COMPREHENSIVE ANNUAL
FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2011
Harnett County, North Carolina

Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2011

Prepared by the Harnett County Finance Office
Sylvia Blinson, Finance Officer
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HARNETT COUNTY, NORTH CAROLINA

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October 12, 2011

Board of County Commissioners
Harnett County, North Carolina

We are pleased to present the Comprehensive Annual Financial Report ("CAFR") of Harnett County (the "County") for the fiscal year ended June 30, 2011. The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Martin, Starne & Associates, P.A. and that firm's unqualified opinion is included in the Financial Section of this report.

The report itself is presented by the County, which is responsible for the accuracy of the data and for the completeness and fairness of its presentation, including all disclosures. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

North Carolina General Statutes Chapter 15, the Local Government Budget and Fiscal Control Act, requires that units of local governments have an audit of their accounts including a complete set of financial statements presented in conformity with generally accepted accounting principle in the United States (GAAP) as soon as possible after the close of each fiscal year by a certified public accountant. The audited financial report is submitted to the Local Government Commission (LGC), which is established by statute to oversee local government financial affairs. The Commission is authorized to issue rules and regulations regarding such audits. The LGC approves all audit contracts for audits of units of local government. LGC policy requires audited financial reports to be submitted within four months of the end of the fiscal year. If the audited financial report is submitted later than five months after the end of the fiscal year the audit contract must be amended and that amendment approved by the LGC before final payment is made to the auditor.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Harnett County MD&A can be found immediately following the report of the independent auditors.

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HARNETT COUNTY GOVERNMENT PROFILE

The County, formed in 1855, is located in the south central portion of North Carolina. It lies partially in the Coastal Plain and partially in the Piedmont section. Harnett County is the 24th largest county in the State based on the US Census Bureau’s population estimate in 2010 of 114,678. The county seat, the Town of Lillington, has a population of 4,892 while the City of Dunn, the largest municipality located in the County, has a population of 9,263. These two municipalities comprise approximately 12.34% of the total County population.

The County contains 594.93 square miles of land. The Cape Fear River, which flows from the northwest to the southeast part of the County, is the County’s main drainage system. The chief tributaries include the Upper Little River system, Lower Little River, and the Black River. Generally, the eastern two-thirds of the County exhibits topographic features common to the Coastal Plain of North Carolina. It is an area of level to gently rolling terrain with elevations ranging from 100 to 300 feet above sea level. Undeveloped lands are covered by pines and low-growing shrubs. The major underlying geological formation includes sedimentary rocks consisting mostly of unconsolidated sands and clays. Topographic features in the western part of the County resemble the Piedmont region of North Carolina. It is an area of steeper hills with elevations as high as 450 feet above sea level. Undeveloped lands are also covered by pines and low-growing shrubs. The major underlying geological formation includes crystalline rocks, such as granite and slate.

The County is governed by a Board of Commissioners (the “Board”). The Board consists of five members who are elected from districts, on a partisan basis, by a district vote and serve staggered four-year terms. Elections for the Board are held in November of even-numbered years. The Commissioners take office at the first meeting in December following the November election. At that time, the Board elects a Chairman and a Vice Chairman from among its members. Commissioners hold policy-making and legislative authority. They are also responsible for adopting the budget and appointing the County Manager. The manager is responsible for implementing policies, managing daily operations, and appointing department heads.

The County provides its citizens with a wide range of services including: public safety, human services, culture and recreation development, environmental protection, sanitation, and general government services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are the Harnett County Board of Education, Central Carolina Community College, the Mid-Carolina Council of Governments, and Sandhills Mental Health. This report includes the County’s activities in maintaining these services.

As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The County has one component unit, the Harnett County Industrial Facility and Pollution control Financing Authority, which has no financial transactions or account balances; therefore, it does not appear in the basic financial statements. The Harnett Water and Sewer Districts (the “Districts”) are blended component units of the County, although they are legally separate entities, are in substance, part of the County’s operations. The Districts exist to provide and maintain a water system for the county residents within the districts. Under State law
G.S. 162A-89J, the County's board of commissioners also serves as the governing board for the Districts; therefore, the Districts are reported as enterprise funds in the County's financial statements and do not issue separate financial statements. The County entered into an agreement during the fiscal year 1998, with each existing District that transferred all assets, liabilities (excluding bond indebtedness, loans, and installment notes, along with accrued interest payable), operational rights, and responsibilities to the County. The County agreed to pay the Districts an amount equal to debt service costs for the respective Districts for the duration of the respective bonds, loans, and notes. The County maintains the Districts' assets, provides water and sewer operations and makes payments on outstanding debts on behalf of the respective Districts. Therefore, the County's financial statements reflect the assets and debts in the Harnett County Public Utilities Fund.

The County has 27 schools and a community college (Central Carolina Community College). The County has evaluated its relationship with each of these entities. The school administrative units and the community college are entities independent of the County because County allocations do not constitute a major portion of their revenues, and because the County has no authority to designate their management. These entities are excluded from this report. The notes to the combined financial statements provide a detailed explanation of the County's relationship to each of these entities and the reasons for their exclusion. The reader is referred to the annual financial reports issued by each of these entities.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. As a part of the County's single audit (discussed in more detail in a later paragraph), the independent auditor performed a review of the County's internal control structure. This review was not an audit and no opinion was issued on the County's internal control structure.

**LOCAL ECONOMY**

Harnett County is located in the center of North Carolina, on the Cape Fear River. The County's close proximity to the metropolitan areas of Raleigh, Durham, Chapel Hill and Research Triangle Park (RTP), as well as Fayetteville and Fort Bragg, enhances the profitability for business and industry. The State of North Carolina is divided into seven metropolitan statistical areas (MSA's) and Harnett County is located between two of the seven – Cumberland and Wake County. Harnett County is part of the Research Triangle Regional Partnership, a thirteen-county region, whose primary responsibility is to market the region and attract industry. Interstate 95, located in eastern Harnett County, provides easy north-south access. Interstate 40, located seven miles north of the Harnett County line, provides equally important east-west access. Harnett County is located within three hours of the deep water ports of Wilmington and Morehead City, and the Raleigh-Durham International Airport is located within 45 miles. Thirteen universities, including Duke University in Durham, the University of North Carolina at Chapel Hill and North Carolina State University in Raleigh, are within an hour's drive. These attributes, plus an excellent workforce, make Harnett County an attractive location for industries who are seeking a site for expansion.
Tourism continues to be a key part of Harnett County’s economy. During calendar year 2010, travelers spent $63.36 million in Harnett County, which represents a 5.11% increase over the previous year. The tourism industry generated $5.29 million in state and local taxes. The County offers 13 hotels, over 700 hotel rooms and more than 40 restaurants. Most of these are located in the Dunn area, along the I-95 corridor. Tourism accounts for more than 520 jobs with an annual payroll of $9.07 million.

Campbell University (the “University”), located in Buies Creek, is the second largest private four-year university in North Carolina and is composed of more than 7,000 students representing all 50 states and more than 40 countries. The University is known for its high quality education with low/student teacher ratio and offers professional degrees in law, pharmacology and health sciences, business, education and divinity as well as a wide variety of undergraduate degrees. The Campbell University College of Pharmacy and Health Sciences was established in 1986 as the first new school of pharmacy to open in the United States in 35 years. Since its inception, doctor of pharmacy graduates have maintained an approximate 96 percent passage rate on the North American Pharmacy Licensure Exam developed by the National Association of Boards of Pharmacy. The University’s Norman Adrian Wiggins School of Law at Campbell University has been recognized by the American Bar Association (ABA) as having the nation’s top Professionalism Program and by the American Academy of Trial Lawyers for having the nation’s best Trial Advocacy Program. Campbell Law continued the law school’s tradition of having the highest overall bar passage rate in North Carolina on the July bar exam over the past 25 years. The opening with the Fall 2010 semester of the Physician’s Assistant program enhanced the University’s offerings in health sciences and the planned opening in Fall 2012 of the College of Osteopathic Medicine will greatly enhance medical training in the region and state.

Through its Harnett County campus, Central Carolina Community College (“Central Carolina”) provides courses and programs that directly benefit local industries and businesses and offers customized training to area businesses and industries in a variety of technical and professional areas. These programs are designed to train workers with the essential, specific skills needed for local industry. The growing campus also offers a variety of high tech, public service, health, industrial and engineering programs as well as university transfer. The Harnett County campus is home to the largest Laser and Electro-Optics Technology program between Boston and Florida and is the only such program in the Southeastern United States. The Central Carolina Small Business Center operates three centers in Chatham, Harnett and Lee counties. The centers are divergent in geographic location and service niche and respond to business needs by providing counseling and other valuable services to budding entrepreneurs. They also assist companies with 25 or fewer employees that are already in business, but want to become more successful.
The County continues its efforts to broaden the tax base. The Harnett Forward Together Committee (HFTC), a county-wide volunteer organization, is a group of over 100 businesses and individuals that develop programs and activities to increase economic development in the County. The Harnett County Economic Development Commission, in partnership with the HFTC, has made significant strides during the past year toward attracting new economic activity. Growth in the County's local economy included the following:

- The 250-acre Western Harnett Industrial Park is heavily marketed to defense companies and others desiring a location in proximity to Fort Bragg. High levels of growth along the Hwy 87 corridor encourages many companies to consider the park's location as a viable business site. The 2012 completion of the 421/87 bypass will add connectivity as a key to the parks attractiveness. In 2011 a “virtual,”40,000 square foot building” will aid marketing efforts and with a guaranteed 90 day delivery date, enhanced opportunities for new businesses.

- Central Carolina Community College’s Western Harnett Campus has seen a significant increase in students and program offerings and is nearing capacity.

- HFTC continued to work with Parks and Recreation for the development of West Park to include maintenance and enhancements to trails and a roadway. The Harnett County School system in partnership with Parks and Recreation conducted its annual nature day to school children from across the county.

- The Cape Fear River Park continued as the site of the Town of Erwin’s annual festival and attracted visitors from across the region to the Cape Fear River. The park is part of the over 100-mile-long Cape Fear Paddle Trail that ends in Wilmington and features walking trails, river overlooks, restrooms, a shelter and space for outdoor education, and a canoe/kayak access.

- The newly formed Brightwater non-profit will conduct marketing and sales in the Brightwater Science and Technology Campus as well as the Brightwater Business Park. A partner with HFTC the Brightwater Board of Directors participated in the groundbreaking for the Harnett Health System’s hospital on 20 acres in the park. Grant awards have enable the start of the construction of infrastructure to include roads to serve the park and the hospital. Harnett Health System is slated to open in January 2013. The balance of the park is marketed to commercial as well as industrial prospects by Grubb and Ellis, a renowned commercial real estate firm.

- HFTC/Brightwater has selected a developer for the construction of the Central Carolina Community College facility to enhance training for area students in a variety of medical professions.

- The 19 acre Brightwater Business Park has seen the groundbreaking by First Choice Community Health Center for a 32,000 square foot facility and will soon have East Carolina University’s (ECU) development of a nearly 10,000 square foot facility to train 4th year dental students. One of only seven sites chosen
state-wide the choice by ECU of this site will greatly enhance medical services provided to area residents.

- A number or prospects are currently considering locations in the Campus and the Park. As the hospital and First Choice’s facilities grow so will the desire by others to be located nearby.

Harnett County’s industry base continues to hold study. Industry highlights for the past calendar year include:

- American Defense Systems, Inc. chose a location in Harnett County for its operations. The company has leased two facilities on McKinney Drive.

- Staplcotn leased the facility in Erwin for cotton storage and distribution for another year with an option to buy.

- SAAB Barracuda gained a new Department of Defense contract and has recovered many of the jobs lost as the last contract came to a close.

The Economic Development web site continues to serve as a research and sales tool. On average, during the 2010-2011 fiscal year, there were 372 visitors to the www.harnettedc.org website each week.

LONG-TERM FINANCIAL PLANNING

Harnett County continues to prepare for the future through various initiatives that will enhance the services provided by the County well into the new century. Utilizing policy initiatives, as well as infrastructure improvements, the County is making great strides in many areas. As a demonstration of the County’s commitment to financial planning and fiscal health, unassigned fund balance in the general fund was $11,279,350 or 11.27% of total general fund expenditures and transfers out.

The County’s investment in economic development efforts of the past few years continue to result in new investments in the County by new and existing industry. The County’s continued aggressive approach to economic development is illustrated in current projects as the County responds to the needs associated with being the eighth fastest growing County in the state. These efforts place Harnett County in the forefront of economic development efforts in North Carolina and have prepared our County for investment in a growing economy. Over the next ten years Harnett County’s growth is expected to be 24% surpassed only by growth in Wake and Johnston Counties. It should be noted that this success requires the continued involvement of the County as well as a variety of private and public groups dedicated to its success. The major partner of the County in this regard remains the Harnett Forward Together Committee, which serves as the main focus of the overall development program. The expansion of Highway 87 to a four-lane highway continues to promote more growth in western Harnett County. This expansion, in addition to the growth at Fort Bragg with an estimated 22,000 new persons expected to choose Harnett County as their home will continue the strong growth pattern. 1,000 companies are also expected to choose the area as the United
States Army Forces Command Headquarters and the United States Army Reserve Command begin operation at Fort Bragg in August, 2011. These companies will come first as small office/space users and grow as business grows. Harnett County needs to be able to ensure these companies have choices in the county such as at the 8,600 square foot Spec Building awaiting them at the Western Harnett Industrial Park. Additional public/private efforts will be required to meet the need not only in Western Harnett County but in other areas with access to Fort Bragg and Raleigh.

Assistance to our existing businesses and industries continues through a strong existing industry support program. Annual visits, newsletter, roundtables and an annual golf outing dedicated to industries aids in maintaining a strong bond between companies and the EDC office. These efforts place Harnett County in the forefront of economic development efforts in North Carolina and have prepared our County for investment in a growing economy. Continued growth requires that the County continue developing infrastructure and, at the same time, ensure that the growth experienced by our communities takes place in a planned and positive manner. The capital needs of public education will continue to challenge our community as well as the needs of other services. Additional schools will be required to serve the children coming with the Fort Bragg expansion. It is estimated that this includes two high schools, one middle school and two elementary schools.

During the fiscal year, the County began the following projects:

- **Recreational Trail and Adopt-A-Trail Program** – These projects consist of the preservation of the Dunn Erwin Rail Trail.

Our Public Utilities Department continues work on several capital projects. One new project began during the fiscal year:

- **Wastewater Master Plan Project** – This project authorized the development of a wastewater master plan within the County’s South Central and Southwest Water & Sewer Districts. The plan will estimate the population and flow numbers for ten and twenty year planning period and a thirty year build out condition.

Infrastructure improvements continue throughout the County in response to the growth which the County continues to experience. A map which details the location and size of the waterlines throughout the County can be viewed on the County’s website at [www.harnett.org](http://www.harnett.org) by clicking on Departments, GIS/Land Records and then GIS Map Gallery.

Improvements also continue in a variety of departments and in a variety of service areas. In particular, several ordinances and planning policies continue to be revised and strengthened in an attempt to deal with ongoing development issues and challenges. In addition, efforts continue in the preparation for the relocation of troops to our area as a result of the BRAC process. Finally, in regards to overall public service, departments continue to strive to improve the level of service provided our citizens. As a result, Harnett County Government has become a model for other counties in our State. This recognition, as well as the enhanced services we provide our citizens, is the result of these efforts and the dedication of our employees.
FINANCIAL INFORMATION

The North Carolina Local Government Budget and Fiscal Control Act govern all local governments and their agencies in North Carolina. The budget is an integral part of a unit's accounting system and daily operations and the County's budgets are adopted as required by the North Carolina General Statutes by July 1 of each year. Formal budgetary accounting is employed as a management control for all funds of the County. Annual budget ordinances are adopted each fiscal year, and amended as required, for the General Fund, all debt service funds, all special revenue funds and for the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the capital project funds. In accordance with State law, the County's budget is prepared on the modified accrual basis, and its accounting records are maintained on that basis. Under modified accrual accounting, revenues are recorded when measurable and available. Expenditures are recorded when a fund liability is incurred, except for unmatured principal and interest on long-term debt and certain compensated absences. Governmental Fund Types, such as the County's General Fund, Special Revenue Funds and Capital Project Funds are reported on the modified accrual basis in the financial statements. The County's Trust and Agency Funds are reported on the accrual basis to recognize receivables and payables. The County's Enterprise funds are reported on the full accrual basis in the financial statements, under which revenues are recorded when earned and expenses are recorded when incurred.

For internal accounting purposes, budgetary control is maintained on a specific line-item basis by the use of an encumbrance system. As purchase orders are issued, corresponding appropriations are reserved for later payment. If an over-encumbrance of balances would result, purchase orders are not written until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at June 30, 2011.

The legal level of control over expenditures is at the department level for the General Fund, Special Revenue funds, and Enterprise funds. The balances in the Capital Reserve Funds will be appropriated when transferred to the General Fund or their respective capital project funds. The County Manager is authorized by the budget ordinance to transfer amounts between line item expenditures within a department without limitation with an official report on such transfers at the next regular meeting of the board of commissioners. These changes should not result in changes in recurring obligations such as salaries. The manager may not transfer amounts between departments of the same fund or transfer amounts between funds or from any contingency appropriation within a fund. All other transfers, as well as any revisions that alter the total expenditures of any fund, require prior approval by the board of commissioners. County management is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, (2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.
The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The County is self insured for workers compensation up to $600,000 per loss and excess coverage is through Safety National with limits in accordance with current North Carolina workers compensation statutes. Safety National also provides employers liability with limits of $1,000,000. The County also carries flood insurance through the National Flood Insurance Plan and is also eligible and has purchased commercial flood insurance. Additional information on the County's risk management can be found in Note 8 in the notes to the financial statement.

AWARDS AND ACKNOWLEDGMENTS

Harnett County intends to submit this report to the Government Finance Officers Association ("GFOA") for its Certificate of Achievement for Excellence in Financial Reporting Program. This program recognizes governmental units that publish easily read and efficiently organized Comprehensive Annual Financial Reports that conform to program standards. A Certificate of Achievement is the highest form of recognition awarded in the field of government financial reporting. The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to Harnett County for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the nineteenth consecutive year that the County has received this prestigious award.

Preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Finance Department. Each member of the Finance Department has my sincere appreciation for their contributions. I would also like to thank the members of the Board of Commissioners and the County Manager for their continued support throughout the past year.

Respectfully submitted,

Sylvia S. Blinson

Sylvia S. Blinson, CLGFO  
Finance Officer
Certificate of Achievement for Excellence in Financial Reporting

Presented to

Harnett County
North Carolina

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Linda C. Davidson
President

Jeffrey L. Everhart
Executive Director
HARNETT COUNTY, NORTH CAROLINA
Board of County Commissioners

Beatrice B. Hill
Vice-Chairman

Daniel B. Andrews

Timothy B. McNeill
Chairman

James A. Burgin

Gary A. House

County Officers

Scott T. Sauer, County Manager
Sylvia S. Blinson, County Finance Officer
William T. Wilder, Deputy County Manager / Tax Administrator
Kimberly A. Honeycutt, Finance & Budget Analyst

Larry Rollins
Sheriff

Kimberly S. Hargrove
Register of Deeds

Dwight Snow
County Attorney

Harnett
COUNTY
NORTH CAROLINA

Walter A. Massey
Chairman
Board of Elections

Bain & McRae
Public Utilities Attorney
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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Harnett County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Harnett County, North Carolina, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Harnett County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Harnett County, North Carolina, as of June 30, 2011, the respective changes in financial position and cash flows, where appropriate thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 12, 2011, on our consideration of Harnett County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit prepared in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance and the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Our audit was performed for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements of Harnett County, North Carolina, as a whole. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, budget and actual schedules, supplemental and ad valorem tax schedules are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and; accordingly, we express no opinion on them.

Martin Starnes & Associates, CPAs, P.A.
October 12, 2011
Management's Discussion and Analysis

As management of Harnett County, we offer readers of Harnett County's financial statements this narrative overview and analysis of the financial activities of Harnett County for the fiscal year ended June 30, 2011. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets of Harnett County exceeded its liabilities at the close of the fiscal year by $205,072,504 (net assets).
- The government's total net assets increased by $51,662,646. This increase was due to charges for water and sewer services and capital contributions for the business-type activities and projects.
- In accordance with North Carolina law, liabilities of the County include approximately $95.9 million in long-term debt associated with assets belonging to the Harnett County Board of Education and Central Carolina Community College. As these assets are not reflected in the County's financial statements and the full amount of the long-term debt is reflected in the County's financial statements, the County reports a corresponding lower net asset amount.
- As of the close of the current fiscal year, Harnett County's governmental funds reported combined ending fund balances of $24,747,155, a decrease of $3,306,235 in comparison with the prior year. Approximately 56.88% of this total amount, or $14,075,407, is unassigned fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $11,279,350 or 11.31% of total General Fund expenditures for the fiscal year.
- Harnett County's long-term obligations decreased by $32,229,988 (15%) during the current fiscal year. This decrease was the result of payments on the outstanding principal, a refinancing of the 2000 Certificates of Participation and Angier Elementary debt, and the defeasance of enterprise revenue bonds.
- Harnett County held A3 and A+ bond ratings for Certificates of Participation, A2 and AA- ratings for Issuer Ratings and A2 and AA-ratings for Revenue Bonds as assigned by Moody's and Standard & Poor's, respectively.
Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Harnett County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Harnett County.

Required Components of Annual Financial Report

Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the Government-Wide Financial Statements. They provide both short and long-term information about the County's financial status.
The next statements (Exhibits C through J) are Fund Financial Statements. These statements focus on the activities of the individual parts of the County’s government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements. The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the County’s nonmajor governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County’s finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County’s financial status as a whole.

