

Harnett County, North Carolina

**Comprehensive
Annual
Financial Report**

for the fiscal year ended June 30, 2008

Prepared by the Harnett County Finance Office

Vanessa W. Young, Finance Officer

HARNETT COUNTY, NORTH CAROLINA

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION (UNAUDITED):	
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
 FINANCIAL SECTION	
 INDEPENDENT AUDITORS' REPORT	B-1
 MANAGEMENT'S DISCUSSION AND ANALYSIS	C-1
 BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of net assets	D-1
Statement of activities	D-2
 FUND FINANCIAL STATEMENTS:	
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
 REQUIRED SUPPLEMENTAL FINANCIAL DATA	
Law enforcement officers' special separation allowance – schedule of funding progress, employer contributions and notes to the required schedules	G-1
 STATEMENTS/SCHEDULES:	
<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:	
Law Enforcement Expansion	H-11
Angier Elementary School	H-12

HARNETT COUNTY, NORTH CAROLINA

TABLE OF CONTENTS

	PAGE
STATEMENTS/SCHEDULES (Continued):	
<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 Fund:</u>	
Balance sheet – nonmajor debt service fund	K-1
Statement of revenues, expenditures and changes in fund balance – nonmajor debt service fund.....	K-2
Schedule of revenues and expenditures – budget and actual and changes in fund balance – nonmajor debt service fund.....	K-3
<u>Nonmajor Capital Project Funds:</u>	
Combining balance sheet - nonmajor capital project funds	L-1
Combining statement of revenues, expenditures and changes in fund balances - nonmajor capital project funds	L-3
Schedule of revenues, expenditures and changes in fund balance:	
School COPS 2002 Capital Project Fund.....	L-5
Transportation Facility Design	L-6
Airport Road Relocation Old Stage Road.....	L-7
Overhills Elementary.....	L-8
School Improvements QZAB	L-9
Runway and Taxi Extension	L-10
Lockhart/Shawtown	L-11
Dunn-Erwin Trail.....	L-12
Runway and Parallel Extension	L-13
School Improvements, QZAB III.....	L-14
Single Family SFR	L-15
Cape Fear River Trail.....	L-16
Coats Elementary Gym	L-17
Western Harnett Park.....	L-18
Airfield Vision 100	L-19
Dunn-Erwin Trail Bridge	L-20

HARNETT COUNTY, NORTH CAROLINA

TABLE OF CONTENTS

	PAGE
STATEMENTS/SCHEDULES (Continued):	
<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)	
Harnett Fuquay Wastewater Capital Project	M-5
South Central Wastewater Capital Project	M-6
Titan Wastewater Extension Capital Project	M-7
Raw Water Intake Upgrade Capital Project.....	M-8
Fort Bragg NTA Housing Capital Project.....	M-9
Erwin Wastewater Capital Project.....	M-10
Lafayette School Capital Project.....	M-11
Chatham School Water Capital Project	M-12
East Central Improvements Capital Project	M-13
Ft. Bragg Water and Wastewater Capital Project.....	M-14
Water Plant Expansion Capital Project.....	M-15
Edgerton Water Tank Capital Project	M-16
Buffalo Lakes Wastewater Capital Project.....	M-17
Solid Waste Transfer Station Capital Project.....	M-18
<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
OTHER SCHEDULES:	
Schedule of ad valorem taxes receivable – General Fund	O-1
Analysis of current tax levy.....	O-2
STATISTICAL SECTION (UNAUDITED):	
Net Assets by Component	P-1
Changes in Net Assets	P-2
Tax Revenue by Source	P-5
Fund Balance of Governmental Funds	P-6
Changes in Fund Balances of Governmental Funds	P-7
General Governmental Tax Revenues by Source.....	P-9
Assessed Value of Taxable Property	P-10
Property Tax Rates – Direct and Overlapping Governments.....	P-11
Principal Property Tax Payers – Ten Year Comparison	P-12
Property Tax Levies and Collections – General Fund	P-13
Ratios of Outstanding Debt by Type	P-14
Direct and Overlapping Governmental Activities Debt	P-15
Pledged Revenue Coverage – Water and Sewer.....	P-16
Computation of Legal Debt Margin	P-17
Demographic and Economic Statistics.....	P-18
Principal Employers.....	P-19
Full-time County Government Employees by Function	P-20
Operating Indicators by Function	P-21
Capital Assets Statistics by Function	P-22

HARNETT COUNTY, NORTH CAROLINA

TABLE OF CONTENTS

	PAGE
COMPLIANCE SECTION	
<u>Federal and State Grants and Awards Compliance:</u>	
Independent Auditors' 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 Auditing Standards</u>	Q-1
Independent Auditors' 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
Independent Auditors' 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
Schedule of Findings and Questioned Costs.....	Q-7
Corrective Action Plan.....	Q-11
Summary Schedule of Prior Audit Findings	Q-12
Schedule of Expenditures of Federal and State Awards.....	Q-13
Notes to Schedule of Expenditures of Federal and State Awards.....	Q-18
<u>Covenant Compliance:</u>	
Independent Auditors' Report on the Revenue Bond Covenant Compliance	R-1
Revenue Bond Statement of Revenues, Expenses, Debt Service and Debt Service Coverage.....	R-2