrease) in accrued vacation pay	32,262	-	-	-	-	-	-
Total adjustments	3,797,138	-	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ 12,125,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Noncash investing, capital, and financing activities:</b>							
Contributions of capital assets	\$ 21,661,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Bunnlevell/ 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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,308,823	\$ 3,422,339	\$ 28,821,162
-	-	-	-	-	(3,758,784)	(642,020)	(4,400,804)
-	-	-	-	-	(9,514,872)	(2,586,063)	(12,100,735)
-	-	-	-	-	12,125,367	194,256	12,319,623
13,870	90,823	231,268	71,112	-	6,473,463	100,000	6,573,463
-	-	-	-	-	(4,842,188)	(127,513)	(4,969,701)
13,870	90,823	231,268	71,112	-	1,631,275	(27,513)	1,603,762
-	-	-	-	-	20,197,940	-	20,197,940
6,704	28,111	59,253	15,562	-	-	-	-
(6,688)	(28,000)	(59,000)	(15,500)	-	(3,041,100)	150,087	150,087
(13,686)	(90,934)	(231,521)	(71,174)	-	(18,481,098)	2,025,940	(1,015,160)
(13,670)	(90,823)	(231,268)	(71,112)	-	(3,406,817)	(964,834)	(19,445,730)
-	-	-	-	-	(4,731,073)	-	(3,406,817)
-	-	-	-	-	-	1,211,373	(3,519,700)
-	-	-	-	-	132,856	107,428	240,284
-	-	-	-	-	132,856	107,428	240,284
-	-	-	-	-	9,158,425	1,485,544	10,643,969
-	-	-	-	-	3,280,508	2,130,370	5,410,878
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,438,933	\$ 3,615,914	\$ 16,054,847
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,334,229	\$ (357,022)	\$ 7,977,207
-	-	-	-	-	3,260,469	246,219	3,506,688
-	-	-	-	-	3,334,991	31,549	3,366,540
-	-	-	-	-	21,661	-	21,661
-	-	-	-	-	(271,933)	(33,706)	(305,639)
-	-	-	-	-	(3,013,726)	331,134	(2,682,592)
-	-	-	-	-	205,110	-	205,110
-	-	-	-	-	18,583	220	18,803
-	-	-	-	-	203,691	-	203,691
-	-	-	-	-	-	(24,773)	(24,773)
-	-	-	-	-	32,292	635	32,927
-	-	-	-	-	3,781,138	551,278	4,342,416
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,125,367	\$ 194,256	\$ 12,319,623
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,681,017	\$ -	\$ 21,681,017

HARNETT COUNTY, NORTH CAROLINA

Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2007

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	<u>Agency Funds</u>
<b>Assets</b>	
Cash and investments	\$ 190,107
Total assets	<u>\$ 190,107</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	\$ 190,107
Total liabilities	<u>\$ 190,107</u>

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