The two government-wide statements report the County’s net assets and how they have changed. Net assets are the difference between the County’s total assets and total liabilities. Measuring net assets is one way to gage the County’s financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the County’s basic services, such as general government, public safety, environmental protection, transportation, economic and physical development, human services, cultural and recreational, and education. Property taxes and federal and State grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and solid waste services offered by Harnett County.

The government-wide financial statements are on pages 21-23 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County’s most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Harnett County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General
Statutes or the County's budget ordinance. All of the funds of Harnett County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Harnett County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the statement of revenues, expenditures and changes in fund balances. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds.** Harnett County has one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Harnett County uses enterprise funds to account for its water and sewer activity and for its solid waste management fund. This fund is the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

**Agency Funds.** Agency funds are used to account for assets the County holds on behalf of others. The County has four agency funds.
Internal Service Funds. The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, on a cost-reimbursement basis. The County has two internal service funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 33 through 76 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Harnett County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 77 of this report.

Government-Wide Financial Analysis

Harnett County is in its ninth year of financial reporting based on the requirements of GASB Statement 34. Effective with fiscal year 2004, all units of government across the United States were required to comply with this accounting standard. Prior to fiscal year 2003, Harnett County maintained their governmental and proprietary fund groups as two separate and very distinct types of accounting without any type of consolidated statement that accurately reflected the operations and net assets of the government as a whole. There was a total column that appeared on the financial statements, but it was a memorandum total only. No attempt was made to adjust the statements in such a way that the total column would represent the overall financial condition of Harnett County. These statements were basically the equivalent of the fund financial statements that appear in this report with fiduciary funds and two account groups, the long-term debt and the general fixed assets, added in.

As noted earlier, net assets may serve over time as one useful indicator of a government’s financial condition. The assets of Harnett County exceeded liabilities by $208,426,754 as of June 30, 2011. The County's net assets increased by $55,016,896 for the fiscal year ended June 30, 2011.

The largest portion totaling $268,487,198 reflects the County’s investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Harnett County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Harnett County’s investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.
## Harnett County’s Net Assets

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>2011</td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$15,562,928</td>
<td>$12,942,677</td>
<td>$7,559,431</td>
</tr>
<tr>
<td>Taxes receivable, net</td>
<td>$1,619,374</td>
<td>$1,690,284</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$8,381,941</td>
<td>$4,532,276</td>
<td>$12,451,304</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>$1,402,866</td>
<td>$4,240,578</td>
<td>$51,087</td>
</tr>
<tr>
<td>Internal balance</td>
<td>$102,733</td>
<td>$254,037</td>
<td>$(102,733)</td>
</tr>
<tr>
<td>Bond issue costs, net</td>
<td>$1,552,589</td>
<td>$826,082</td>
<td>$1,858,377</td>
</tr>
<tr>
<td>Inventories</td>
<td>$18,771</td>
<td>$27,706</td>
<td>$509,112</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>$33,500</td>
<td>$32,500</td>
<td>$96,630</td>
</tr>
<tr>
<td>Restricted assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,796,931</td>
<td>$9,766,201</td>
<td>$1,792,193</td>
</tr>
<tr>
<td>Capital assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and construction in progress</td>
<td>$28,033,964</td>
<td>$27,973,213</td>
<td>$137,589,348</td>
</tr>
<tr>
<td>Other capital assets, net</td>
<td>$40,270,283</td>
<td>$42,301,676</td>
<td>$153,544,411</td>
</tr>
<tr>
<td>Total assets</td>
<td>$101,775,998</td>
<td>$104,619,230</td>
<td>$315,559,160</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$3,200,636</td>
<td>$2,476,258</td>
<td>$4,352,149</td>
</tr>
<tr>
<td>Claims payable - current</td>
<td>-</td>
<td>$547,750</td>
<td>-</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>-</td>
<td>-</td>
<td>$1,481,829</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>$251,937</td>
<td>$305,630</td>
<td>$113,520</td>
</tr>
<tr>
<td>Current portion of compensated absences</td>
<td>$1,324,024</td>
<td>$1,202,896</td>
<td>$488,938</td>
</tr>
<tr>
<td>Claims payable - current</td>
<td>$386,836</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long-term liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current portion of compensated absences</td>
<td>$1,106,762</td>
<td>$1,079,425</td>
<td>$74,199</td>
</tr>
<tr>
<td>Claims payable - non-current</td>
<td>$1,371,511</td>
<td>$1,972,877</td>
<td>-</td>
</tr>
<tr>
<td>Due in less than one year</td>
<td>$7,195,674</td>
<td>$6,831,472</td>
<td>$4,533,523</td>
</tr>
<tr>
<td>Due in more than one year</td>
<td>$125,911,152</td>
<td>$130,892,812</td>
<td>$60,269,964</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$140,748,532</td>
<td>$145,309,120</td>
<td>$71,314,122</td>
</tr>
</tbody>
</table>

| **Net Assets**       |                        |                          |                         |        |        |      |
| Capital assets, net of related debt | $36,054,811      | $35,370,124              | $229,078,137            | $179,931,416 | $265,132,948 | $216,301,540 |
| Restricted           | $14,023,136          | $8,050,468               | -                       | -      | $14,023,136 | $8,050,468 |
| Unrestricted         | $(89,050,481)         | $(85,110,482)            | $14,866,901             | $14,168,332 | $(74,083,580) | $(70,942,150) |
| Total net assets     | $(38,972,534)         | $(40,688,890)            | $244,045,038            | $194,099,748 | $205,072,504 | $153,406,888 |

As with many counties in the State of North Carolina, the County’s unrestricted net assets, is low or negative due primarily to the portion of the County’s outstanding debt incurred for the County Board of Education (the “school system”) and Central Carolina Community College (CCCC). Under North Carolina law, the County is responsible for providing capital funding for the school systems. The County has chosen to meet its legal obligation to provide the school systems capital funding by using a mixture of County funds. The assets funded by the County, however, are owned and utilized by the school systems. Since the County, as the issuing government, acquires no capital
assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately $95.9 million of the outstanding debt on the County’s financial statements was related to assets included in the school systems’ financial statements. However, the school system’s related debt is installment purchases financed by the governmental funds and are repaid from the resources of the General Fund. Accordingly, the County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year which they become due.

Several particular aspects of the County’s financial operations influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes achieved a collection percentage of 97.64%, which is slightly above the 2010 statewide average of 97.18% for the County’s population group.

- Continued low cost of debt due to the County’s high bond rating.

- Accounts receivable for the Governmental Activities increased due to an increase in revenue for the Health and Social Services Departments, grant revenue for various programs and due to an increase in receivables associated with Ambulance services.

- Bond issuance cost increased for the Governmental Activities due to the refinancing of debt associated with the 2000 COPS and Angier Elementary School.

- Cash and cash equivalents decreased for the business-type activities due to the use of bond proceeds associated with various projects and the transfer of funds from Public Utilities to various projects to cover expenditures until reimbursements could be received from outside agencies.

- Accounts receivable for the business-type activities increased $7.6 million from the prior year due to an increase in the receivables for the projects.

- Capital assets increased for business-type activities as a result of the number of on-going construction projects.
## Harnett County Changes in Net Assets

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th></th>
<th>Business-Type Activities</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$15,772,381</td>
<td>$24,204,276</td>
<td>$32,131,804</td>
<td>$28,700,289</td>
<td>$47,904,185</td>
<td>$52,904,565</td>
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<tr>
<td>Operating grants and contribution</td>
<td>21,832,214</td>
<td>23,338,312</td>
<td>-</td>
<td>-</td>
<td>$21,832,214</td>
<td>23,338,312</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>266,131</td>
<td>681,254</td>
<td>57,597,723</td>
<td>34,097,559</td>
<td>57,863,854</td>
<td>34,778,813</td>
</tr>
<tr>
<td><strong>General revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Property taxes</td>
<td>56,366,267</td>
<td>56,560,748</td>
<td>-</td>
<td>-</td>
<td>56,366,267</td>
<td>56,560,748</td>
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<tr>
<td>North Carolina sales tax</td>
<td>12,288,772</td>
<td>12,367,175</td>
<td>-</td>
<td>-</td>
<td>12,288,772</td>
<td>12,367,175</td>
</tr>
<tr>
<td>Other taxes</td>
<td>1,899,527</td>
<td>1,844,610</td>
<td>264,145</td>
<td>210,121</td>
<td>2,163,672</td>
<td>2,054,731</td>
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<tr>
<td>Unrestricted intergovernmental</td>
<td>125,845</td>
<td>70,413</td>
<td>-</td>
<td>-</td>
<td>125,845</td>
<td>70,413</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>33,012</td>
<td>91,358</td>
<td>12,585</td>
<td>25,173</td>
<td>45,597</td>
<td>116,531</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>108,584,149</td>
<td>119,158,146</td>
<td>90,006,257</td>
<td>63,033,142</td>
<td>198,590,406</td>
<td>182,191,288</td>
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<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>14,722,157</td>
<td>47,059,620</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public safety</td>
<td>30,533,501</td>
<td>28,952,326</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Environmental Protection</td>
<td>165,460</td>
<td>193,652</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transportation</td>
<td>657,369</td>
<td>637,306</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Economic and physical development</td>
<td>6,019,831</td>
<td>6,388,625</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Human services</td>
<td>25,417,133</td>
<td>25,401,052</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cultural and recreation</td>
<td>1,616,686</td>
<td>1,678,221</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Education</td>
<td>22,239,671</td>
<td>22,701,055</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>5,969,986</td>
<td>5,975,587</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Landfill</td>
<td>-</td>
<td>-</td>
<td>4,266,203</td>
<td>4,006,639</td>
<td>4,266,203</td>
<td>4,006,639</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>107,341,794</td>
<td>138,987,444</td>
<td>39,585,966</td>
<td>24,524,240</td>
<td>146,927,760</td>
<td>163,511,684</td>
</tr>
<tr>
<td><strong>Increase in net assets before transfers</strong></td>
<td>1,242,355</td>
<td>(19,829,298)</td>
<td>50,420,291</td>
<td>38,508,902</td>
<td>51,662,646</td>
<td>18,679,604</td>
</tr>
<tr>
<td><strong>Transfers</strong></td>
<td>475,001</td>
<td>423,125</td>
<td>(475,001)</td>
<td>(423,125)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Increase/(decrease) in net assets</strong></td>
<td>1,717,356</td>
<td>(19,406,173)</td>
<td>49,945,290</td>
<td>38,085,777</td>
<td>51,662,646</td>
<td>18,679,604</td>
</tr>
<tr>
<td><strong>Net assets, July 1</strong></td>
<td>(40,689,890)</td>
<td>(19,078,479)</td>
<td>194,099,748</td>
<td>156,013,971</td>
<td>153,409,858</td>
<td>153,409,858</td>
</tr>
<tr>
<td>Prior period adjustment</td>
<td>-</td>
<td>(2,205,238)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,205,238)</td>
</tr>
<tr>
<td><strong>Beginning of year - adjusted</strong></td>
<td>(40,689,890)</td>
<td>(21,283,717)</td>
<td>194,099,748</td>
<td>156,013,971</td>
<td>153,409,858</td>
<td>151,204,620</td>
</tr>
<tr>
<td><strong>Net assets, June 30</strong></td>
<td>$ (38,972,534)</td>
<td>$ (40,689,890)</td>
<td>$ 244,045,038</td>
<td>$ 194,099,748</td>
<td>$ 205,072,504</td>
<td>$ 169,884,224</td>
</tr>
</tbody>
</table>
Governmental Activities. Governmental activities increased the County's net assets by $1,717,356. Key elements of this increase are as follows:

- The most significant change in the governmental activities net assets over the prior fiscal year was the expenses reported for General Government which decreased $32,131,997 or 68%. This decrease was due to costs associated with the County’s Internal Service Fund and Capital Projects. The activity for the Capital Projects included the Transportation Facility Design Project, Barbeque Creek Park Capital Project as well as projects for the Overhills Elementary School, Boone Trail Elementary, Harnett Central High School, Johnsonville Elementary, Highland Elementary School Gym, and Angier Elementary School. The County is self-insured for Workers' Compensation and Group Insurance. For fiscal year 2010–2011, the County moved from self-insurance to fully insured for group coverage. The amounts remaining in the Self-Insurance Fund are for the payment of remaining claims that had been incurred, but not reported in the 2010 fiscal year.

- Under General Revenues, North Carolina Sales Tax decreased $78,403 or .60%. This slight decrease was due to the continued declining economy. Additionally, as a result of the Medicaid Swap, the County was responsible for holding the Board of Education and the Town's harmless.

- Unrestricted intergovernmental revenues increased $55,432, or 79%, due to increased in the receipt of asset forfeiture funds.

- Investment earnings decreased $58,346, or 64%. Much of this decrease was due to the reduction of cash on deposit with escrow agents for various capital projects and the decrease in the interest yield.

- Another area of governmental activity which saw an increase in expenditures was for Public Safety, which increased $1,581,175, or 5.46%. The most significant area of change was for the Sheriff and Jail due to costs associated with the housing of Federal Inmates and general operating expenses as the inmate population increased. The Emergency Management, Emergency Medical Services, and Emergency Medical Transport experienced large increase due to the number of emergency calls and transports.
Business-Type Activities. Business-type activities increased Harnett County’s net assets by $49,945,290. Key elements of this increase are as follows:

- Charges for services increased $3,431,515, or 11.96%, due to an increase in fees, the number of service connections, and customer activity. The daily average treatment of water increased from 10,998,199 gallons to 13,293,948, the number of water service connections increased from 40,575 to 41,241 and the number of sewer connections increased from 9,523 to 10,072.

- Capital Grants and Contributions increased 68.92% from $34,097,559 to $57,597,723. The revenue reported in this category is associated with various projects which are currently underway in the Public Utilities Department. The Fort Bragg Water Supply and Wastewater Treatment Project consists of the 8 mgd expansion of the Harnett County Regional Water Treatment Plant, the design of an 8 mgd expansion to the currently designed South Harnett Regional Wastewater Treatment Plant, and the installation of waterlines and wastewater force main to serve Fort Bragg. The project also consists of the interim operations of the existing water and wastewater treatment plants located on Fort Bragg until these construction improvements are made. The Water Plant Expansion Project consists of the construction of an 18 mgd expansion of the Harnett Regional Treatment Plant which will bring the total water treatment capacity of the plant to 36 million gallons per day. Several local governments are purchasing capacity in the plant.

- Water and sewer expenditures increased 72% from $20,517,601 to $35,319,763 over the prior year for salaries, chemicals, utilities, and treatment cost associated with the increase in water and sewer sales. This increase was also due to the increased number of facilities to maintain and the increase in equipment volume which required higher maintenance and repair costs.
Financial Analysis of the County’s Funds

As noted earlier, Harnett County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of Harnett County’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Harnett County’s financing requirements. Specifically, available fund balance can be a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Harnett County. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $11,279,350, while total fund balance was $18,679,151, an increase of 13.59%. A portion of this increase was the result of the continued diligence in the collection of property taxes, an increase in the receipt of asset forfeiture funds, a 6.3% increase in permits and fees, and a 23.5% increase in ambulance fees. This increase in fund balance was also due largely to departmental cutbacks in operating materials and supplies and the freezing of vacant positions. The staggering economy greatly impacted local sales as well as the construction of new homes. Although the economy has impacted the entire State, the County is experiencing a significant population growth with the expanding number of school-aged children enrolling in Harnett County. Additionally, this added growth has placed demands on County services such as public safety, law enforcement and emergency services. The Governing Body of Harnett County has determined that the County should maintain an available fund balance of 15% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 11.3% of General Fund expenditures, while total fund balance represents 18.7% of that same amount. The County continues to take corrective action to increase the percentage of fund balance to 15% of General Fund expenditures.

At June 30, 2011, the governmental funds of Harnett County reported a combined fund balance of $24,747,155, a 13.36% decrease over last year. Approximately 41.73% of this total amount ($10,329,332) constitutes unassigned fund balance, which is available for spending at the government’s decision. The primary reason for this decrease was in the fund balances for Other Governmental Funds due to the spending of capital funding on several school construction projects.

**Proprietary Funds.** Harnett County’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Solid Waste Fund at the end of the fiscal year amounted to $(1,675,455), and those for the Water and Sewer Fund equaled
$16,745,090. The total growth in net assets for both funds was ($63,020) and $49,857,006, respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of Harnett County's business-type activities.

**General Fund Budgetary Highlights.** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by $2,658,843 and expenditures by $3,365,416, a material amount. Following are the main components of this increase:

- **$2,104,975** supplemental appropriations for restricted intergovernmental revenues, an increase of 10.81% to reflect federal and State grants for the Health, Cooperative Extension, Sheriff, and Emergency Management Departments which were either awarded for the fiscal year or adjusted from the original budget ordinance once final grant funding confirmations were received. During the budget process, the County budgets a portion of the grant program revenues (normally three months) pending final confirmation or denial by the grantor. Once a grant amount is confirmed by the funding agency, the budget is adjusted to reflect the final award.

- **$129,163** supplemental appropriations for sales and services to reflect an increase in transportation and ambulance activities.

- **$388,765** supplemental appropriations for other general revenues were due to contributions from Wake Medical for the Bioterrorism and Emergency Management programs, the receipt of insurance proceeds, an increase in the funds received for Cooperative Extension Programs and the number of donations received by various departments.

- **$251,621** supplemental appropriations for General Government due to an increase in funds needed for professional services for the Governing Body and Legal Services Departments and for maintenance and repairs for County vehicles in the General Services Department.

- **$742,920** supplemental appropriations for Public Safety for the Sheriff and Jail due to costs associated with the housing of Federal Inmates and general operating expenses as the inmate population increased. The Emergency Management, Emergency Medical Services, and Emergency Medical Transport experienced a large increase due to the number of emergency calls and transports. This category also received funds for various Edward Byrne Justice grants.
• $724,642 supplemental appropriations for Economic and Physical Development expenditures due largely to the receipt of various grants for Cooperative Extension. During the budget process, the County generally budgets a portion of grant program expenditures pending final confirmation or denial by the grantor. Once a grant amount is confirmed by the funding agency, the budget is adjusted to reflect the final award.

• $1,570,007 supplemental appropriations for Human Services were to adjust for Public Assistance Programs, such as Crisis Intervention and Foster Care, and to budget for various Health Department programs funded by grants and contributions.

Capital Asset and Debt Administration

Capital Assets. Harnett County’s investment in capital assets for its governmental and business-type activities as of June 30, 2011 totals $359,438,006 (net of accumulated depreciation). These assets include buildings, land, construction in progress, land improvements, furniture, computer hardware, computer software, fixtures, machinery and equipment, park facilities, vehicles, plant distribution, and collection systems.

Major capital asset transactions during the year include:

• Purchased computers and software for various departments in the County

• Replaced wrecked vehicles for the Sheriff and Emergency Services departments

• Addition of construction in progress on Water and Sewer plant facilities and Airport construction projects

• Addition of several contributed water lines
Harnett County Capital Assets

Additional information on the County's capital assets can be found in Note 6 of the Basic Financial Statements.

Long-Term Debt. At the end of the current fiscal year, Harnett County had total debt outstanding in the amount of $188,565,359. Of this amount, $23,013,000 represents general obligation bonds issued by the County's water and sewer districts to fund the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. At June 30, 2011, the County's outstanding debt consisted of:

Harnett County Outstanding Debt

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th></th>
<th>Business-Type Activities</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installment purchase</td>
<td>$126,224,456</td>
<td>$131,924,020</td>
<td>$6,858,850</td>
<td>$7,920,747</td>
<td>$133,083,306</td>
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<tr>
<td>General obligation bonds</td>
<td></td>
<td></td>
<td>23,013,000</td>
<td>23,805,000</td>
<td>23,013,000</td>
</tr>
<tr>
<td>Capitalized leases</td>
<td>299,773</td>
<td>498,504</td>
<td></td>
<td></td>
<td>299,773</td>
</tr>
<tr>
<td>Revenue bonds</td>
<td>13,350,000</td>
<td>39,895,000</td>
<td></td>
<td></td>
<td>13,350,000</td>
</tr>
<tr>
<td>State bond loan</td>
<td>18,819,280</td>
<td>16,752,076</td>
<td></td>
<td></td>
<td>18,819,280</td>
</tr>
</tbody>
</table>

Harnett County's total debt decreased by $32,229,988 (15%) during the past fiscal year, primarily due to the payment of the debt, the refinancing of the 2000 Certificates of Participation, Angier Elementary debt, and the defeasance of the 2008 Enterprise Fund revenue bonds.

As mentioned in the financial highlights section of this document, Harnett County held A3 and A+ bond ratings for Certificates of Participation, A2 and AA- ratings for Issuer Ratings, and A2 and AA- ratings for Revenue Bonds as assigned by Moody's and Standard & Poor's, respectively. These bond ratings are a clear indication of the sound financial condition of Harnett County.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Harnett County is $412,594,583. The County has $24,556,000 in bonds authorized, but unissued, at June 30, 2011.

Additional information regarding Harnett County's long-term debt can be found in Notes 9 and 10 beginning on page 54 of this report.
Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the County.

- The unemployment rate for Harnett County for the fiscal year ending June 30, 2011 was 11.8%, which is an increase from a rate of 10.80% a year ago. Compared to the State average of 10.42% for the same period, the County is only slightly above the State average.

- The Research Triangle Park region is noted for development of biotechnology and science clusters as a successful model, which for Harnett County, reinforces the efforts of the Harnett Forward Together Committee and its investment in the Brightwater Science and Technology Campus. Beyond the launching of the hospital project, Harnett County's support for the cooperative development of an Allied Health facility, with training capacity for Campbell University and Central Carolina University, will encourage private clinical research organizations to invest in the human capital and training needs of our regions. Harnett County has planned well and is prepared for both population growth and the infrastructure to support business expansion and investment.

Budget Highlights for the Fiscal Year Ending June 30, 2012

Governmental Activities. Property taxes and revenues from sales and services are expected to lead the increase in revenue projections, and the County will use these increases to finance programs currently in place. Harnett County continually evaluates property on a yearly basis. The County's continued aggressive tax collection effort provides an analysis of future income.

Expenditures in the General Fund have been budgeted at $98,933,436 and include amounts appropriated for Interfund transfers and debt service. The budget decreased $7,962,749 over the fiscal year ended 2011 budget. In response to the slowing economy and a decrease in sales tax, the County implemented steps to continue to minimize spending. In an effort to reduce expenditures and replenish the County's fund balance, dramatic cuts were made across all departments and positions were cut and vacant positions were frozen. Additionally, the adopted Fiscal Year 2012 budget did not appropriate any fund balance, a decrease from the fiscal year ended appropriation of $5,454,100.

Business-Type Activities. The water and sewer rates for the 2011-2012 fiscal year increased over the prior year. The rates for landfill services did not increase for the 2011-2012 fiscal year. Expenditures for Public Utilities and Solid Waste for the fiscal year have been budgeted at $23,530,366 and $4,216,641, respectively. These budgeted expenditures will cover personnel, supplies and operating costs associated with the increasing demand for utility and landfill services due to growth.
Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Harnett County, P.O. Box 760 102 East Front Street Lillington, North Carolina 27546.
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.
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HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
JUNE 30, 2011

<table>
<thead>
<tr>
<th>Primary Government</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 15,562,928</td>
<td>$ 7,569,431</td>
<td>$ 23,132,359</td>
</tr>
<tr>
<td>Taxes receivable, net</td>
<td>1,619,374</td>
<td>-</td>
<td>1,619,374</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>8,381,939</td>
<td>12,451,304</td>
<td>20,833,243</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>1,402,986</td>
<td>51,087</td>
<td>1,454,073</td>
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<tr>
<td>Internal balance</td>
<td>102,733</td>
<td>(102,733)</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>18,771</td>
<td>509,112</td>
<td>527,883</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>33,500</td>
<td>96,630</td>
<td>130,130</td>
</tr>
<tr>
<td>Bond issuance</td>
<td>1,552,589</td>
<td>1,858,377</td>
<td>3,410,966</td>
</tr>
<tr>
<td>Restricted assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4,796,311</td>
<td>1,792,193</td>
<td>6,589,124</td>
</tr>
<tr>
<td>Capital assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and construction in progress</td>
<td>28,033,964</td>
<td>137,589,348</td>
<td>165,623,312</td>
</tr>
<tr>
<td>Other capital assets, net</td>
<td>40,270,283</td>
<td>153,544,411</td>
<td>193,814,694</td>
</tr>
<tr>
<td>Total assets</td>
<td>101,775,998</td>
<td>315,359,160</td>
<td>417,135,158</td>
</tr>
</tbody>
</table>

| Liabilities:       |                         |                          |       |
| Current liabilities: |                         |                          |       |
| Accounts payable | 3,200,636             | 4,352,149              | 7,552,785        |
| Customer deposits | -                      | 1,481,829              | 1,481,829        |
| Unearned revenues | 251,937               | 113,520                | 365,457        |
| Current portion of compensated absences | 1,324,024           | 488,938               | 1,812,962        |
| Claims payable current | 386,836             | -                      | 386,836        |
| Long-term liabilities: |                         |                          |       |
| Non-current portion of compensated absences | 1,106,762           | 74,199                 | 1,180,961        |
| Claims payable, non-current | 1,371,511           | -                      | 1,371,511        |
| Due within one year | 7,195,674            | 4,533,523              | 11,729,197       |
| Due in more than one year | 125,911,152        | 60,269,964             | 186,181,116       |
| Total liabilities | 140,746,532          | 71,314,122             | 212,060,654       |

| Net Assets:       |                         |                          |       |
| Invested in capital assets, net of related debt | 36,054,811            | 229,078,137            | 265,132,948       |
| Restricted for:   |                         |                          |       |
| Stabilization for State Statute | 7,855,533            | -                      | 7,855,533        |
| Register of Deeds | 137,532              | -                      | 137,532        |
| Education | 4,371,719            | -                      | 4,371,719        |
| Public safety | 1,656,322            | -                      | 1,656,322        |
| Memorials | 2,030               | -                      | 2,030        |
| Unrestricted | (89,050,481)         | 14,966,901             | (74,083,580)       |
| Total net assets | $ (38,972,534) | $ 244,045,038 | $ 205,072,504 |

The accompanying notes an integral part of the financial statements.
HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

| Functions/Programs: | Program Revenues | |
|---------------------|-----------------|-----------------|-----------------|-----------------|
|                     | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| **Governmental Activities:** | | | | |
| General government | $ 14,722,157 | $ 3,202,817 | $ 999,908 | $ 159,603 |
| Public safety | 30,533,501 | 8,361,070 | 1,904,951 | - |
| Transportation | 657,369 | 328,194 | 594,844 | - |
| Environmental protection | 165,460 | - | 15,502 | - |
| Economic and physical development | 6,019,831 | 22,128 | 704,113 | 103,114 |
| Human services | 25,417,133 | 3,812,310 | 15,099,811 | - |
| Cultural and recreational | 1,616,686 | 45,862 | 196,413 | 3,414 |
| Education | 22,239,671 | - | 2,316,672 | - |
| Interest on long-term debt | 5,969,986 | - | - | - |
| **Total governmental activities** | $107,341,794 | 15,772,381 | 21,832,214 | 266,131 |

| **Business-Type Activities:** | |
| Water and sewer | 35,319,763 | 28,170,862 | - | 57,597,723 |
| Solid waste | 4,266,203 | 3,960,942 | - | - |
| **Total business-type activities** | 39,585,966 | 32,131,804 | - | 57,597,723 |

| **Total primary government** | $146,927,760 | $47,904,185 | $21,832,214 | $57,863,854 |

**General Revenues:**
- Ad valorem taxes
- Local option sales tax
- Other taxes and licenses
- Unrestricted intergovernmental revenues
- Interest earned on investments, unrestricted
- Total general revenues

**Transfers**
- Total general revenues and transfers

**Net Assets:**
- Beginning of year - July 1
- End of year - June 30

The accompanying notes are an integral part of the financial statements.
Exhibit B

<table>
<thead>
<tr>
<th>Net (Expense) Revenue and Changes in Net Assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Primary Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Governmental Activities</td>
<td>Business-Type Activities</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$(10,359,829)</td>
<td>$</td>
<td>-</td>
<td>$(10,359,829)</td>
</tr>
<tr>
<td>(20,267,480)</td>
<td>-</td>
<td>(20,267,480)</td>
<td></td>
</tr>
<tr>
<td>265,669</td>
<td>-</td>
<td>265,669</td>
<td></td>
</tr>
<tr>
<td>(149,958)</td>
<td>-</td>
<td>(149,958)</td>
<td></td>
</tr>
<tr>
<td>(5,190,476)</td>
<td>-</td>
<td>(5,190,476)</td>
<td></td>
</tr>
<tr>
<td>(6,505,012)</td>
<td>-</td>
<td>(6,505,012)</td>
<td></td>
</tr>
<tr>
<td>(1,370,997)</td>
<td>-</td>
<td>(1,370,997)</td>
<td></td>
</tr>
<tr>
<td>(19,922,999)</td>
<td>-</td>
<td>(19,922,999)</td>
<td></td>
</tr>
<tr>
<td>(5,969,986)</td>
<td>-</td>
<td>(5,969,986)</td>
<td></td>
</tr>
<tr>
<td>(69,471,068)</td>
<td>-</td>
<td>(69,471,068)</td>
<td></td>
</tr>
</tbody>
</table>

|                                               |        |       |       |
|                                               | 50,448,822 |       | 50,448,822 |
|                                               |         | (305,261) | (305,261) |
|                                               |         | 50,143,561 | 50,143,561 |
|                                               | (69,471,068) | 50,143,561 | (19,327,507) |

|                                               |        |       |       |
| 56,366,267 |       | 56,366,267 |       |
| 12,288,772 |       | 12,288,772 |       |
| 1,899,527  | 264,145 | 2,163,672 |       |
| 125,845    |       | 125,845 |       |
| 33,012     | 12,585  | 45,597 |       |
| 70,713,423 | 276,730 | 70,990,153 |       |
| 475,001    |       | (475,001) |       |
| 71,188,424 | (198,271) | 70,990,153 |       |
| 1,717,356  | 49,945,290 | 51,662,646 |       |

|                                               | (40,689,890) | 194,099,748 | 153,409,858 |

|                                               | $ (38,972,534) | $ 244,045,038 | $ 205,072,504 |

The accompanying notes are an integral part of the financial statements.
HARNETT COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011

<table>
<thead>
<tr>
<th>Assets:</th>
<th>General</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$ 12,928,004</td>
<td>$ 2,071,533</td>
<td>$ 14,999,537</td>
</tr>
<tr>
<td>Taxes receivable, net</td>
<td>1,485,582</td>
<td>133,792</td>
<td>1,619,374</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>7,873,936</td>
<td>508,003</td>
<td>8,381,939</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>76,058</td>
<td>-</td>
<td>76,058</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>1,402,986</td>
<td>-</td>
<td>1,402,986</td>
</tr>
<tr>
<td>Inventories</td>
<td>18,771</td>
<td>-</td>
<td>18,771</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>33,500</td>
<td>-</td>
<td>33,500</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>7,482</td>
<td>4,789,449</td>
<td>4,796,931</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 23,826,319</td>
<td>$ 7,502,777</td>
<td>$ 31,329,096</td>
</tr>
</tbody>
</table>

Liabilities and Fund Balances:

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th>General</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$ 1,404,199</td>
<td>$ 1,224,923</td>
<td>$ 2,629,122</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>76,058</td>
<td>76,058</td>
</tr>
<tr>
<td>Unearned revenues</td>
<td>251,937</td>
<td>-</td>
<td>251,937</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>3,491,032</td>
<td>133,792</td>
<td>3,624,824</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>5,147,168</td>
<td>1,434,773</td>
<td>6,581,941</td>
</tr>
</tbody>
</table>

Fund Balances:
Non-spendable

| Inventories                            | 18,771           | -                        | 18,771                   |
| Prepaid items                          | 33,500           | -                        | 33,500                   |
| Restricted for stabilization for State statute | 7,347,530       | 508,003                  | 7,855,533                |
| Restricted for Register of Deeds        | -                | 137,532                  | 137,532                  |
| Restricted for education                | -                | 4,371,719                | 4,371,719                |
| Restricted for public safety            | -                | 1,656,322                | 1,656,322                |
| Restricted for memorials                | -                | 2,030                    | 2,030                    |
| Committed                               | -                | 198,652                  | 198,652                  |
| Assigned                                | -                | 143,764                  | 143,764                  |
| Unassigned                              | 11,279,350       | (950,018)                | 10,329,332               |
| Total fund balances                     | 18,679,151       | 6,068,004                | 24,747,155               |

Total liabilities and fund balances       | $ 23,826,319     | $ 7,502,777              | $ 31,329,096             |

The accompanying notes are an integral part of the financial statements.
HARNETT COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011

<table>
<thead>
<tr>
<th>Total</th>
<th>Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total fund balances - modified accrual</td>
<td>$24,747,155</td>
</tr>
<tr>
<td>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</td>
<td>68,304,247</td>
</tr>
<tr>
<td>Bond issuance cost are not available to pay for current-period expenditures and, therefore, are deferred in the funds.</td>
<td>1,552,589</td>
</tr>
<tr>
<td>Long-term debt and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.</td>
<td></td>
</tr>
<tr>
<td>Long term liabilities</td>
<td>(128,608,064)</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>(2,430,786)</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>(335,147)</td>
</tr>
<tr>
<td>Other post-employment benefits</td>
<td>(3,950,763)</td>
</tr>
<tr>
<td>Unfunded pension</td>
<td>(547,999)</td>
</tr>
<tr>
<td>Claims payable</td>
<td></td>
</tr>
<tr>
<td>Consolidation of Internal Service Fund</td>
<td>(1,328,590)</td>
</tr>
<tr>
<td>Deferred revenues in the governmental funds are used to offset accounts receivable expected to be available within 90 days of year-end. These receivables are a component of net assets in the Statement of Net Assets.</td>
<td>3,624,824</td>
</tr>
<tr>
<td>Net assets of governmental activities (Exhibit A)</td>
<td>$(38,972,534)</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of the financial statements.*
HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>$50,879,784</td>
<td>$5,557,398</td>
<td>$56,437,182</td>
</tr>
<tr>
<td>Other taxes and licenses</td>
<td>13,302,128</td>
<td>886,171</td>
<td>14,188,299</td>
</tr>
<tr>
<td>Unrestricted intergovernmental revenues</td>
<td>125,845</td>
<td>-</td>
<td>125,845</td>
</tr>
<tr>
<td>Restricted intergovernmental revenues</td>
<td>20,980,692</td>
<td>634,333</td>
<td>21,615,025</td>
</tr>
<tr>
<td>Permits and fees</td>
<td>2,431,637</td>
<td>950,368</td>
<td>3,382,005</td>
</tr>
<tr>
<td>Sales and services</td>
<td>9,934,003</td>
<td>63,000</td>
<td>9,997,003</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>20,866</td>
<td>12,146</td>
<td>33,012</td>
</tr>
<tr>
<td>Other general revenues</td>
<td>1,891,154</td>
<td>21,680</td>
<td>1,912,834</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>99,566,109</td>
<td>8,125,096</td>
<td>107,691,205</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>9,979,012</td>
<td>4,890,716</td>
<td>14,869,728</td>
</tr>
<tr>
<td>Public safety</td>
<td>22,468,833</td>
<td>6,825,183</td>
<td>29,294,016</td>
</tr>
<tr>
<td>Transportation</td>
<td>149,839</td>
<td>-</td>
<td>149,839</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>163,285</td>
<td>-</td>
<td>163,285</td>
</tr>
<tr>
<td>Economic and physical development</td>
<td>5,794,266</td>
<td>137,620</td>
<td>5,931,886</td>
</tr>
<tr>
<td>Human services</td>
<td>24,935,405</td>
<td>143,423</td>
<td>25,078,828</td>
</tr>
<tr>
<td>Cultural and recreation</td>
<td>1,546,359</td>
<td>3,414</td>
<td>1,549,773</td>
</tr>
<tr>
<td>Education</td>
<td>21,978,911</td>
<td>260,760</td>
<td>22,239,671</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal repayments</td>
<td>6,666,295</td>
<td>-</td>
<td>6,666,295</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>6,032,595</td>
<td>-</td>
<td>6,032,595</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>99,714,800</td>
<td>12,261,116</td>
<td>111,975,916</td>
</tr>
<tr>
<td><strong>Revenues over (under) expenditures</strong></td>
<td>(148,691)</td>
<td>(4,136,020)</td>
<td>(4,284,711)</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt issued</td>
<td>20,803,000</td>
<td>-</td>
<td>20,803,000</td>
</tr>
<tr>
<td>Bond premium</td>
<td>35,475</td>
<td>-</td>
<td>35,475</td>
</tr>
<tr>
<td>Bond payoff</td>
<td>(20,035,000)</td>
<td>-</td>
<td>(20,035,000)</td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>(331,667)</td>
<td>(1,436,249)</td>
<td>(1,767,916)</td>
</tr>
<tr>
<td>Transfers from other funds</td>
<td>1,911,250</td>
<td>31,667</td>
<td>1,942,917</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>2,383,058</td>
<td>(1,404,582)</td>
<td>978,476</td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td>2,234,367</td>
<td>(5,540,602)</td>
<td>(3,306,235)</td>
</tr>
<tr>
<td><strong>Fund Balances:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year - July 1</td>
<td>16,444,784</td>
<td>11,608,606</td>
<td>28,053,390</td>
</tr>
<tr>
<td>End of year - June 30</td>
<td>$18,679,151</td>
<td>$6,068,004</td>
<td>$24,747,155</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
HARNETT COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2011

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D) $ (3,306,235)

Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected or is expected to be collected within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:

- Property taxes (70,915)
- Ambulance/other miscellaneous revenues 794,463

Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement. (148,465)

Expenses related to other post-employment benefits, claims payable, and pension that do not require current financial resources are not reported as expenditures in the governmental funds statement. (1,304,767)

Expenses related to accrued interest and prepaid tax penalties that do not require current financial resources are not reported as expenditures in the governmental funds statement. 62,809

Expenses related to bond issuance that do not require current financial resources are not reported as expenditures in the governmental funds statement. 726,507

Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets. 653,496

Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement. (2,415,105)

Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities. 26,701,295

Consolidation of Internal Service Fund 1,012,576

Premium from the issuance of debt and the issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, proceeds from the issuance of debt are not a revenue, rather they are an increase in liabilities. (20,779,070)

Gain/(loss) on disposal of capital assets is reported in the Statement of Activities; however, proceeds from sale of assets are not affected by gain/(loss) in the governmental funds statement. (209,033)

Change in net assets of governmental activities (Exhibit B) $ 1,717,356

The accompanying notes are an integral part of the financial statements.
HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Variance from Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>$ 51,158,848</td>
</tr>
<tr>
<td>Other taxes and licenses</td>
<td>14,339,494</td>
</tr>
<tr>
<td>Unrestricted intergovernmental revenues</td>
<td>31,500</td>
</tr>
<tr>
<td>Restricted intergovernmental revenues</td>
<td>19,480,859</td>
</tr>
<tr>
<td>Permits and fees</td>
<td>2,458,631</td>
</tr>
<tr>
<td>Sales and services</td>
<td>7,976,610</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>35,413</td>
</tr>
<tr>
<td>Other general revenues</td>
<td>1,390,637</td>
</tr>
<tr>
<td>Total revenues</td>
<td>96,871,992</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>10,860,321</td>
</tr>
<tr>
<td>Public safety</td>
<td>23,399,771</td>
</tr>
<tr>
<td>Transportation</td>
<td>150,288</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>176,810</td>
</tr>
<tr>
<td>Economic and physical development</td>
<td>5,400,382</td>
</tr>
<tr>
<td>Human services</td>
<td>26,857,624</td>
</tr>
<tr>
<td>Cultural and recreation</td>
<td>1,701,427</td>
</tr>
<tr>
<td>Education</td>
<td>21,978,911</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
</tr>
<tr>
<td>Principal repayments</td>
<td>6,758,885</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>5,811,083</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>103,095,502</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(6,223,510)</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>(16,667)</td>
</tr>
<tr>
<td>Transfers from other funds</td>
<td>1,083,081</td>
</tr>
<tr>
<td>Long-term debt issued</td>
<td>-</td>
</tr>
<tr>
<td>Bond premium</td>
<td>-</td>
</tr>
<tr>
<td>Bond payoff</td>
<td>-</td>
</tr>
<tr>
<td>Appropriated fund balance</td>
<td>5,437,096</td>
</tr>
<tr>
<td>Contingency</td>
<td>(280,000)</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>6,223,510</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>-</td>
</tr>
</tbody>
</table>

Fund Balance:
Beginning of year - July 1 | 16,444,784 |
End of year - June 30 | 18,679,151 |

The accompanying notes are an integral part of the financial statements.
## HARNETT COUNTY, NORTH CAROLINA

### STATEMENT OF NET ASSETS

#### PROPRIETARY FUNDS

**JUNE 30, 2011**

<table>
<thead>
<tr>
<th>Assets:</th>
<th>Enterprise Funds</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Water and Sewer Fund</td>
<td>Solid Waste Fund</td>
<td>Total</td>
<td>Internal Service Fund</td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash investments</td>
<td>$7,467,892</td>
<td>$101,539</td>
<td>$7,569,431</td>
<td>$563,391</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$12,022,755</td>
<td>$268,549</td>
<td>$12,451,304</td>
<td>-</td>
</tr>
<tr>
<td>Restricted intergovernmental receivables</td>
<td>-</td>
<td>$51,087</td>
<td>$51,087</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>$96,630</td>
<td>-</td>
<td>$96,630</td>
<td>-</td>
</tr>
<tr>
<td>Inventory</td>
<td>$509,112</td>
<td>-</td>
<td>$509,112</td>
<td>-</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$21,888,555</td>
<td>$511,202</td>
<td>$22,499,757</td>
<td>$563,391</td>
</tr>
<tr>
<td>Non-current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and construction in progress</td>
<td>$136,677,060</td>
<td>$912,286</td>
<td>$137,589,346</td>
<td>-</td>
</tr>
<tr>
<td>Other capital assets, net</td>
<td>$150,944,131</td>
<td>$2,600,280</td>
<td>$153,544,411</td>
<td>-</td>
</tr>
<tr>
<td>Bond issuance cost, net</td>
<td>$1,830,000</td>
<td>$28,377</td>
<td>$1,858,377</td>
<td>-</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>$289,451,191</td>
<td>$3,540,945</td>
<td>$292,992,136</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>$311,339,746</td>
<td>$4,122,147</td>
<td>$315,461,893</td>
<td>$563,391</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets: | | | | |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | $3,777,066 | $269,174 | $4,046,240 | $236,387 |
| Claims payable | - | - | - | $386,836 |
| Accrued interest | $297,581 | $8,326 | $305,909 | - |
| Unearned revenue | $89,223 | $24,297 | $113,520 | - |
| Customer deposits | $1,481,829 | - | $1,481,829 | - |
| Compensated absences, current | $465,668 | $23,270 | $488,938 | - |
| Current portion of long-term debt | $4,072,210 | $461,313 | $4,533,523 | - |
| Total current liabilities | $10,183,577 | $786,382 | $10,969,959 | $623,203 |
| Non-current liabilities: | | | | |
| Compensated absences, non-current | $54,318 | $19,881 | $74,199 | - |
| Claims payable | - | - | - | $1,371,511 |
| Non-current portion of long-term debt | $56,292,850 | $3,348,320 | $59,641,170 | - |
| Other post-employment benefits | $566,185 | $62,699 | $628,894 | - |
| Total non-current liabilities | $56,913,335 | $3,430,810 | $60,344,143 | $1,371,511 |
| Total liabilities | $67,096,930 | $4,217,192 | $71,314,122 | $1,994,714 |

| Net Assets: | | | | |
| Invested in capital assets, net of related debt | $227,497,726 | $1,580,411 | $229,078,137 | - |
| Unrestricted | $16,745,090 | ($1,675,456) | $15,069,634 | ($1,431,323) |
| Total net assets | $244,242,816 | $(95,045) | $244,147,771 | $(1,431,323) |

Adjustment to reflect consolidation of Internal Service Fund

Net assets | $244,045,038 |

*The accompanying notes are an integral part of the financial statements.*
HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Enterprise Funds</th>
<th>Water and Sewer Fund</th>
<th>Solid Waste Fund</th>
<th>Total</th>
<th>Internal Service Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$ 23,002,146</td>
<td>$ 3,936,152</td>
<td>$ 26,938,298</td>
<td>$</td>
</tr>
<tr>
<td>Water and sewer taxes</td>
<td>333,881</td>
<td>-</td>
<td>333,881</td>
<td>-</td>
</tr>
<tr>
<td>County contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,303,049</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>4,708,809</td>
<td>1,512</td>
<td>4,708,321</td>
<td>-</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>26,042,836</td>
<td>3,937,664</td>
<td>31,980,500</td>
<td>1,303,049</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water distribution and sewage treatment</td>
<td>14,377,458</td>
<td>-</td>
<td>14,377,458</td>
<td>-</td>
</tr>
<tr>
<td>Solid waste</td>
<td>-</td>
<td>3,934,759</td>
<td>3,934,759</td>
<td>-</td>
</tr>
<tr>
<td>Benefits and premiums</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>439,169</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,001,800</td>
<td>241,994</td>
<td>5,243,794</td>
<td>-</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>19,379,258</td>
<td>4,176,753</td>
<td>23,556,011</td>
<td>439,169</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>8,663,578</td>
<td>(239,089)</td>
<td>8,424,489</td>
<td>863,880</td>
</tr>
<tr>
<td>Non-Operating Revenues (Expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid waste disposal tax</td>
<td>-</td>
<td>264,145</td>
<td>264,145</td>
<td>-</td>
</tr>
<tr>
<td>Interest earned on investments</td>
<td>11,211</td>
<td>1,374</td>
<td>12,585</td>
<td>-</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>(15,940,505)</td>
<td>(69,450)</td>
<td>(16,009,955)</td>
<td>-</td>
</tr>
<tr>
<td>Total non-operating revenues (expenses)</td>
<td>(15,929,294)</td>
<td>179,069</td>
<td>(15,750,225)</td>
<td>-</td>
</tr>
<tr>
<td>Income (loss) before capital contributions and transfers</td>
<td>(7,265,716)</td>
<td>(63,020)</td>
<td>(7,328,736)</td>
<td>863,880</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>57,597,723</td>
<td>-</td>
<td>57,597,723</td>
<td>-</td>
</tr>
<tr>
<td>Income (loss) before transfers</td>
<td>50,332,007</td>
<td>(63,020)</td>
<td>50,268,987</td>
<td>863,880</td>
</tr>
<tr>
<td>Transfers:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>300,000</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(475,001)</td>
<td>-</td>
<td>(475,001)</td>
<td>-</td>
</tr>
<tr>
<td>Total transfers</td>
<td>(475,001)</td>
<td>-</td>
<td>(475,001)</td>
<td>300,000</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>49,857,006</td>
<td>(63,020)</td>
<td>49,793,986</td>
<td>1,163,880</td>
</tr>
<tr>
<td>Net Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year - July 1</td>
<td>194,385,810</td>
<td>(32,025)</td>
<td>(2,595,203)</td>
<td></td>
</tr>
<tr>
<td>End of year - June 30</td>
<td>$ 244,242,816</td>
<td>$ (95,045)</td>
<td>$ (1,431,323)</td>
<td></td>
</tr>
<tr>
<td>Adjustment to reflect consolidation of Internal Service Fund</td>
<td></td>
<td></td>
<td>151,304</td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td></td>
<td></td>
<td></td>
<td>$ 49,945,290</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
## HARNETT COUNTY, NORTH CAROLINA

### STATEMENT OF CASH FLOWS

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2011**

<table>
<thead>
<tr>
<th>Enterprise Funds</th>
<th>Water and Sewer Fund</th>
<th>Solid Waste Fund</th>
<th>Total</th>
<th>Internal Service Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from customers</td>
<td>$20,653,219</td>
<td>$3,774,681</td>
<td>$24,427,900</td>
<td>$1,303,049</td>
</tr>
<tr>
<td>Cash paid for goods and services</td>
<td>(8,649,301)</td>
<td>(3,696,680)</td>
<td>(12,345,981)</td>
<td>(966,082)</td>
</tr>
<tr>
<td>Cash paid to employees for services</td>
<td>(5,314,037)</td>
<td>(639,705)</td>
<td>(5,953,742)</td>
<td>-</td>
</tr>
<tr>
<td>Customer deposits received</td>
<td>115,983</td>
<td>-</td>
<td>115,983</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>6,805,064</td>
<td>(561,704)</td>
<td>6,243,360</td>
<td>337,967</td>
</tr>
<tr>
<td><strong>Cash Flows from Non-Capital Financing Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-operating revenues</td>
<td>-</td>
<td>264,144</td>
<td>264,144</td>
<td>-</td>
</tr>
<tr>
<td>Loans from (to) other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(300,000)</td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>300,000</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(475,001)</td>
<td>-</td>
<td>(475,001)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided (used) by non-capital financing activities</td>
<td>(475,001)</td>
<td>264,144</td>
<td>(210,857)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cash Flows from Capital and Related Financing Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>(28,721,540)</td>
<td>(112,500)</td>
<td>(28,834,040)</td>
<td>-</td>
</tr>
<tr>
<td>Principal paid on long-term debt</td>
<td>(29,645,710)</td>
<td>(40,230)</td>
<td>(29,685,940)</td>
<td>-</td>
</tr>
<tr>
<td>Loans issued</td>
<td>3,354,250</td>
<td>-</td>
<td>3,354,250</td>
<td>-</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>(15,894,942)</td>
<td>(89,440)</td>
<td>(16,084,382)</td>
<td>-</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>55,685,111</td>
<td>-</td>
<td>55,685,111</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided (used) for capital and related financing activities</td>
<td>(15,312,855)</td>
<td>(242,170)</td>
<td>(15,555,025)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cash Flows from Investing Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on investments</td>
<td>11,211</td>
<td>1,374</td>
<td>12,585</td>
<td>-</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>(8,971,581)</td>
<td>(538,356)</td>
<td>(9,509,937)</td>
<td>337,967</td>
</tr>
</tbody>
</table>

### Cash and Cash Equivalents:

- **Beginning of year - July 1:** 18,231,639
- **End of year - June 30:** 18,871,561

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash provided (used) by operating activities:</strong></td>
<td>$8,663,578</td>
<td>$239,089</td>
<td>$8,424,489</td>
<td>$863,880</td>
</tr>
<tr>
<td><strong>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,001,800</td>
<td>241,994</td>
<td>5,243,794</td>
<td>-</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in accounts receivable</td>
<td>(7,402,433)</td>
<td>(187,284)</td>
<td>(7,589,717)</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable and accrued liabilities</td>
<td>325,689</td>
<td>(10,561)</td>
<td>315,128</td>
<td>(525,913)</td>
</tr>
<tr>
<td>Increase (decrease) in prepaid items</td>
<td>(96,630)</td>
<td>-</td>
<td>(96,630)</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in unearned revenues</td>
<td>12,816</td>
<td>24,297</td>
<td>37,113</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in landfill post-closure</td>
<td>-</td>
<td>(411,326)</td>
<td>(411,326)</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in inventory</td>
<td>(59,156)</td>
<td>-</td>
<td>(59,156)</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in customer deposits</td>
<td>115,983</td>
<td>-</td>
<td>115,983</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in accrued vacation pay</td>
<td>47,201</td>
<td>2,507</td>
<td>49,708</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in OPEB payable</td>
<td>196,216</td>
<td>17,758</td>
<td>213,974</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>$6,805,064</td>
<td>(561,704)</td>
<td>$6,243,360</td>
<td>$337,967</td>
</tr>
<tr>
<td><strong>Non-Cash Transactions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed water transactions</td>
<td>$1,912,810</td>
<td>-</td>
<td>$1,912,810</td>
<td>-</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of the financial statements.*
## Harnett County, North Carolina

### Statement of Fiduciary Net Assets

**Fiduciary Funds**

**June 30, 2011**

<table>
<thead>
<tr>
<th>Assets:</th>
<th>Agency Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$ 194,545</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 194,545</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$ 194,545</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$ 194,545</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of the financial statements.*
HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Harnett County ("the County") and its component units conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute ("G.S.") 153A-10. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. One component unit of the County has no financial transactions or account balances; therefore, it does not appear in the basic financial statements. The blended component units, although they are legally separate entities, are in substance, part of the County’s operations.

Blended Component Units

Harnett Water and Sewer Districts

Harnett County Water and Sewer Districts (the "Districts") exist to provide and maintain a water system for the County residents within the Districts. Under State law G.S. 162A-89J, the County’s Board of Commissioners also serves as the governing board for the Districts. Therefore, the Districts are reported as enterprise funds in the County’s financial statements.

The County has the following ten water and sewer districts, which are accounted for as enterprise funds:

Northeast Metro Water and Sewer District  Southwest Water and Sewer District
Buies Creek/Coats Water and Sewer District  Bunnlevel/Riverside Water and Sewer District
South Central Water and Sewer District  Southeast Water and Sewer District
West Central Water and Sewer District  East Central Water and Sewer District
Northwest Water and Sewer District  Riverside Water and Sewer District

The County entered into an agreement during fiscal year 1998, with each existing District and which will encompass additional Districts as they are created, that transferred all assets, liabilities (excluding bond indebtedness, loans, and installment notes, along with accrued interest payable), operational rights, and responsibilities to the County. In consideration for this agreement, along with related accrued interest payables, the County agreed to pay the Districts an amount equal to debt service costs for the respective Districts for the duration of the respective bonds, loans, and notes.

The County maintains the Districts' assets, provides water and sewer operations, and makes payments on outstanding debts on behalf of the respective Districts. Therefore, the County’s financial statements reflect the assets and debts in the Harnett County Public Utilities Fund. The Board of County Commissioners sits as the board of each District. No separate financial statements are issued by these Districts as they have no operations, only certain outstanding debt that is paid on their behalf by the County pursuant to the agreement noted above.
OTHER COMPONENT UNIT

Harnett County Industrial Facility and Pollution Control Financing Authority

Harnett County Industrial Facility and Pollution Control Financing Authority ("the Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member Board of Commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Authority does not issue separate financial statements.

B. Basis of Presentation, Measurement Focus - Basis of Accounting

Government-Wide Statements. The Statement of Net Assets and the Statement of Activities display information about the primary government (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the County’s funds, including its fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds, if any, are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.
HARNETT COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County reports the following major governmental fund:

General Fund. This fund is the County’s operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The County reports the following nonmajor governmental funds:

Special Revenue Funds: Special revenue funds account for the proceeds of special revenue sources that are legally restricted to the expenditure for special purposes. All of these funds are annually budgeted, except for the AMPI Unrecoverable Cost Fund. The County reports the following special revenue funds: Section 8 Housing Fund; Special Districts Fund; Law Enforcement Fund; Emergency Telephone System Fund; Automation Enhancement and Preservation Fund; Emergency Response Planning Fund; Economic Development Green Jobs; Harnett Memorial Fund; Abandoned Manufactured Homes Fund; Floodplain Mapping Fund; WIA Youth Program Fund; AMPI Unrecoverable Cost Fund; and the ARRA Fund.

Capital Project Funds. Capital project funds account for financial resources to be used for the acquisition or construction of major capital facilities. The County reports the following capital project funds: Transportation Facility Design Fund; Housing Preservation; Land Acquisition and Runway Safety Fund; School Improvements QZAB Fund; Overhills Elementary Fund; Barbeque Creek Park Fund; School Improvements QZAB III Fund; Airfield Vision 100 Fund; Emergency Services Renovation Fund; Scattered Site Housing; Boone Trail Elementary Fund; Harnett Central High School Fund; Johnsonville Elementary School Fund; Highland Elementary School Gym Fund; Angier Elementary School Fund; Law Enforcement Expansion Fund; Airport Overlay Zoning Fund; Campo Pedestrian Trail Fund; Good Hope Mental Health Fund; and Airport Runway Reimbursement Project Fund; Single Family SFR 2010; Recreation Trail and Adopt-A-Trail 10.

The County reports all enterprise funds as major. Harnett County maintains one enterprise fund to account for the operations of the water and sewer districts. The County maintains ten additional funds to account for the debt service for each District. The County maintains a separate enterprise fund for the operations of the landfill. The County’s enterprise funds consist of the following:

Harnett County Public Utilities Fund. This fund is used to account for the operations of the ten water and sewer districts, which provide water and sewer to the residents of the County.

Individual Water and Sewer Funds. These funds are used to account for the debt service for each of the water and sewer districts. These funds are consolidated with the Public Utilities Fund for reporting. These funds are the Northeast Metro Water and Sewer District, the Buies Creek / Coats Sewer District, the South Central Water and Sewer District, the West Central Water and Sewer District, the Northwest Water and Sewer District, the Southwest Water and Sewer District, the Bunnlevel / Riverside Water and Sewer District, the Southeast Water and Sewer District, the East Central Water and Sewer District, and Riverside Water and Sewer District.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Harnett County Public Utilities Fund also includes the following projects:

South Central Wastewater Project, Raw Water Intake Upgrade Project, Fort Bragg NTA Housing Project, Erwin Wastewater Project, Lafayette School/Highway 421 Project, East Central Improvements Project, Fort Bragg Water & Wastewater Project, Water Plant Expansion Project, Buffalo Lakes Wastewater Project, South West Northern Training Area/Cameron Hill Project, South Central Waste Water 1B-1 Project, South Central Waste Water 1B-2 Project, South Central Waste Water 1C-1 Project, South Central Waste Water 1C-2 Project, Brightwater Infrastructure Project, Coats Highway 55 Waste Water Extension Project, and Wastewater Master Plan Project.

Solid Waste Management Fund. This fund is used to account for the operations of the Harnett County Landfill.

The County reports the following fund type:

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets held by the County as an agent on behalf of others. The County maintains four agency funds: the Social Services Trust Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities and special districts within the County; and the State Vehicle Tax Fund, which accounts for the 3% interest penalty on past due motor vehicle property tax bills that are remitted to the North Carolina Department of Motor Vehicles; and the Fines and Forfeitures, which accounts for the collection and payment of fines and forfeitures to the Board of Education.

Internal Service Funds. The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, on a cost-reimbursement basis. Harnett County has two internal service funds, the Workers’ Compensation Fund and the Group Insurance Fund. The Workers’ Compensation Fund is used to account for the County’s decision to finance workers’ compensation insurance coverage internally rather than through a private insurance carrier. The General Insurance Fund is used to account for liabilities that have been incurred from prior years when the County was self-funded. Internal service funds are accounted for in the governmental activities in the government-wide financial statements, and the individual fund data is provided in the Internal Service Fund section of the report.

C. Measurement Focus, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis.

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds, which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.
Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2009 through February 2011 apply to the fiscal year ended June 30, 2011. Uncollected taxes, which were billed during this period, are shown as a receivable on these financial statements. For motor vehicles, which are renewed and billed under the annual system, taxes are due on May 1 of each year. Uncollected taxes are reported as a receivable on the financial statements offset by deferred revenues, because the due date and the date upon which the interest begins to accrue passed prior to June 30.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected, and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual, because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County’s policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

D. Budgetary Data

The County’s budgets are adopted as required by the North Carolina General Statutes. Formal budgetary accounting is employed as a management control for all funds of the County. Annual budget ordinances are adopted each fiscal year, and amended as required, for the General Fund, all special revenue funds except for the AMPI Unrecoverable Cost Fund and for the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the capital project funds. All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record transactions.

The Workers’ Compensation Fund and General Insurance Fund (internal service funds) operate under financial plans that were adopted by the governing board at the time the County’s budget ordinance was approved.

The legal level of control over expenditures is at the department level for the General Fund, Special Revenue funds, and Enterprise funds. The balances in the Capital Reserve Funds will be appropriated when transferred to the General Fund or their respective capital project funds. The County Manager is authorized by the budget ordinance to transfer amounts between line item expenditures within a department without limitation with an official report on such transfers at the next regular meeting of the Board of Commissioners. These changes should not result in changes in recurring obligations, such as salaries. The manager may not transfer amounts between departments of the same fund or transfer amounts between funds or from any contingency appropriation within a fund. All other transfers, as well as any revisions that alter the total expenditures of any fund, require prior approval by the Board of Commissioners. During the year, a significant number of amendments to the original budget were necessary.

A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

<table>
<thead>
<tr>
<th>Date</th>
<th>Task Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 20</td>
<td>Each department head submits to the budget officer the budget requests and revenue estimates for their department for the budget year.</td>
</tr>
<tr>
<td>May 1</td>
<td>The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.</td>
</tr>
<tr>
<td>June 19</td>
<td>The budget ordinance shall be adopted by the governing board.</td>
</tr>
</tbody>
</table>
E. Assets, Liabilities, and Fund Equity

Deposits and Investments

All deposits of the County are made in board-designated official depositories and are secured as required by G.S. 159-31. The County may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and SuperNow accounts, money market accounts, and certificates of deposit.

State Law G. S. 159-30(c) authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust ("NCCMT").

The County's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual funds, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments, including commercial paper that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost.

Cash and Cash Equivalents

The County pools monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The investment income is allocated based on each fund's monthly balance in relation to the total pooled cash balance.

For purposes of the Statement of Cash Flows, the County's proprietary funds consider equity in pooled cash and investments to be cash equivalents as they are essentially demand deposit accounts.

Restricted Assets

The unexpended bond proceeds of the Water and Sewer Fund Serial Bonds issued by the County are considered restricted assets (i.e., cash and investments) for the enterprise funds, because their use is completely restricted to the purpose for which the bonds were originally issued. The unexpended certificate of participation proceeds in the Water and Sewer Fund, and the capital projects funds are deposited in a trustee account and are also restricted assets because of contractual requirements. Such amounts are included in cash and investments and are described in the footnotes. Restricted cash in the General Fund is accumulated and applied against debt interest payments. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2010 as allowed by State law; the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the General Fund, ad valorem tax revenues are reported net of such discounts.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of allowances for doubtful accounts. These amounts are estimated by analyzing the percentage of receivables, which are not expected to be collected.

Inventory and Prepays

Inventory is determined by physical count and valued at cost, which approximates market. The inventory of the General Fund consists of expendable supplies held for consumption that are recorded as expenditures when purchased. The inventory of the enterprise funds consists of chemicals, meters and meter boxes, fuel oil, tubing, and other supplies held for consumption. In each case, the cost of the inventory carried in the County’s enterprise fund is recorded as an expense when the inventory is consumed.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The minimum capitalization threshold is $5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ lives are not capitalized. The County does not own any infrastructure assets.

The County holds title to certain Harnett County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Harnett County Board of Education.
HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets of the County are depreciated on a straight-line basis using the following estimated useful lives:

- Buildings and improvements: 50 years
- Plant, distribution, and collection system: 20 to 40 years
- Furniture: 10 years
- Equipment: 5 years
- Computer hardware: 3 years
- Computer software: 3 years
- Vehicles: 6 years

Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets.

In the fund financial statements for the governmental fund types, the face amount of debt issued is reported as another financing source.

Compensated Absences

The vacation policy of the County provides for the accumulation of up to 30 days earned vacation leave with such leave being fully vested when earned. For the government-wide financial statements and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The County's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Because the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Assets/Fund Balance

Net Assets

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through State statute.
Net Assets/Fund Balances

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Prepaid items - portion of fund balance that is not an available resource because it represents prepaid amounts, which are not spendable resources.

Inventory - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Restricted Fund Balance

This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Stabilization by State statute – portion of fund balance that is not an available resource for appropriation in accordance with State law (G.S. 159-8(a)).

Restricted for Public Safety – portion of fund balance restricted by revenue source for public safety related activities such as police and fire.

Restricted for Register of Deeds – portion of fund balance restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds Office.

Restricted for Education – portion of fund balance restricted by revenue source for education.

Restricted for Memorials – represents the portion of fund balance restricted by revenue source to construct memorials in the County.
Committed Fund Balance

This classification represents the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of County’s governing body (highest level of decision making authority, the County Commissioners). Any changes or removal of specific purpose restrictions requires majority action by the governing body.

Committed for public safety capital projects – represents the portion of fund balance committed by governing body for future capital related public safety activities and projects.

Committed for economic development – portion of fund balance that can only be used for economic development.

Committed for human services – portion of fund balance that can only be used for human services.

Committed for education capital projects – represents the portion of fund balance committed by the governing body for future capital related education activities and projects.

Committed fund balance at June 30, 2011 is as follows:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>General Fund</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Development</td>
<td>$</td>
<td>22,074</td>
<td>22,074</td>
</tr>
<tr>
<td>Human Services</td>
<td>$</td>
<td>36,710</td>
<td>36,710</td>
</tr>
<tr>
<td>Public Safety Capital Projects</td>
<td>$</td>
<td>46,699</td>
<td>46,699</td>
</tr>
<tr>
<td>Education Capital Projects</td>
<td>$</td>
<td>93,169</td>
<td>93,169</td>
</tr>
<tr>
<td>Total</td>
<td>$</td>
<td>198,652</td>
<td>198,652</td>
</tr>
</tbody>
</table>

Assigned Fund Balance

Assigned fund balance is the portion of fund balance that the County intends to use for specific purposes. The County’s governing body has the authority to assign fund balances. The Manager and Finance Officer, as granted in the officially adopted budget ordinance, have been granted limited authority to assign fund balance.

Assigned for public safety – represents the portion of fund balance budgeted by the governing body for future public safety expenditures.

Assigned for abandoned manufactured home removal – represents the portion of fund balance budgeted by the governing body for future abandoned home removal.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned fund balance at June 30, 2011 is as follows:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>General Fund</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public safety</td>
<td>$ -</td>
<td>$ 94,932</td>
<td>$ 94,932</td>
</tr>
<tr>
<td>Abandoned home removal</td>
<td>$ -</td>
<td>$ 48,832</td>
<td>$ 48,832</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 143,764</strong></td>
<td><strong>$ 143,764</strong></td>
</tr>
</tbody>
</table>

Unassigned Fund Balance

Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes within the General Fund.

Harnett County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: bond/debt proceeds, federal funds, State funds, local funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

The County Board has approved a fund balance policy which strives to maintain a fund balance of 15%.

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation.

<table>
<thead>
<tr>
<th>Total Fund Balance - General Fund</th>
<th>$ 18,679,151</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Prepaids</td>
<td>(33,500)</td>
</tr>
<tr>
<td>Inventory</td>
<td>(18,771)</td>
</tr>
<tr>
<td>Stabilization by State Statute</td>
<td>(7,347,530)</td>
</tr>
<tr>
<td><strong>Total Available Fund Balance</strong></td>
<td><strong>$ 11,279,350</strong></td>
</tr>
</tbody>
</table>

Reclassifications

Certain amounts presented in the prior year’s data have been reclassified to be consistent with the current year’s presentation.
HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are: allowance for doubtful accounts, depreciation lives, other post-employment benefits, and law enforcement officers’ pension obligations.

New Pronouncements

GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Governments also are required to classify and report amounts in the appropriate fund balance classifications by applying their accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to have been spent. Disclosure of the policies in the notes to the financial statements is required. The County is currently evaluating the impact of these standards.

The guidance in this Statement is effective for financial statements for reporting periods beginning after June 15, 2011, with earlier application encouraged. Fund balance reclassifications made to conform to the provisions of this Statement should be applied retroactively by restating fund balance for all prior periods presented.

NOTE 2 – CASH AND INVESTMENTS

A. Deposits

All of the County’s deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage are collateralized with securities held by the County’s agent in the County’s name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County’s name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.
NOTE 2 – CASH AND INVESTMENTS (continued)

At June 30, 2011, the County’s deposits had a carrying amount of $20,856,243 and a bank balance of $24,153,212. Of the bank balance, $1,013,895 was covered by federal depository insurance and $23,139,317 was covered by collateral held under the Pooling Method.

At June 30, 2011, Harnett County had $4,790 cash on hand.

B. Investments

At June 30, 2011, the County’s investments consisted of $9,054,995 in the North Carolina Capital Management Trust’s Cash Portfolio, which carried a credit rating of AAAm by Standard and Poor’s. The County has no policy on interest rate risk or credit risk.

Cash and investments at June 30, 2011, include the following restricted amounts:

<table>
<thead>
<tr>
<th>General Fund Restricted</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Harnett County COPS 2002 School</td>
<td>$ 17</td>
</tr>
<tr>
<td>Harnett County COPS 2007</td>
<td>291</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,482</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Project Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Harnett County Schools QZAB Construction</td>
<td>1,220</td>
</tr>
<tr>
<td>Harnett County COPS 2007 Law Enforcement Expansion</td>
<td>429,530</td>
</tr>
<tr>
<td>Harnett County COPS 2009 Schools</td>
<td>4,358,699</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,789,449</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enterprise Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Harnett County Public Utility Fund COPS 2002</td>
<td>2</td>
</tr>
<tr>
<td>Harnett County Public Utility Fund COPS 2007 Revenue Bonds</td>
<td>108,338</td>
</tr>
<tr>
<td>Harnett County Public Utility Fund COPS 2008 Revenue Bonds</td>
<td>593</td>
</tr>
<tr>
<td>Lafayette School/Highway 421 Project Fund</td>
<td>297</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>1,481,629</td>
</tr>
<tr>
<td><strong>Solid Waste Fund</strong></td>
<td><strong>27</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,792,193</strong></td>
</tr>
</tbody>
</table>

**Total restricted cash and investments** $ 6,589,124
HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 3 – PROPERTY TAX USE-VALUE ASSESSMENT ON CERTAIN LANDS

In accordance with the General Statutes, agriculture, horticulture, and forest land may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<table>
<thead>
<tr>
<th>Year Levied</th>
<th>Tax</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$ 3,346,734</td>
<td>$ 845,050</td>
<td>$ 4,191,784</td>
</tr>
<tr>
<td>2009</td>
<td>4,553,510</td>
<td>330,129</td>
<td>4,883,639</td>
</tr>
<tr>
<td>2010</td>
<td>4,586,161</td>
<td>332,497</td>
<td>4,918,658</td>
</tr>
<tr>
<td>Total</td>
<td>$ 16,190,721</td>
<td>$ 2,109,627</td>
<td>$ 18,300,348</td>
</tr>
</tbody>
</table>

NOTE 4 – RECEIVABLES

Taxes and accounts receivable as of year-end are shown on the accompanying statements net of the allowance for doubtful accounts, as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Allowance for Doubtful Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$ 6,022,868</td>
</tr>
<tr>
<td>Nonmajor governmental</td>
<td>148,311</td>
</tr>
<tr>
<td>Governmental activities</td>
<td>6,171,179</td>
</tr>
<tr>
<td>Public Utility</td>
<td>688,338</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>145,846</td>
</tr>
<tr>
<td>Business-type activities</td>
<td>834,184</td>
</tr>
<tr>
<td>Total</td>
<td>$ 7,005,363</td>
</tr>
</tbody>
</table>
NOTE 5 – DEFERRED/UNEARNED REVENUES

The balance in deferred revenues in the fund financial statements and unearned revenues in the government-wide financial statements at year-end was composed of the following elements:

<table>
<thead>
<tr>
<th>Description</th>
<th>Deferred Revenues</th>
<th>Unearned Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid taxes not yet earned (General)</td>
<td>$</td>
<td>$ 248,090</td>
</tr>
<tr>
<td>Accounts receivable (General)</td>
<td>2,005,455</td>
<td>-</td>
</tr>
<tr>
<td>Other (General)</td>
<td>-</td>
<td>3,847</td>
</tr>
<tr>
<td>Taxes receivable, net (General)</td>
<td>1,485,577</td>
<td>-</td>
</tr>
<tr>
<td>Taxes receivable, net (Other governmental funds)</td>
<td>133,792</td>
<td>-</td>
</tr>
<tr>
<td>Unearned (Public Utilities and Solid Waste)</td>
<td>-</td>
<td>113,520</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 3,624,824</strong></td>
<td><strong>$ 365,457</strong></td>
</tr>
</tbody>
</table>
## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS

**YEAR ENDED JUNE 30, 2011**

### NOTE 6 – CAPITAL ASSETS

#### A. Governmental Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balances</th>
<th>Increases</th>
<th>Decreases and Transfers</th>
<th>Ending Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Depreciable Capital Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 2,214,535</td>
<td>-</td>
<td>-</td>
<td>$ 2,214,535</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>25,758,678</td>
<td>352,490</td>
<td>(291,739)</td>
<td>25,819,429</td>
</tr>
<tr>
<td>Total non-depreciable capital assets</td>
<td>27,973,213</td>
<td>352,490</td>
<td>(291,739)</td>
<td>28,033,964</td>
</tr>
<tr>
<td><strong>Depreciable Capital Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>40,416,796</td>
<td>-</td>
<td>-</td>
<td>40,416,796</td>
</tr>
<tr>
<td>Land improvements</td>
<td>12,201,132</td>
<td>26,941</td>
<td>-</td>
<td>12,228,074</td>
</tr>
<tr>
<td>Furniture</td>
<td>75,105</td>
<td>25,814</td>
<td>-</td>
<td>100,919</td>
</tr>
<tr>
<td>Equipment</td>
<td>4,301,902</td>
<td>19,186</td>
<td>-</td>
<td>4,321,088</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>1,368,671</td>
<td>12,720</td>
<td>-</td>
<td>1,381,391</td>
</tr>
<tr>
<td>Computer software</td>
<td>2,221,908</td>
<td>129,019</td>
<td>-</td>
<td>2,350,927</td>
</tr>
<tr>
<td>Vehicles</td>
<td>6,423,712</td>
<td>87,326</td>
<td>(47,120)</td>
<td>6,463,918</td>
</tr>
<tr>
<td>Total depreciable capital assets</td>
<td>67,009,226</td>
<td>301,006</td>
<td>(47,120)</td>
<td>67,263,112</td>
</tr>
<tr>
<td><strong>Less Accumulated Depreciation:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>8,848,220</td>
<td>800,068</td>
<td>(3,983)</td>
<td>9,644,256</td>
</tr>
<tr>
<td>Land improvements</td>
<td>4,059,806</td>
<td>565,658</td>
<td>(186)</td>
<td>4,625,278</td>
</tr>
<tr>
<td>Furniture</td>
<td>94,916</td>
<td>2,487</td>
<td>(20,147)</td>
<td>77,256</td>
</tr>
<tr>
<td>Equipment</td>
<td>3,537,321</td>
<td>285,066</td>
<td>18,088</td>
<td>3,840,475</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>1,327,494</td>
<td>43,834</td>
<td>(29,581)</td>
<td>1,341,746</td>
</tr>
<tr>
<td>Computer software</td>
<td>2,072,438</td>
<td>124,033</td>
<td>4,859</td>
<td>2,201,330</td>
</tr>
<tr>
<td>Vehicles</td>
<td>4,767,355</td>
<td>593,959</td>
<td>(98,865)</td>
<td>5,262,448</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>24,707,550</td>
<td>2,415,105</td>
<td>(129,826)</td>
<td>26,992,829</td>
</tr>
<tr>
<td>Total depreciable capital assets, net</td>
<td>42,301,676</td>
<td></td>
<td></td>
<td>40,270,283</td>
</tr>
<tr>
<td>Governmental activity capital assets, net</td>
<td>$ 70,274,889</td>
<td></td>
<td></td>
<td>$ 66,304,247</td>
</tr>
</tbody>
</table>

Depreciation expense was charged to functions/programs of the primary government as follows:

<table>
<thead>
<tr>
<th>Function/Program</th>
<th>Depreciation Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>$ 889,243</td>
</tr>
<tr>
<td>Public safety</td>
<td>855,629</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>1,940</td>
</tr>
<tr>
<td>Transportation</td>
<td>487,616</td>
</tr>
<tr>
<td>Economic and physical development</td>
<td>72,105</td>
</tr>
<tr>
<td>Human services</td>
<td>50,202</td>
</tr>
<tr>
<td>Cultural and recreational</td>
<td>58,370</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 2,415,105</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 6 – CAPITAL ASSETS (continued)

B. Business-Type Capital Assets

<table>
<thead>
<tr>
<th>Business-Type Activities:</th>
<th>Beginning Balances</th>
<th>Increases</th>
<th>Decreases and Transfers</th>
<th>Ending Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Utilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Depreciable Capital Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 1,820,838</td>
<td>$ 6,688</td>
<td>-</td>
<td>$ 1,827,526</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>113,370,668</td>
<td>28,085,555</td>
<td>(6,606,689)</td>
<td>134,849,534</td>
</tr>
<tr>
<td>Total non-depreciable capital assets</td>
<td>115,191,506</td>
<td>28,092,243</td>
<td>(6,606,689)</td>
<td>136,677,060</td>
</tr>
<tr>
<td>Depreciable Capital Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant, distribution, and collection systems</td>
<td>185,341,819</td>
<td>8,827,171</td>
<td>-</td>
<td>194,168,989</td>
</tr>
<tr>
<td>Buildings and building improvements</td>
<td>101,460</td>
<td></td>
<td>-</td>
<td>101,460</td>
</tr>
<tr>
<td>Furniture, fixtures, and equipment</td>
<td>2,066,058</td>
<td>69,500</td>
<td>-</td>
<td>2,155,559</td>
</tr>
<tr>
<td>Vehicles</td>
<td>2,502,593</td>
<td>251,949</td>
<td>(62,836)</td>
<td>2,691,706</td>
</tr>
<tr>
<td>Total depreciable capital assets</td>
<td>190,031,930</td>
<td>9,148,520</td>
<td>(62,836)</td>
<td>199,117,714</td>
</tr>
<tr>
<td>Less Accumulated Depreciation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant, distribution and collection systems</td>
<td>39,591,168</td>
<td>4,655,790</td>
<td>739</td>
<td>44,247,697</td>
</tr>
<tr>
<td>Buildings and building improvements</td>
<td>100,102</td>
<td>6,434</td>
<td>(36,125)</td>
<td>70,411</td>
</tr>
<tr>
<td>Furniture, fixtures, and equipment</td>
<td>1,765,684</td>
<td>124,215</td>
<td>21,571</td>
<td>1,911,470</td>
</tr>
<tr>
<td>Vehicles</td>
<td>1,795,381</td>
<td>215,361</td>
<td>(66,737)</td>
<td>1,944,006</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>43,252,336</td>
<td>$ 5,001,800</td>
<td>($8,052)</td>
<td>48,173,584</td>
</tr>
<tr>
<td>Total depreciable capital assets, net</td>
<td>146,779,595</td>
<td></td>
<td>($8,052)</td>
<td>150,944,131</td>
</tr>
<tr>
<td>Public Utilities capital assets, net</td>
<td>$ 261,971,101</td>
<td></td>
<td></td>
<td>$ 287,621,191</td>
</tr>
</tbody>
</table>

Solid Waste Management

Non-Depreciable Capital Assets:

| Land                     | $ 912,288 | - | - | $ 912,288 |
| Total capital assets not being depreciated | 912,288 | - | - | 912,288 |

Depreciable Capital Assets:

| Buildings and building improvements | 3,031,777 | - | - | 3,031,777 |
| Furniture, fixtures, and equipment | 2,626,635 | 112,500 | - | 2,739,135 |
| Vehicles                           | 78,779    | - | - | 78,779    |
| Total depreciable capital assets   | 5,737,191 | 112,500 | - | 5,849,691 |

Less Accumulated Depreciation:

| Buildings and building improvements | 576,999 | 67,106 | - | 644,105 |
| Furniture, fixtures, and equipment | 2,365,842 | 172,060 | - | 2,537,902 |
| Vehicles                           | 64,576 | 2,828 | - | 67,404 |
| Total accumulated depreciation     | 3,007,417 | 241,994 | - | 3,249,411 |
| Total depreciable capital assets, net | 2,729,774 |
| Solid Waste Management capital assets, net | $ 3,842,062 | $ 3,512,568 |

Construction period interest expense, net of interest earned in the amount of $ 2,235,743 has been capitalized in the cost of business-type capital assets during the year ended June 30, 2011.
HARNETT COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 6 – CAPITAL ASSETS (continued)

At June 30, 2011, construction in progress for the business-type activities consists of the following projects:

<table>
<thead>
<tr>
<th>Project Authorization</th>
<th>Expended To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Central Wastewater</td>
<td>$25,577,852</td>
</tr>
<tr>
<td>Erwin Wastewater</td>
<td>$12,005,800</td>
</tr>
<tr>
<td>Lafayette School/Hwy 421</td>
<td>$1,138,342</td>
</tr>
<tr>
<td>East Central Improvements</td>
<td>$5,127,119</td>
</tr>
<tr>
<td>Fort Bragg Water &amp; WW</td>
<td>$39,073,791</td>
</tr>
<tr>
<td>Water Plant Expansion</td>
<td>$62,595,014</td>
</tr>
<tr>
<td>Buffalo Lakes Wastewater</td>
<td>$2,589,367</td>
</tr>
<tr>
<td>SWEST NTA/Cameron Hill</td>
<td>$4,870,404</td>
</tr>
<tr>
<td>South Central WW 1B-1</td>
<td>$4,449,000</td>
</tr>
<tr>
<td>South Central WW 1B-2</td>
<td>$4,937,000</td>
</tr>
<tr>
<td>Brightwater Infrastructure</td>
<td>$3,228,981</td>
</tr>
<tr>
<td>South Central WW 1C-1</td>
<td>$4,239,000</td>
</tr>
<tr>
<td>South Central WW 1C-2</td>
<td>$3,586,000</td>
</tr>
<tr>
<td>Wastewater Master Plan</td>
<td>$266,000</td>
</tr>
<tr>
<td>Total</td>
<td>$173,683,470</td>
</tr>
</tbody>
</table>

Invested in Capital Assets, Net of Debt

The total invested in capital assets, net of related debt at June 30, 2011 is composed of the following elements:

<table>
<thead>
<tr>
<th></th>
<th>Governmental</th>
<th>Business-Type</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets</td>
<td>$68,304,247</td>
<td>$287,621,191</td>
<td>$3,512,568</td>
</tr>
<tr>
<td>Total debt, gross</td>
<td>$128,608,064</td>
<td>$60,433,802</td>
<td>$1,932,184</td>
</tr>
<tr>
<td>Debt not related to capital assets</td>
<td>$95,927,878</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital related unspent debt proceeds</td>
<td>$430,750</td>
<td>$310,337</td>
<td>$27</td>
</tr>
<tr>
<td>Total capital debt</td>
<td>$32,249,436</td>
<td>$60,123,465</td>
<td>$1,932,157</td>
</tr>
</tbody>
</table>

Invested in capital assets, net of related debt | $36,054,811 | $227,497,726 | $1,580,411 | $229,078,137
## HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

### NOTE 7 – ACCOUNTS PAYABLE

Payables at the government-wide level at June 30, 2011 were as follows:

<table>
<thead>
<tr>
<th>Payables:</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Fund</td>
<td>Nonmajor</td>
<td>Public Utilities</td>
</tr>
<tr>
<td>Accounts and vouchers</td>
<td>$ 932,629</td>
<td>$ 1,442,763</td>
<td>$ 2,912,021</td>
</tr>
<tr>
<td>Retainage</td>
<td>10,000</td>
<td></td>
<td>817,843</td>
</tr>
<tr>
<td>Accrued payroll and related liabilities</td>
<td>471,570</td>
<td>8,527</td>
<td>47,201</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>335,147</td>
<td></td>
<td>297,582</td>
</tr>
<tr>
<td>Total accounts payable and accrued liabilities</td>
<td>$ 1,739,346</td>
<td>$ 1,461,290</td>
<td>$ 4,074,647</td>
</tr>
</tbody>
</table>

Adjustments to full-accrual include $335,147 related to recording accrued interest on general long-term debt. Finally, the fiduciary fund financial statements include $98,860 in accounts payable and accrued liabilities recorded in agency funds. This amount is excluded from the foregoing schedule and represents amounts due to various other agencies, individuals, or governments.
HARNETT COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 8 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County is with a guaranteed cost program with the North Carolina Association of County Commissioners (NCACC). The NCACC insures County property under a blanket limit of $214,255,777. Replacement cost coverage is provided for any property losses. General Liability limits are $2,000,000 per occurrence and $2,000,000 aggregate. A $1,000,000 umbrella policy is also in place. The NCACC covers the County for property, auto, general liability, inland marine, crime, employment practices liability, public officials liability, and law enforcement liability. Auto losses are paid under actual cash value (ACV) with the exception of ambulances which are covered under replacement cost. Crime coverage limit is $250,000. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and designated an “A” area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of $500,000 per structure through the NFIP. The County also is eligible to and has purchased commercial flood insurance for another $500,000 of coverage per structure.

In accordance with G.S. 159-29, the County’s employees that have access to $100 or more at any given time of the County’s funds are performance bonded through a commercial surety bond. The Director of Finance and the Tax Collector are each individually bonded for $200,000, and the Register of Deeds is bonded for $10,000. The remaining employees that have access to funds are bonded under a blanket bond for $250,000.

The County is self insured for workers’ compensation up to $600,000 per loss. Excess coverage is through Safety National with limits in accordance with current North Carolina workers compensation statutes. Safety National also provides employer’s liability with limits of $1,000,000.

The County is fully insured for health insurance through CIGNA via the North Carolina Association of County Commissioners (NCACC).

The County uses a third-party administrator to process workers’ compensation and health insurance claims. At June 30, 2011, a liability for claims of $1,758,347 was included on the accompanying Statement of Net Assets for governmental activities. An analysis for the County is presented below:

<table>
<thead>
<tr>
<th></th>
<th>June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Liability as of beginning of the year</td>
<td>$2,520,627</td>
</tr>
<tr>
<td>Current year claims and changes in estimates</td>
<td>320,192</td>
</tr>
<tr>
<td>Actual claim payments</td>
<td>(1,082,472)</td>
</tr>
<tr>
<td>Liability as of end of the year</td>
<td>$1,758,347</td>
</tr>
</tbody>
</table>
NOTE 9 – CAPITAL LEASE OBLIGATIONS

The County has entered into agreements to lease certain equipment. At June 30, 2011, the original cost of equipment under these leases is approximately $840,473. Title passes to the County at the end of the lease term. These agreements are in substance lease-purchases.

<table>
<thead>
<tr>
<th>Capitalized Lease Obligations:</th>
<th>Original Issue</th>
<th>Interest Rate</th>
<th>Final Maturity</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoll Monitors</td>
<td>$194,728</td>
<td>6.61%</td>
<td>November 2011</td>
<td>$17,601</td>
</tr>
<tr>
<td>Ambulances</td>
<td>215,378</td>
<td>3.17%</td>
<td>March 2014</td>
<td>124,577</td>
</tr>
<tr>
<td>&quot;Firehouse&quot; EMS Software</td>
<td>143,959</td>
<td>3.28%</td>
<td>January 2013</td>
<td>48,914</td>
</tr>
<tr>
<td>Ambulances</td>
<td>213,908</td>
<td>2.80%</td>
<td>March 2013</td>
<td>78,293</td>
</tr>
<tr>
<td>Musco Lighting System</td>
<td>72,500</td>
<td>4.24%</td>
<td>July 2012</td>
<td>30,388</td>
</tr>
<tr>
<td>Total</td>
<td>$840,473</td>
<td></td>
<td></td>
<td>$299,773</td>
</tr>
</tbody>
</table>

The following is a schedule of minimum future payments required under capital lease obligations:

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Future Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$158,946</td>
</tr>
<tr>
<td>2013</td>
<td>116,484</td>
</tr>
<tr>
<td>2014</td>
<td>35,521</td>
</tr>
</tbody>
</table>

Total minimum lease payments: $310,951
Less amount representing interest: $(11,178)
Present value of the minimum lease payments: $299,773

At June 30, 2011, the net book value of capital assets (cost and accumulated depreciation) associated with leases is $578,365.
HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 10 – LONG-TERM OBLIGATIONS

Installment purchases financed by the governmental funds are repaid from the resources of the General Fund. The installment purchases, general obligation bonds, State bonds, and revenue bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by resources from users are reported as long-term debt in the enterprise funds. All bonds are collateralized by the full faith, credit, and taxing power of the district in which the obligations originate. Principal and interest requirements are appropriated when due.

<table>
<thead>
<tr>
<th>Installment Purchase Agreements:</th>
<th>Issue Date</th>
<th>Original Issue</th>
<th>Interest Rate</th>
<th>Final Maturity</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Carolina Community College</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Classroom Construction</td>
<td>June 1997</td>
<td>$ 1,000,000</td>
<td>5.00%</td>
<td>June 2012</td>
<td>$ 92,088</td>
</tr>
<tr>
<td>COPS 2003 (Refinanced 1994 COPS)</td>
<td>July 2003</td>
<td></td>
<td>2%-5%</td>
<td>October 2013</td>
<td></td>
</tr>
<tr>
<td>50% Southwest Regional</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction of Waterlines</td>
<td></td>
<td>1,170,600</td>
<td></td>
<td></td>
<td>450,000</td>
</tr>
<tr>
<td>50% Water Plant</td>
<td></td>
<td>2,184,600</td>
<td></td>
<td></td>
<td>450,000</td>
</tr>
<tr>
<td>COPS 2002</td>
<td>May 2002</td>
<td></td>
<td>2.50%-5.38%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>90% Construction of School Facilities</td>
<td></td>
<td>31,325,000</td>
<td></td>
<td>December 2022</td>
<td>24,350,000</td>
</tr>
<tr>
<td>5% Harnett Fuquay Wastewater</td>
<td></td>
<td>1,900,000</td>
<td></td>
<td>December 2022</td>
<td>750,102</td>
</tr>
<tr>
<td>1% Southwest &quot;WH School&quot;</td>
<td></td>
<td>405,000</td>
<td></td>
<td>December 2022</td>
<td>159,899</td>
</tr>
<tr>
<td>Agriculture Center</td>
<td>January 2005</td>
<td>2,846,000</td>
<td>3.39%</td>
<td>June 2020</td>
<td>2,048,276</td>
</tr>
<tr>
<td>COPS 2007</td>
<td>May 2007</td>
<td></td>
<td>4%-5%</td>
<td>December 2027</td>
<td></td>
</tr>
<tr>
<td>53% Jail Facility</td>
<td></td>
<td>23,226,225</td>
<td></td>
<td></td>
<td>22,432,872</td>
</tr>
<tr>
<td>42% Construction of School Facilities</td>
<td></td>
<td>18,279,775</td>
<td></td>
<td></td>
<td>17,659,945</td>
</tr>
<tr>
<td>5% Solid Waste Transfer Station</td>
<td></td>
<td>2,000,000</td>
<td></td>
<td></td>
<td>1,932,184</td>
</tr>
<tr>
<td>Partial Refunding of COPS 2000</td>
<td></td>
<td>4,765,000</td>
<td></td>
<td></td>
<td>4,765,000</td>
</tr>
<tr>
<td>COPS 2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Construction</td>
<td>February 2009</td>
<td>35,075,000</td>
<td>3%-5%</td>
<td>June 2029</td>
<td>33,075,000</td>
</tr>
<tr>
<td>2010 Refinancing</td>
<td>Nov-10</td>
<td></td>
<td>3.35%</td>
<td>June 2028</td>
<td></td>
</tr>
<tr>
<td>COPS 2000 (Courthouse)</td>
<td></td>
<td>3,843,420</td>
<td></td>
<td></td>
<td>3,051,960</td>
</tr>
<tr>
<td>COPS 2000 (School Construction)</td>
<td></td>
<td>2,865,580</td>
<td></td>
<td></td>
<td>2,210,040</td>
</tr>
<tr>
<td>Angier Elementary School</td>
<td></td>
<td>14,004,000</td>
<td></td>
<td></td>
<td>13,337,000</td>
</tr>
<tr>
<td>Qualified Zone Academy Bonds</td>
<td>May 2004</td>
<td>4,000,000</td>
<td>0.00%</td>
<td>May 2020</td>
<td>2,615,471</td>
</tr>
<tr>
<td>Qualified Zone Academy Bonds</td>
<td>October 2005</td>
<td>789,500</td>
<td>0.00%</td>
<td>October 2021</td>
<td>586,805</td>
</tr>
<tr>
<td>Harnett County Installment Purchase</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wellons Buyout</td>
<td>December 1999</td>
<td>4,675,000</td>
<td>5.30%</td>
<td>December 2014</td>
<td></td>
</tr>
<tr>
<td>Harnett County Installment Purchase</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,246,667</td>
</tr>
<tr>
<td>Davis Tract</td>
<td>November 2005</td>
<td>1,500,000</td>
<td>3.54%</td>
<td>October 2015</td>
<td></td>
</tr>
<tr>
<td>Harnett County Installment Purchase</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>750,000</td>
</tr>
<tr>
<td>Sanitary Sewer Hwy 87</td>
<td>June 2004</td>
<td>2,100,000</td>
<td>4.51%</td>
<td>June 2019</td>
<td>1,120,000</td>
</tr>
</tbody>
</table>

$ 158,037,700                                           $ 126,224,456   $ 6,858,851
HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 10 — LONG-TERM OBLIGATIONS (continued)

General Obligation Bonds:

All general obligation bonds issued by the County’s water and sewer districts are to fund the acquisition and construction of major capital facilities. The County entered into an agreement during the fiscal year 1998, with each existing District, that transferred all assets, liabilities (excluding bond indebtedness, loans, and installment notes), operational rights, and responsibilities to the County. As such, general obligation bonds are direct obligations and pledge full faith and credit of the District, which the County has entered into a contractual agreement to pay.

<table>
<thead>
<tr>
<th>General Obligation Bonds:</th>
<th>Issue Date</th>
<th>Original Issue</th>
<th>Interest Rate</th>
<th>Final Maturity</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Governmental</td>
<td>Business-Type</td>
</tr>
<tr>
<td>Buies Creek-Coats Sanitary Sewer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refunding Bonds</td>
<td>May 1993</td>
<td>$1,880,000</td>
<td>5.6%-5.7%</td>
<td>June 2012 $</td>
<td>- $ 100,000</td>
</tr>
<tr>
<td>South Central Refunding</td>
<td>May 2004</td>
<td>$2,625,000</td>
<td>2.5%-5.25%</td>
<td>June 2028</td>
<td>- $ 1,751,544</td>
</tr>
<tr>
<td>South Central Sanitary Sewer 2009 A</td>
<td>June 2009</td>
<td>$6,753,000</td>
<td>4.25%</td>
<td>June 2049</td>
<td>- $ 6,753,000</td>
</tr>
<tr>
<td>South Central Sanitary Sewer 2009 B</td>
<td>June 2009</td>
<td>$3,000,000</td>
<td>4.38%</td>
<td>June 2049</td>
<td>- $ 3,000,000</td>
</tr>
<tr>
<td>Burnsville/Riverside Refunding</td>
<td>May 2004</td>
<td>$170,000</td>
<td>2.5%-5.25%</td>
<td>June 2028</td>
<td>- $ 113,456</td>
</tr>
<tr>
<td>West Central Refunding</td>
<td>May 2004</td>
<td>$2,305,000</td>
<td>2.5%-5.25%</td>
<td>June 2028</td>
<td>- $ 1,800,000</td>
</tr>
<tr>
<td>Northwest Refunding</td>
<td>May 2004</td>
<td>$1,375,000</td>
<td>2.5%-5.25%</td>
<td>June 2028</td>
<td>- $ 1,050,000</td>
</tr>
<tr>
<td>Northwest Phase II Water Bonds</td>
<td>October 1997</td>
<td>$995,000</td>
<td>5.30%</td>
<td>June 2016</td>
<td>- $ 365,000</td>
</tr>
<tr>
<td>Southwest Refunding</td>
<td>May 2004</td>
<td>$3,790,000</td>
<td>2.5%-5.25%</td>
<td>June 2028</td>
<td>- $ 2,835,000</td>
</tr>
<tr>
<td>Southeast Water Bonds</td>
<td>December 1993</td>
<td>$1,462,000</td>
<td>5.13%</td>
<td>June 2033</td>
<td>- $ 1,123,000</td>
</tr>
<tr>
<td>East Central Water Bonds Series A</td>
<td>October 1995</td>
<td>$3,608,000</td>
<td>5.13%</td>
<td>June 2035</td>
<td>- $ 2,895,500</td>
</tr>
<tr>
<td>East Central Water Bonds Series B</td>
<td>October 1995</td>
<td>$172,000</td>
<td>5.25%</td>
<td>June 2035</td>
<td>- $ 140,000</td>
</tr>
<tr>
<td>Riverside Water Bonds Series A</td>
<td>July 2001</td>
<td>$940,000</td>
<td>4.76%</td>
<td>June 2041</td>
<td>- $ 838,000</td>
</tr>
<tr>
<td>Riverside Water Bonds Series A</td>
<td>July 2001</td>
<td>$254,000</td>
<td>4.88%</td>
<td>June 2041</td>
<td>- $ 228,500</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$29,349,000</td>
<td></td>
<td></td>
<td>- $ 23,013,000</td>
</tr>
</tbody>
</table>

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HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 10 – LONG-TERM OBLIGATIONS (continued)

Revenue Bond Loans:

<table>
<thead>
<tr>
<th>Enterprise System Revenue Bond Loans:</th>
<th>Issue Date</th>
<th>Original Issue</th>
<th>Interest Rate</th>
<th>Final Maturity</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2007 A (Tax Exempt)</td>
<td>May 2007</td>
<td>$13,235,000</td>
<td>4%-5%</td>
<td>May 2028</td>
<td>$-</td>
</tr>
<tr>
<td>Series 2007 B (Taxable)</td>
<td>May 2007</td>
<td>$2,075,000</td>
<td>4%-5%</td>
<td>May 2028</td>
<td>-</td>
</tr>
<tr>
<td>Total Business-Type Activities Revenue Bond Loans</td>
<td></td>
<td>$15,310,000</td>
<td></td>
<td></td>
<td>$-</td>
</tr>
</tbody>
</table>

State Bond Loans:

| Hatnett/Wake Transmission Line        | March 2001 | $864,047       | 5.25%         | May 2020       | $-                 | 388,821            |
| East Central State Revolving Loan     | May, 2010  | $4,454,119     | 2.22%         | May 2031       | -                  | 3,354,250          |
| Expansion of Water Treatment Plant    | June 1996  | $3,000,000     | 5.85%         | May 2016       | -                  | 750,000            |
| Expansion of Water Treatment Plant    | June 1997  | $3,000,000     | 3.22%         | May 2017       | -                  | 900,000            |
| Southwest Water and Sewer District    | July 1998  | $2,683,000     | 5.30%         | November 2011  | -                  | 847,263            |
| Southwest Regional III                | March 2003 | $1,000,000     | 4.02%         | May 2022       | -                  | 578,946            |
| Hatnett County Sanitary Sewer Revolving Loan | March 2005 | $15,000,000   | 2.21%         | May 2027       | -                  | 12,000,000         |
| Total Business-Type Activities State Bond Loans | | $30,001,166  |               |                | $-                 | 18,819,280         |
The following is a summary of changes in long-term obligations for the year ended June 30, 2011:

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>July 1, 2010</th>
<th>Additions</th>
<th>Decreases</th>
<th>June 30, 2011</th>
<th>Due in Less Than One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalized leases</td>
<td>$ 498,504</td>
<td>$ -</td>
<td>$ 198,731</td>
<td>$ 299,773</td>
<td>$ 151,393</td>
</tr>
<tr>
<td>Installment purchase agreements</td>
<td>131,924,020</td>
<td>20,803,000</td>
<td>26,502,564</td>
<td>126,224,456</td>
<td>6,984,876</td>
</tr>
<tr>
<td>Premium</td>
<td>2,714,375</td>
<td>35,475</td>
<td>245,325</td>
<td>2,504,525</td>
<td>245,325</td>
</tr>
<tr>
<td>Gross debt</td>
<td>135,136,899</td>
<td>20,838,475</td>
<td>26,946,620</td>
<td>129,028,754</td>
<td>7,381,594</td>
</tr>
<tr>
<td>Less: Loss on defeasance</td>
<td>(606,610)</td>
<td>-</td>
<td>(185,920)</td>
<td>(420,690)</td>
<td>(185,920)</td>
</tr>
<tr>
<td>Total debt</td>
<td>134,530,289</td>
<td>20,838,475</td>
<td>26,760,700</td>
<td>128,608,064</td>
<td>7,195,674</td>
</tr>
<tr>
<td>Other long-term liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated absences</td>
<td>2,282,321</td>
<td>1,472,489</td>
<td>1,324,024</td>
<td>2,430,786</td>
<td>1,324,024</td>
</tr>
<tr>
<td>Law Enforcement Officers'</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Separation Allowance</td>
<td>478,168</td>
<td>69,831</td>
<td>-</td>
<td>547,999</td>
<td></td>
</tr>
<tr>
<td>Other post-employment benefits</td>
<td>2,715,827</td>
<td>1,632,708</td>
<td>397,773</td>
<td>3,950,783</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 140,006,605</td>
<td>$ 24,013,503</td>
<td>$ 28,482,497</td>
<td>$ 135,537,612</td>
<td>$ 8,519,698</td>
</tr>
<tr>
<td>Business-Type Activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Installment purchase agreements</td>
<td>$ 7,920,747</td>
<td>$ -</td>
<td>$ 1,061,896</td>
<td>$ 6,858,851</td>
<td>$ 1,088,793</td>
</tr>
<tr>
<td>Premium</td>
<td>650,252</td>
<td>37,195</td>
<td>48,469</td>
<td>638,978</td>
<td>48,470</td>
</tr>
<tr>
<td>General obligations</td>
<td>23,805,000</td>
<td>-</td>
<td>792,000</td>
<td>23,013,000</td>
<td>927,000</td>
</tr>
<tr>
<td>Revenue bonds</td>
<td>39,995,000</td>
<td>-</td>
<td>26,545,000</td>
<td>13,350,000</td>
<td>545,000</td>
</tr>
<tr>
<td>State bond loans</td>
<td>16,752,074</td>
<td>3,354,250</td>
<td>1,287,044</td>
<td>18,819,280</td>
<td>1,518,102</td>
</tr>
<tr>
<td>Less: Loss on defeasance</td>
<td>(332,458)</td>
<td>18,844</td>
<td>509</td>
<td>(314,123)</td>
<td>(3,842)</td>
</tr>
<tr>
<td>Total debt</td>
<td>88,690,615</td>
<td>3,410,289</td>
<td>28,734,918</td>
<td>62,365,986</td>
<td>4,123,523</td>
</tr>
<tr>
<td>Other long-term liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued landfill closure and post-closure care costs</td>
<td>2,220,033</td>
<td>-</td>
<td>411,326</td>
<td>1,808,707</td>
<td>410,000</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>513,429</td>
<td>538,646</td>
<td>488,938</td>
<td>563,137</td>
<td>488,938</td>
</tr>
<tr>
<td>Other post-employment benefits</td>
<td>414,820</td>
<td>249,737</td>
<td>35,763</td>
<td>628,794</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 91,838,897</td>
<td>$ 807,227</td>
<td>$ 30,670,945</td>
<td>$ 65,366,624</td>
<td>$ 5,022,461</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 10 – LONG-TERM OBLIGATIONS (continued)

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>Installment Purchase</th>
<th>General Obligation Bonds</th>
<th>Capitalized Leases</th>
<th>Revenue Bonds</th>
<th>State Bond Loan</th>
<th>Total Debt Due</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
<td>Principal</td>
<td>Interest</td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>2012</td>
<td>$6,984,876</td>
<td>$5,305,814</td>
<td>$ -</td>
<td>$ -</td>
<td>$151,393</td>
<td>$7,553</td>
</tr>
<tr>
<td>2013</td>
<td>7,283,398</td>
<td>5,084,785</td>
<td>$ -</td>
<td>$ -</td>
<td>113,323</td>
<td>3,161</td>
</tr>
<tr>
<td>2014</td>
<td>7,436,202</td>
<td>4,848,840</td>
<td>$ -</td>
<td>$ -</td>
<td>35,057</td>
<td>464</td>
</tr>
<tr>
<td>2015</td>
<td>7,901,593</td>
<td>4,545,098</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2016-2020</td>
<td>42,222,533</td>
<td>17,314,662</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2021-2025</td>
<td>35,589,172</td>
<td>8,769,776</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2026-2030</td>
<td>18,824,621</td>
<td>1,827,580</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>126,224,456</td>
<td>47,694,555</td>
<td>$ -</td>
<td>$ -</td>
<td>299,773</td>
<td>11,178</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business-Type Activities:</th>
<th>Installment Purchase</th>
<th>General Obligation Bonds</th>
<th>Capitalized Leases</th>
<th>Revenue Bonds</th>
<th>State Bond Loan</th>
<th>Total Debt Due</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
<td>Principal</td>
<td>Interest</td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>2012</td>
<td>1,088,793</td>
<td>289,309</td>
<td>927,000</td>
<td>1,072,733</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2013</td>
<td>1,132,134</td>
<td>242,836</td>
<td>843,000</td>
<td>1,032,658</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>1,131,379</td>
<td>194,473</td>
<td>705,000</td>
<td>996,191</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>847,988</td>
<td>149,406</td>
<td>717,500</td>
<td>964,721</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2016-2020</td>
<td>1,640,345</td>
<td>396,379</td>
<td>3,703,500</td>
<td>4,304,420</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2021-2025</td>
<td>638,782</td>
<td>171,520</td>
<td>4,247,000</td>
<td>3,343,286</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2026-2030</td>
<td>381,379</td>
<td>28,603</td>
<td>3,748,500</td>
<td>2,270,023</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2031-2035</td>
<td>2,470,500</td>
<td>1,500,393</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2036-2040</td>
<td>1,900,000</td>
<td>1,060,216</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2041-2045</td>
<td>2,065,000</td>
<td>926,100</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2046-2050</td>
<td>1,684,600</td>
<td>175,445</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>6,858,851</td>
<td>1,472,527</td>
<td>23,013,000</td>
<td>17,409,185</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$133,083,306</td>
<td>$49,167,082</td>
<td>$23,013,000</td>
<td>$17,409,185</td>
<td>$299,773</td>
<td>11,178</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 10 – LONG-TERM OBLIGATIONS (continued)

At June 30, 2011, Harnett County had bonds authorized, but unissued, in the amount of $24,556,000 for the South Central Water and Sewer District. The County is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt, the County may have outstanding to eight percent of the appraised value of property subject to taxation. At June 30, 2011, such statutory limit for the County was $564,797,172, providing a legal debt margin of approximately $412,594,583.

As of June 30, 2011, the County was in compliance with covenants associated with its debt.

Compensated absences, net pension obligation, and OPEB liability typically have been liquidated in the General Fund. Compensated absences are accounted for on a last-in, first-out basis, assuming that employees are taking leave as it is earned.

In prior years, the County has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and related fixed earnings are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed from the County’s liabilities. As of June 30, 2011, the amount of prior year defeased debt outstanding and removed from the County’s liabilities amounted to $0.

Gains and losses from debt refundings must be deferred and amortized over the lesser of the original remaining life of the old debt or the life of the new debt. In addition, gains or losses related to the debt refundings are to be used in determining the carrying value of the new debt issued to finance debt refundings. The carrying value of the certificates of participation and general obligation bonds have been adjusted for the loss from defeasance (net of amortization) of $601,926 and $245,325, respectively.

On October 19, 2010, the County entered into a federal defeasance of Public Utilities Revenue Bonds Series 2008 by placing federal contributions in an irrevocable trust to purchase federal securities to provide for all future debt service payments on the revenue bonds. Accordingly, the trust assets and the liability of the defeased bonds are not included in the County’s financial statements. On June 30, 2011, $26,030,000 of bonds outstanding is considered defeased.

On November 10, 2010, the County issued a refunding to provide resources for the purpose of general resources for all debt service payments of $6,535,000 of COPS series 2000 and an installment purchase contract for $13,500,000. As a result, the obligations are considered defeased and the liability has been removed from the County’s financial statements. The new debt exceeded the net carrying amount of the old debt by $768,000. This refunding was undertaken to reduce total debt service payments by $671,148 and resulted in an economic gain of $96,852.

The County has pledged future water and sewer customer revenues, net of specified operating expenses, to repay $15,310,000 in enterprise system revenue bonds issued on May 23, 2007. Proceeds from the bonds provided financing for extensions, additions and capital improvements to, or the renewal and replacement of capital assets of, or purchasing and installing new equipment for, the enterprise systems. The bonds are payable only from water and sewer customer net revenues and are payable through 2028. The total principal and interest remaining to be paid on the bonds is $19,686,885. Principal and interest paid for the current year and total customer revenues were $1,156,083 and $28,042,836, respectively.
Revenue Bonds

The County issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. The revenue bonds outstanding are being retired by the resources of the Water and Sewer Fund. Revenue bonds outstanding at year-end are as follows:

$13,235,000 Public Utilities Revenue Bonds, Series 2007A (Tax Exempt), interest only payments of $304,319 due semi-annually until May 2012, followed by semi-annual payments of principal and interest due in amounts ranging from $23,744 to $1,133,744 through May 2028, interest rate varying between 4.00% and 5.00% $ 13,235,000

$2,075,000 Public Utilities Revenue Bonds, Series 2007B (Taxable), due semi-annually in amounts ranging from $2,961 to $538,431 through May 2012, interest rate is 5.15% 115,000

Total $ 13,350,000

Annual debt service requirements to maturity for business-type revenue bonds are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$545,000</td>
<td>$614,560</td>
<td>$1,159,560</td>
</tr>
<tr>
<td>2013</td>
<td>565,000</td>
<td>591,438</td>
<td>1,156,438</td>
</tr>
<tr>
<td>2014</td>
<td>590,000</td>
<td>568,838</td>
<td>1,158,838</td>
</tr>
<tr>
<td>2015</td>
<td>615,000</td>
<td>545,238</td>
<td>1,160,238</td>
</tr>
<tr>
<td>2016-2020</td>
<td>3,490,000</td>
<td>2,296,113</td>
<td>5,786,113</td>
</tr>
<tr>
<td>2021-2025</td>
<td>4,370,000</td>
<td>1,421,988</td>
<td>5,791,988</td>
</tr>
<tr>
<td>2026-2030</td>
<td>3,175,000</td>
<td>298,713</td>
<td>3,473,713</td>
</tr>
<tr>
<td>Total</td>
<td>$13,350,000</td>
<td>$6,336,888</td>
<td>$19,686,888</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 10 – LONG-TERM OBLIGATIONS (continued)

The County has been in compliance with the covenants as to rates, fees, rentals, and charges in Section 6.6 of the Bond Order, authorizing the issuance of the Water and Sewer Revenue Bonds, Series 2007A (Tax Exempt), 2007B (Taxable) since their adoption. Section 6.6 of the Bond Order requires that rates and charges will produce (a) Revenues which together with 20% of the balance in the Surplus Account at the end of the preceding Fiscal Year at least equal in such Fiscal Year to the total of (i) the Operating Expenses budgeted for such Fiscal Year, as may be amended from time to time, plus (ii) 120% of the Principal and Interest Requirements on the Bonds to become due during that Fiscal Year plus (iii) 100% of the Principal and Interest Requirements on General Obligation Indebtedness and Subordinate Indebtedness to become due in such Fiscal Year plus (iv) 100% of the Principal and Interest on Other Indebtedness to become due in such Fiscal Year plus (v) 100% of the amount required to reimburse the provider of a Qualified Reserve Fund Substitute for any amounts owing hereunder and (b) Revenues at least equal in such Fiscal Year to the total of (i) the Operating Expenses budgeted for such Fiscal Year, as may be amended from time to time, plus (ii) 100% of the Principal and Interest Requirements on the Bonds to become due during that Fiscal Year plus (iii) 100% of the Principal and Interest Requirements on General Obligation Indebtedness and Subordinate Indebtedness to become due in such Fiscal Year plus (iv) 100% of the Principal and Interest Requirements on Other Indebtedness to become due in such Fiscal Year plus (v) 100% of the amount required to reimburse the provider of a Qualified Reserve Fund Substitute for any amounts owing hereunder. The debt service coverage calculation for the year ended June 30, 2011 is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$ 28,042,836</td>
</tr>
<tr>
<td>Operations and maintenance expenses</td>
<td>(14,377,458)</td>
</tr>
<tr>
<td>Operating income before depreciation and amortization</td>
<td>13,665,378</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>(5,001,800)</td>
</tr>
<tr>
<td>Operating income</td>
<td>8,663,578</td>
</tr>
<tr>
<td>Non-operating revenues</td>
<td>11,211</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>(15,940,505)</td>
</tr>
<tr>
<td>Net income</td>
<td>$ (7,265,716)</td>
</tr>
</tbody>
</table>

Determination of income available for debt service

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$ (7,265,716)</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(5,001,800)</td>
</tr>
<tr>
<td>Bond interest expense</td>
<td>15,940,505</td>
</tr>
<tr>
<td>Bond service expense</td>
<td>29,734,409</td>
</tr>
<tr>
<td>Income available for debt service</td>
<td>33,407,398</td>
</tr>
<tr>
<td>20% of unrestricted net assets</td>
<td>3,349,018</td>
</tr>
<tr>
<td>Income available for debt service plus</td>
<td>$ 36,756,416</td>
</tr>
<tr>
<td>20% of unrestricted net assets</td>
<td></td>
</tr>
</tbody>
</table>
NOTE 10 – LONG-TERM OBLIGATIONS (continued)

Debt Service Requirements and Coverage

Parity debt service:
Revenue bonds $ 1,159,560

Debt service coverage - Parity indebtedness 31,902

Revenue bond covenant requirement 1,200

Other indebtedness:
Installment purchases $ 1,378,102
GO bonds 1,999,733
State bond loans 2,045,885

Sum of parity and GO debt service $ 5,423,720

Debt service coverage - Sum of parity and system GO indebtedness 5,395

Revenue bond covenant requirement 1,000

NOTE 11 – PENSION PLAN OBLIGATIONS

A. Multiple-Employer Plans

Plan Description

Local Governmental Employees’ Retirement System

All regular full-time employees participate in the State-wide Local Governmental Employee’s Retirement System (the “System”), a multiple-employer, cost-sharing, defined benefit pension plan administered by the State of North Carolina. The System provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the NC General Assembly. The System is included in the Comprehensive Annual Financial Report (“CAFR”) for the State of North Carolina. The State’s CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.
Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.44% and 6.41%, respectively of annual covered payroll. The contribution requirements of members and of the County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2009, 2010, and 2011 were $1,529,542, $1,564,978, and $2,111,279, respectively. The contributions made by the County equaled the required contributions for each year.

B. Single-Employer Plan

Law Enforcement Officers' Special Separation Allowance

1. Plan Description

The County administers a public employee retirement system (the "Separation Allowance"), a single-employer, defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of credible service. The retirement benefits are not subject to any increase in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2010, the Separation Allowance's membership consisted of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirees receiving benefits</td>
<td>8</td>
</tr>
<tr>
<td>Terminated plan members entitled to, but not yet receiving benefits</td>
<td>-</td>
</tr>
<tr>
<td>Active plan members</td>
<td>112</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
</tr>
</tbody>
</table>

A separate report was not issued for the plan.

2. Summary of Significant Accounting Policies

Basis of Accounting

The County has chosen to fund the Separation Allowance on a "pay-as-you-go" basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.
NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

Method Used to Value Investments

No funds are set aside to pay benefits and administrative costs. These expenditures are paid as they come due.

3. Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the fiscal year ended June 30, 2011 was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5% to 12.3% per year. Item (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 21 years.

Annual Pension Cost and Net Pension Obligation

The County’s annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual required contribution</td>
<td>$ 159,402</td>
</tr>
<tr>
<td>Interest on net pension obligation</td>
<td>23,908</td>
</tr>
<tr>
<td>Adjustment to annual required contribution</td>
<td>(25,600)</td>
</tr>
<tr>
<td>Annual pension cost</td>
<td>157,710</td>
</tr>
<tr>
<td>Contributions made</td>
<td>87,879</td>
</tr>
<tr>
<td>Increase in net pension obligation</td>
<td>69,831</td>
</tr>
<tr>
<td>Net pension obligation:</td>
<td></td>
</tr>
<tr>
<td>Beginning of year - July 1</td>
<td>478,168</td>
</tr>
<tr>
<td>End of year - June 30</td>
<td>$ 547,999</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Annual Pension Cost (APC)</th>
<th>Percentage of APC Contributed</th>
<th>Net Pension Obligation End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/2009</td>
<td>$ 115,925</td>
<td>63.12%</td>
<td>$ 441,969</td>
</tr>
<tr>
<td>6/30/2010</td>
<td>123,737</td>
<td>70.74%</td>
<td>478,168</td>
</tr>
<tr>
<td>6/30/2011</td>
<td>157,710</td>
<td>55.72%</td>
<td>547,999</td>
</tr>
</tbody>
</table>
NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

4. Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was $1,316,456. The covered payroll (annual payroll of active employees covered by the plan) was $4,775,956, and the ratio of the UAAL to the covered payroll was 27.56%.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing, over time, relative to the actuarial accrued liability for benefit.

C. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

The County contributes to the Supplemental Retirement Income Plan ("The Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes pension trust fund financial statements for the Internal Revenue Code Section 401 (k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month, an amount equal to 5% of each officer’s salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2011 were $325,034, which consisted of $237,445 from the County and $87,589 from the law enforcement officers.

D. Supplemental Retirement Income Plan

Plan Description

The County administers a supplemental retirement benefit plan for all of its full-time employees that are not involved with law enforcement, through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The County does not match the employee’s contribution. All contributed amounts, plus investment earnings allocated to the employee’s accounts, are fully vested immediately. The County established the plan and may amend it at its discretion. Total voluntary contributions by covered employees were $639,683.
E. Register of Deeds' Supplemental Pension Fund

Plan Description

The County also contributes to the Register of Deeds' Supplemental Pension Fund ("The Fund"), a non-contributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds that is retired under the Local Governmental Employees' Retirement System (LGERS), or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes pension trust fund financial statements for the Internal Revenue Code Section 401 (k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

On a monthly basis, the County remits to the department of State Treasurer, an amount equal to four and one-half percent (4.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2011, the County's required and actual contributions were $10,783.

F. Other Post-Employment Benefits

Plan Description

At retirement, all employees have the option to purchase basic medical insurance at the County's group rate. Under the terms of a County resolution, the County administers a single-employer defined benefit Health Care Benefits (HCB) Plan. This plan provides post-employment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees Retirement System, have at least fifteen years of creditable service with the County, and are actively employed with the County at the time of retirement. The County is self-insured and contracts with a private insurer to provide all administrative services. The entire cost of this insurance is paid by the County for those employees, until age 65, who retire with 30 years of service. Those employees who retire with less than 30 years of service with the County receive benefits on a prorated basis. A separate report is not issued for the plan.

Membership of the HCB Plan consisted of the following as December 31, 2010, the date of the latest actuarial valuation:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirees Members</td>
<td>96</td>
</tr>
<tr>
<td>General Employees</td>
<td>738</td>
</tr>
<tr>
<td>Law Enforcement Members</td>
<td>112</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>946</strong></td>
</tr>
</tbody>
</table>
Funding Policy

Currently, active County employees pay a monthly premium for the HCB Plan. Retirees not eligible for Medicare are enrolled in the same plan as active County employees. Retirees may be eligible to participate in the County’s Group Health Plan until they reach age 65 or become Medicare eligible. At age 65, or Medicare eligible, retirees may then receive reimbursement up to the $200 monthly maximum for their individual Medicare Supplement. The Board of Commissioners has established the contribution requirements of the plan and may amend the plan. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis. For the fiscal year ended June 30, 2011, the County made payments for post-retirement health benefit premiums of $499,567. The current annual required contribution (ARC) rate is 5.82% of annual covered payroll.

Summary of Significant Accounting Policies

Post-employment expenditures are made from the Group Health Insurance Fund which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation. The County’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in the accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities or funding excess over a period not to exceed thirty years.

The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation for the healthcare benefits:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual required contribution</td>
<td>$1,942,881</td>
<td></td>
</tr>
<tr>
<td>Interest on net pension obligation</td>
<td>125,226</td>
<td></td>
</tr>
<tr>
<td>Adjustment to annual required contribution</td>
<td>119,630</td>
<td></td>
</tr>
<tr>
<td>Annual OPEB cost</td>
<td>1,948,477</td>
<td></td>
</tr>
<tr>
<td>Contributions made</td>
<td>499,567</td>
<td></td>
</tr>
<tr>
<td>Increase in net OPEB obligation</td>
<td>1,448,910</td>
<td></td>
</tr>
<tr>
<td>Net OPEB obligation, beginning of year</td>
<td>3,130,647</td>
<td></td>
</tr>
<tr>
<td>Net OPEB obligation, end of year</td>
<td>$4,579,557</td>
<td></td>
</tr>
</tbody>
</table>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011:

<table>
<thead>
<tr>
<th>For Year Ended June 30</th>
<th>Annual OPEB Cost</th>
<th>Percentage of Annual OPEB Cost Contributed</th>
<th>Net Pension Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$1,756,329</td>
<td>10.14%</td>
<td>$1,578,274</td>
</tr>
<tr>
<td>2010</td>
<td>1,872,656</td>
<td>17.00%</td>
<td>3,130,647</td>
</tr>
<tr>
<td>2011</td>
<td>1,948,477</td>
<td>25.60%</td>
<td>4,579,557</td>
</tr>
</tbody>
</table>
Funding Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was $19,469,163. The covered payroll (annual payroll of active employees covered by the plan) was $33,178,627 and the ratio of the UAAL to the covered payroll was 58.70%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing, over time, relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. Costs were determined using the Projected Unit Credit Actuarial Cost Method. The annual service cost is the present value of the portion of the projected benefit attributable to participation service during the upcoming year, and the accumulated post-retirement benefit obligation (APBO) is equal to the present value of the portion the actuarial methods and assumptions used include techniques that are designed to reduce the effects of the short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer’s own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50% - 5.00% annually. Both rates included a 3.00% inflation assumption. The actuarial value of the assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5-year period. The UAAL is amortized as level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010 was 30 years.

G. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees’ Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. The employee’s beneficiary will receive a lump-sum payment equal to the employee’s highest twelve (12) months’ consecutive salary during the preceding twenty-four (24) months, but no less than $25,000 and not to exceed $50,000. All death benefit payments are made from the Death Benefit Plan. The County has
NOTE 11 – PENSION PLAN OBLIGATIONS (continued)

no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2011, the County made contributions to the State for death benefits of $31,921. The County’s required contributions for employees not engaged in law enforcement and for law enforcement officers represented .090% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

NOTE 12 – CLOSURE AND POSTCLOSURE CARE COSTS - DUNN-ERWIN SOLID WASTE LANDFILL

Federal and State laws and regulations require the County to close, or in other words, place a final protective containment cover on each phase of the landfill at both the Dunn-Erwin Solid Waste Facility and the Anderson Creek Solid Waste Facility when each phase of the landfills stop accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although a majority of closure costs will be paid near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used and phases that have been closed as of each financial statement date. Post-closure care costs begin immediately upon each phase closure and per Federal and State regulations; post-closure care must be maintained for a minimum of a 30-year timeframe after closure. Expenditures of $411,326 have been applied to the liability during the current fiscal year. The $1,808,707 post-closure care liability at June 30, 2011 represents a cumulative amount reported to date based on the use of 100% of the total estimated capacity of the landfill. The County closed the Municipal Solid Waste (MSW) cell at Dunn-Erwin Solid Waste Landfill on January 1, 1998, with other phases being closed previous to that date at both Dunn-Erwin and the Anderson Creek Solid Waste Facilities. These amounts are based on what it would cost to perform all closure and post-closure care in 2011. Actual costs may be higher due to inflation, changes in technology, changes in regulations, or changes in landfill capacity.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Commitments

The County had Commitments under uncompleted construction contracts in the Enterprise Fund totaling $38,833,935 and in the Governmental Funds totaling $5,737,712 at June 30, 2011.

Arbitrage

The arbitrage rebate payments are due on the fifth anniversary of the bond issue date. It is management’s belief that the County’s future rebate liability, if any, will be immaterial and, therefore, no liability has been recorded. The County reviews its potential liability for the penalty annually. It is management’s belief that no additional arbitrage rebate will be payable.
Claims and Judgments

At June 30, 2011, the County was a defendant in various lawsuits. In the opinion of the County’s management and the County attorney, the ultimate outcome of these legal matters will not have a material adverse effect on the County’s financial position.

Federal and State-Assisted Programs

The County has received proceeds from several federal and State awards. Periodic audits of these awards are required and certain costs may be questioned as not being appropriate expenditures under the award agreements. Such audits could result in the refund of award monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of award monies.
NOTE 14 – INTERFUND BALANCES AND ACTIVITIES

Transfers in (out) for the year ended June 30, 2011 are summarized below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>From the General Fund to the Transportation Facility Capital Project Fund</td>
<td>$ 15,000</td>
</tr>
<tr>
<td>to supplement other funding sources</td>
<td></td>
</tr>
<tr>
<td>From the General Fund to the Worker’s Compensation Internal Service Fund to</td>
<td>$ 300,000</td>
</tr>
<tr>
<td>supplement other funding sources</td>
<td></td>
</tr>
<tr>
<td>From the General Fund to the Airport Overlay Capital Project for the County’s</td>
<td>$ 16,667</td>
</tr>
<tr>
<td>contribution to the project.</td>
<td></td>
</tr>
<tr>
<td>Total transfers out from the General Fund</td>
<td>$ 331,667</td>
</tr>
<tr>
<td>From the Overhills Elementary Project to the General Fund to cover debt</td>
<td>$ 750,168</td>
</tr>
<tr>
<td>payments</td>
<td></td>
</tr>
<tr>
<td>From the Boone Trail Project to the General Fund to cover debt payments</td>
<td>$ 573,788</td>
</tr>
<tr>
<td>From the Johnsonville Elementary Project to the General Fund to cover debt</td>
<td>$ 109,293</td>
</tr>
<tr>
<td>payments</td>
<td></td>
</tr>
<tr>
<td>From the Emergency Response Planning Fund to the General Fund to supplement</td>
<td></td>
</tr>
<tr>
<td>other funding sources</td>
<td>$ 3,000</td>
</tr>
<tr>
<td>Total transfers out from Nonmajor Governmental Funds</td>
<td>$ 1,436,249</td>
</tr>
<tr>
<td>From the Public Utilities Fund to the General Fund to supplement other</td>
<td></td>
</tr>
<tr>
<td>funding resources</td>
<td>$ 475,001</td>
</tr>
<tr>
<td>Intra Fund Transfers</td>
<td></td>
</tr>
<tr>
<td>From the Public Utilities Fund to the Water and Sewer District Funds to</td>
<td></td>
</tr>
<tr>
<td>cover debt service (Northeast Metro, Bueks Creek/Coats, South Central</td>
<td></td>
</tr>
<tr>
<td>West Central, Northwest, Southwest, Bunnlevel/Riverside, Southeast,</td>
<td></td>
</tr>
<tr>
<td>East Central, and Riverside Water and Sewer Districts)</td>
<td>$ 2,402,972</td>
</tr>
<tr>
<td>From the Public Utilities Fund to the Lafayette Sewer Project Fund for</td>
<td></td>
</tr>
<tr>
<td>project costs</td>
<td>$ 47,337</td>
</tr>
<tr>
<td>From the Public Utilities Fund to the South Central Wastewater Project Fund</td>
<td></td>
</tr>
<tr>
<td>for project costs</td>
<td>$ 1,414,275</td>
</tr>
<tr>
<td>From the Public Utilities Fund to the Water Plant Expansion Project Fund</td>
<td></td>
</tr>
<tr>
<td>for project costs</td>
<td>$ 532,493</td>
</tr>
<tr>
<td>From the Public Utilities Fund to the Fort Bragg NTA Housing Project Fund</td>
<td></td>
</tr>
<tr>
<td>for project costs</td>
<td>$ 158,095</td>
</tr>
<tr>
<td>From the Public Utilities to the Wastewater Master Plan Project Fund for</td>
<td></td>
</tr>
<tr>
<td>project cost</td>
<td>$ 266,000</td>
</tr>
<tr>
<td>From the Raw Water Intake Upgrade Fund to the Public Utilities Fund for</td>
<td></td>
</tr>
<tr>
<td>project cost</td>
<td>$ 19,528</td>
</tr>
<tr>
<td>From the Coats Hwy 55 WW Extension to the Public Utilities Fund for project</td>
<td></td>
</tr>
<tr>
<td>cost</td>
<td>$ 6,586,088</td>
</tr>
<tr>
<td>Total intrafund transfers</td>
<td>$ 11,429,788</td>
</tr>
<tr>
<td>Total</td>
<td>$ 13,872,705</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 14 – INTERFUND BALANCES AND ACTIVITIES (continued)

Transfers between the major funds and other nonmajor governmental were primarily to support the capital projects, the debt service within the districts and the operations of the funds.

Interfund balances at June 30, 2011, consist of the following:

Due to the Public Utilities Enterprise from:

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Central Wastewater Project</td>
<td>$25,000</td>
</tr>
<tr>
<td>East Central Water Project</td>
<td>$1,300,755</td>
</tr>
<tr>
<td>Fort Bragg Water &amp; Wastewater Project</td>
<td>$400,000</td>
</tr>
<tr>
<td>Water Plant Expansion Project</td>
<td>$1,076,258</td>
</tr>
<tr>
<td>South Central Wastewater 1B-1 Project</td>
<td>$280,000</td>
</tr>
<tr>
<td>South Central Wastewater 1B-2 Project</td>
<td>$290,000</td>
</tr>
<tr>
<td>South Central Wastewater 1C-1 Project</td>
<td>$140,000</td>
</tr>
<tr>
<td>South Central Wastewater 1C-2 Project</td>
<td>$150,000</td>
</tr>
</tbody>
</table>

Total due to the Public Utilities Enterprise Fund $3,662,013

Due to the General Fund from:

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Facility Design</td>
<td>$20,000</td>
</tr>
<tr>
<td>Single Family</td>
<td>$5,900</td>
</tr>
<tr>
<td>Economic Development Green Jobs</td>
<td>$3,625</td>
</tr>
<tr>
<td>Floodplain Mapping Fund</td>
<td>$180</td>
</tr>
<tr>
<td>WIA Youth Program Fund</td>
<td>$27,781</td>
</tr>
<tr>
<td>ARRA Fund</td>
<td>$18,572</td>
</tr>
</tbody>
</table>

Total due to the General Fund $76,058

The balances above are advances from the General and Public Utilities Fund. Grant funds have been requested to repay the General Fund. Capital project advances will be repaid from grant and project revenues. Advances to enterprise funds will be repaid from receipts.
HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 15 – JOINT VENTURES

The County, in conjunction with seven other counties, participates in the Sandhills Center for Mental Health, Developmental Disabilities and Substance Abuse Services, an Area Authority/Local Management Entity. Harnett County appoints four members to the 26-member Board. The Authority is a joint venture established to provide the participating counties with legally mandated mental health services. The County has an ongoing financial responsibility for the Authority because the Authority’s continued existence depends on the participating governments’ continued funding. The County contributed $199,679 to the Authority during the fiscal year ended June 30, 2011. Neither of the participating governments has any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2011. Complete financial statements for the Sandhills Center can be obtained from their administrative office at 1120 Seven Lakes Drive or P.O. Box 9, West End, North Carolina 27376.

The County, in conjunction with the State of North Carolina, Lee County, Chatham County, and the Lee County Board of Education, participates in a joint venture to operate Central Carolina Community College. The County appoints two members of the 17-member Board of Trustees of the community college. The president of the community college’s student government association serves as a non-voting, ex-officio member of the Board of Trustees.

The County has the basic responsibility for providing funding for the Harnett County facilities of the community college and also provides some financial support for the community college’s operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college’s Harnett County facilities. The County contributed $725,726 to the community college for operating purposes during the fiscal year ended June 30, 2011. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County’s financial statements at June 30, 2011. Complete financial statements for the community college may be obtained from the community college’s administrative offices at 1105 Kelly Drive, Sanford, North Carolina 27330.

The County, in conjunction with the City of Dunn and the Dunn Area Chamber of Commerce, participates in the Averasboro Township Tourism Development Authority. The Authority is a joint venture established to receive the net proceeds of the room occupancy and tourism development tax levied in Averasboro Township in Harnett County. The Authority may spend these proceeds to develop, promote, and advertise travel and tourism in Averasboro Township, to sponsor tourist-oriented events and activities for Averasboro Township, to operate and maintain museums and historic sites throughout Averasboro Township, and to purchase, operate, and maintain a convention facility for Averasboro Township. The County appoints two members to the seven-member Board. The County has an ongoing financial responsibility for the Authority, because the Authority’s continued existence depends on the participating governments’ continued funding. The County remitted $393,552 to the Authority during the fiscal year ended June 30, 2011. Neither of the participants has any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2011. Complete financial statements for the Authority can be obtained from the Dunn Area Chamber of Commerce at 209 West Divine Street, Post Office Box 548, and Dunn, North Carolina 28335.
NOTE 16 – JOINTLY GOVERNED ORGANIZATION

The County, in conjunction with two other counties and twenty municipalities, established the Mid- Carolina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council’s governing board. The County paid membership fees of $18,660 to the Council during fiscal year ended June 30, 2011.

NOTE 17 – BENEFIT PAYMENTS ISSUED BY THE STATE

The amounts listed below were paid directly to individual recipients by the State from Federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations, which cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients, which do not appear in the basic financial statements, because they are not revenues and expenditures of the County.

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Federal</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Assistance Programs - Medicaid Title XIX</td>
<td>$ 79,678,692</td>
<td>$ 31,594,267</td>
</tr>
<tr>
<td>Food and Nutrition Services EBT</td>
<td>30,594,791</td>
<td></td>
</tr>
<tr>
<td>Aid to Families with Dependent Children</td>
<td>(950)</td>
<td>(261)</td>
</tr>
<tr>
<td>Temporary Assistance for Needy Families</td>
<td>496,894</td>
<td>(257)</td>
</tr>
<tr>
<td>Special Assistance to Adults</td>
<td>-</td>
<td>953,178</td>
</tr>
<tr>
<td>Low Income Home Energy Assistance</td>
<td>908,522</td>
<td>-</td>
</tr>
<tr>
<td>Child Welfare Services - Adoptive Subsidy</td>
<td>-</td>
<td>422,708</td>
</tr>
<tr>
<td>Title IV-E Adoption Subsidy</td>
<td>930,040</td>
<td>205,752</td>
</tr>
<tr>
<td>Special Supplemental Food Program for Women, Infants and Children</td>
<td>2,599,247</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 115,207,236</td>
<td>$ 33,175,387</td>
</tr>
</tbody>
</table>

NOTE 18 – SUBSEQUENT EVENTS

The County has committed to a use agreement between the County and Campbell University for the use of a new Convocation Center for user fee of $150,000 a year over a period of seven years for a total of $1,050,000.

The County has committed to a use agreement between the County and Campbell University, which permits the Harnett County Department of Public Health and Emergency Services Agencies to use certain portions of the Campbell University School of Osteopathic Medicine for training. This agreement which commences fiscal year 2014-2015 will provide for the payment of $150,000 for twenty years and terminate on June 30, 2034.
HARNETT COUNTY, NORTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 19 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

At June 30, 2011, the following individual funds had a deficit in fund equity:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Revenue Funds:</td>
<td></td>
</tr>
<tr>
<td>Section 8 Housing Fund</td>
<td>$(61,625)</td>
</tr>
<tr>
<td>Floodplain Mapping Fund</td>
<td>(180)</td>
</tr>
<tr>
<td>WIA Youth Program Fund</td>
<td>(9,811)</td>
</tr>
<tr>
<td>ARRA Fund</td>
<td>(135)</td>
</tr>
<tr>
<td>Emergency Service Response Fund</td>
<td>(1,811)</td>
</tr>
<tr>
<td>Workers’ Compensation Fund</td>
<td>(1,549,471)</td>
</tr>
<tr>
<td>Single Family</td>
<td>(5,891)</td>
</tr>
</tbody>
</table>

The deficit occurred because of the timing of payments. Management intends to appropriate funds as necessary to cover deficit fund balance.

For the year ended June 30, 2011, the expenditures exceeded authorized appropriations in the Solid Waste fund by $214,892 and in the Special Districts fund by $191,784. Management will more closely monitor budget reports to ensure compliance in future years.
REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by accounting principles generally accepted in the United States of America.

Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance

Notes to the Required Schedules for the Law Enforcement Officer's Special Separation Allowance

Schedule of Funding Progress for the Post-Employment Benefit Retiree Healthcare Plan

Notes to the Required Schedules for the Post-Employment Benefit Retiree Healthcare Plan
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## Schedule of Funding Progress

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets (a)</th>
<th>Actuarial Liability (AAL) - Projected Unit Credit (b)</th>
<th>Unfunded AAL (UAAL) (b-a)</th>
<th>Funded Ratio (a/b)</th>
<th>Covered Payroll (c)</th>
<th>UAAL as a Percentage of Covered Payroll ((b-a)/c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/2002</td>
<td>$566,066</td>
<td>$566,066</td>
<td>0.00%</td>
<td>$2,200,349</td>
<td>25.73%</td>
<td></td>
</tr>
<tr>
<td>12/31/2003</td>
<td>721,297</td>
<td>721,297</td>
<td>0.00%</td>
<td>2,658,429</td>
<td>27.13%</td>
<td></td>
</tr>
<tr>
<td>12/31/2004</td>
<td>884,009</td>
<td>884,009</td>
<td>0.00%</td>
<td>3,081,508</td>
<td>26.89%</td>
<td></td>
</tr>
<tr>
<td>12/31/2005</td>
<td>783,403</td>
<td>783,403</td>
<td>0.00%</td>
<td>3,511,915</td>
<td>22.31%</td>
<td></td>
</tr>
<tr>
<td>12/31/2006</td>
<td>976,187</td>
<td>976,187</td>
<td>0.00%</td>
<td>3,935,637</td>
<td>24.80%</td>
<td></td>
</tr>
<tr>
<td>12/31/2007</td>
<td>953,625</td>
<td>953,625</td>
<td>0.00%</td>
<td>4,133,872</td>
<td>23.07%</td>
<td></td>
</tr>
<tr>
<td>12/31/2008</td>
<td>956,814</td>
<td>956,814</td>
<td>0.00%</td>
<td>4,381,562</td>
<td>21.84%</td>
<td></td>
</tr>
<tr>
<td>12/31/2009</td>
<td>1,350,543</td>
<td>1,350,543</td>
<td>0.00%</td>
<td>4,482,025</td>
<td>30.13%</td>
<td></td>
</tr>
<tr>
<td>12/31/2010</td>
<td>1,316,456</td>
<td>1,316,456</td>
<td>0.00%</td>
<td>4,775,956</td>
<td>27.56%</td>
<td></td>
</tr>
</tbody>
</table>

## Schedule of Employer Contributions

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Annual Required Contribution (ARC)</th>
<th>Percentage of ARC Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$63,541</td>
<td>261.03%</td>
</tr>
<tr>
<td>2003</td>
<td>75,029</td>
<td>68.40%</td>
</tr>
<tr>
<td>2004</td>
<td>68,818</td>
<td>85.37%</td>
</tr>
<tr>
<td>2005</td>
<td>85,582</td>
<td>86.60%</td>
</tr>
<tr>
<td>2006</td>
<td>104,224</td>
<td>100.00%</td>
</tr>
<tr>
<td>2007</td>
<td>100,775</td>
<td>75.47%</td>
</tr>
<tr>
<td>2008</td>
<td>112,213</td>
<td>74.62%</td>
</tr>
<tr>
<td>2009</td>
<td>119,535</td>
<td>73.23%</td>
</tr>
<tr>
<td>2010</td>
<td>159,402</td>
<td>55.13%</td>
</tr>
</tbody>
</table>

## Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

- **Valuation date**: 12/31/2009
- **Actuarial cost method**: Projected unit credit
- **Amortization method**: Level percent of pay closed
- **Remaining amortization period**: 21 years
- **Asset valuation method**: Market value
- **Actuarial assumptions**:
  - Investment rate of return: 5.00%
  - Projected salary increases: 4.5% to 12.3%
  - Includes inflation at: 3.75%
  - Cost of living adjustments: None
HARNETT COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS -
RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011

Schedule of Funding Progress

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets (a)</th>
<th>Liability (AAL) - Projected Unit Credit (b)</th>
<th>Unfunded AAL (UAAL) (b-a)</th>
<th>Funded Ratio (a/b)</th>
<th>Covered Payroll (c)</th>
<th>UAAL as a Percentage of Covered Payroll ((b-a)/c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/2007</td>
<td>$</td>
<td>$15,836,928</td>
<td>$15,836,928</td>
<td>0.00%</td>
<td>$28,925,039</td>
<td>54.75%</td>
</tr>
<tr>
<td>12/31/2008</td>
<td>-</td>
<td>17,839,619</td>
<td>17,839,619</td>
<td>0.00%</td>
<td>30,636,815</td>
<td>58.20%</td>
</tr>
<tr>
<td>12/31/2010</td>
<td>-</td>
<td>19,469,163</td>
<td>19,469,163</td>
<td>0.00%</td>
<td>33,178,627</td>
<td>58.70%</td>
</tr>
</tbody>
</table>

Schedule of Employer Contributions

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Annual Required Contribution (ARC)</th>
<th>Amount Contributed By Employer</th>
<th>Percentage of ARC Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$1,756,329</td>
<td>$178,055</td>
<td>10.14%</td>
</tr>
<tr>
<td>2010</td>
<td>1,872,656</td>
<td>320,284</td>
<td>17.10%</td>
</tr>
<tr>
<td>2011</td>
<td>1,942,881</td>
<td>499,567</td>
<td>26%</td>
</tr>
</tbody>
</table>

Notes to the Required Schedules:
The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

- Valuation date: 12/31/2010
- Actuarial cost method: Projected unit credit
- Amortization method: Level percent of pay, open
- Remaining amortization period: 30 years
- Asset valuation method: Market value of assets
- Actuarial assumptions:
  - Investment rate of return*: 4.00%
  - Medical cost trend rate: 10.5%-5.0%
  - Year of Ultimate trend rate: 2016

* Includes inflation at 3.00%
MAJOR FUNDS - GOVERNMENTAL

The General Fund accounts for resources traditionally associated with government which are not required legally or by financial management to be accounted for in another fund.
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HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over/Under</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ad Valorem Taxes:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$50,673,848</td>
<td>$50,352,994</td>
<td>$(320,854)</td>
<td>$49,483,876</td>
</tr>
<tr>
<td>Penalties and interest</td>
<td>485,000</td>
<td>526,790</td>
<td>41,790</td>
<td>481,842</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>51,158,848</strong></td>
<td><strong>50,879,784</strong></td>
<td><strong>(279,064)</strong></td>
<td><strong>49,965,718</strong></td>
</tr>
<tr>
<td><strong>Other Taxes and Licenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local option sales tax</td>
<td>13,339,494</td>
<td>12,288,772</td>
<td>(1,050,722)</td>
<td>12,367,175</td>
</tr>
<tr>
<td>Cable franchise license</td>
<td>150,000</td>
<td>246,233</td>
<td>96,233</td>
<td>222,418</td>
</tr>
<tr>
<td>Occupancy taxes</td>
<td>350,000</td>
<td>394,058</td>
<td>44,058</td>
<td>372,187</td>
</tr>
<tr>
<td>Excise stamp - real property</td>
<td>500,000</td>
<td>373,065</td>
<td>(126,935)</td>
<td>380,883</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,339,494</strong></td>
<td><strong>13,302,128</strong></td>
<td><strong>(1,037,366)</strong></td>
<td><strong>13,342,663</strong></td>
</tr>
<tr>
<td><strong>Unrestricted Intergovernmental:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABC Boards</td>
<td>14,000</td>
<td>15,139</td>
<td>1,139</td>
<td>15,426</td>
</tr>
<tr>
<td>Controlled substance</td>
<td>28,335</td>
<td>37,685</td>
<td>9,350</td>
<td>43,142</td>
</tr>
<tr>
<td>Asset forfeitures</td>
<td>11,105</td>
<td>64,283</td>
<td>53,178</td>
<td>1,289</td>
</tr>
<tr>
<td>Civil license revenue</td>
<td>7,500</td>
<td>8,738</td>
<td>1,238</td>
<td>10,556</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60,940</strong></td>
<td><strong>125,845</strong></td>
<td><strong>64,905</strong></td>
<td><strong>70,413</strong></td>
</tr>
<tr>
<td><strong>Restricted Intergovernmental:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal and State grants</td>
<td>20,500,456</td>
<td>19,901,409</td>
<td>(599,047)</td>
<td>20,682,544</td>
</tr>
<tr>
<td>Court facility fees</td>
<td>1,085,378</td>
<td>1,079,283</td>
<td>(6,095)</td>
<td>674,251</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21,585,834</strong></td>
<td><strong>20,980,692</strong></td>
<td><strong>(605,142)</strong></td>
<td><strong>21,356,795</strong></td>
</tr>
<tr>
<td><strong>Permits and Fees:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Filing and registration fees</td>
<td>42,500</td>
<td>68,100</td>
<td>25,600</td>
<td>55,470</td>
</tr>
<tr>
<td>Dog warden fees</td>
<td>30,000</td>
<td>42,915</td>
<td>12,915</td>
<td>27,775</td>
</tr>
<tr>
<td>Register of Deeds' fees</td>
<td>606,500</td>
<td>512,746</td>
<td>(93,754)</td>
<td>486,339</td>
</tr>
<tr>
<td>Inspection fees</td>
<td>1,421,437</td>
<td>1,438,952</td>
<td>17,515</td>
<td>1,281,157</td>
</tr>
<tr>
<td>Planning fees</td>
<td>132,994</td>
<td>116,025</td>
<td>(16,969)</td>
<td>115,465</td>
</tr>
<tr>
<td>Other fees</td>
<td>231,700</td>
<td>252,899</td>
<td>21,199</td>
<td>313,429</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,465,131</strong></td>
<td><strong>2,431,637</strong></td>
<td><strong>(33,494)</strong></td>
<td><strong>2,279,635</strong></td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>Variance Over /Under</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rents, concessions, and fees</td>
<td>505,317</td>
<td>543,439</td>
<td>38,122</td>
</tr>
<tr>
<td>Court costs and fees</td>
<td>175,000</td>
<td>167,027</td>
<td>(7,973)</td>
</tr>
<tr>
<td>Jail fees</td>
<td>30,000</td>
<td>38,329</td>
<td>8,329</td>
</tr>
<tr>
<td>Ambulance fees</td>
<td>3,625,695</td>
<td>5,670,472</td>
<td>2,044,777</td>
</tr>
<tr>
<td>Library fees</td>
<td>26,677</td>
<td>27,163</td>
<td>486</td>
</tr>
<tr>
<td>Health fees</td>
<td>3,743,084</td>
<td>3,487,573</td>
<td>(255,511)</td>
</tr>
<tr>
<td>Total</td>
<td>8,105,773</td>
<td>9,934,003</td>
<td>1,828,230</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>35,413</td>
<td>20,866</td>
<td>(14,547)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>30,421</td>
</tr>
<tr>
<td>Other General Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of assets</td>
<td>-</td>
<td>(416)</td>
<td>(416)</td>
</tr>
<tr>
<td>Miscellaneous revenues</td>
<td>1,664,640</td>
<td>1,744,193</td>
<td>79,553</td>
</tr>
<tr>
<td>Donations</td>
<td>114,762</td>
<td>147,377</td>
<td>32,615</td>
</tr>
<tr>
<td>Total</td>
<td>1,779,402</td>
<td>1,891,154</td>
<td>111,752</td>
</tr>
<tr>
<td>Total revenues</td>
<td>99,530,835</td>
<td>99,566,109</td>
<td>35,274</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>96,317,372</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governing Body:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>30,550</td>
<td>30,394</td>
<td>27,160</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>251,450</td>
<td>217,427</td>
<td>211,602</td>
</tr>
<tr>
<td>Total</td>
<td>282,000</td>
<td>247,821</td>
<td>34,179</td>
</tr>
<tr>
<td>Administration:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>189,204</td>
<td>182,141</td>
<td>274,236</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>26,927</td>
<td>23,223</td>
<td>26,077</td>
</tr>
<tr>
<td>Total</td>
<td>216,131</td>
<td>205,364</td>
<td>10,767</td>
</tr>
<tr>
<td>Legal Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>50,020</td>
<td>37,899</td>
<td>63,847</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>168,094</td>
<td>154,491</td>
<td>109,123</td>
</tr>
<tr>
<td>Total</td>
<td>218,114</td>
<td>192,390</td>
<td>25,724</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>172,970</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Variance Over /Under</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td></td>
</tr>
<tr>
<td>Human Resources:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>181,538</td>
<td>165,154</td>
<td>260,386</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>109,129</td>
<td>87,249</td>
<td>36,887</td>
</tr>
<tr>
<td>Total</td>
<td>290,667</td>
<td>252,403</td>
<td>38,264</td>
</tr>
<tr>
<td>Board of Elections:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>287,731</td>
<td>260,611</td>
<td>270,421</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>149,337</td>
<td>84,260</td>
<td>59,623</td>
</tr>
<tr>
<td>Total</td>
<td>437,068</td>
<td>344,871</td>
<td>92,197</td>
</tr>
<tr>
<td>Finance:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>549,586</td>
<td>512,738</td>
<td>531,531</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>156,603</td>
<td>118,890</td>
<td>116,199</td>
</tr>
<tr>
<td>Total</td>
<td>706,189</td>
<td>631,628</td>
<td>74,561</td>
</tr>
<tr>
<td>Facility Fees:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>80,713</td>
<td>76,244</td>
<td>67,122</td>
</tr>
<tr>
<td>Total</td>
<td>80,713</td>
<td>76,244</td>
<td>4,469</td>
</tr>
<tr>
<td>IT:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>691,298</td>
<td>686,648</td>
<td>657,480</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>605,641</td>
<td>564,706</td>
<td>517,441</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>15,000</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,311,939</td>
<td>1,266,354</td>
<td>45,585</td>
</tr>
<tr>
<td>Tax:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>436,350</td>
<td>407,426</td>
<td>380,854</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>1,188,668</td>
<td>1,170,533</td>
<td>1,288,601</td>
</tr>
<tr>
<td>Total</td>
<td>1,624,918</td>
<td>1,577,959</td>
<td>46,959</td>
</tr>
<tr>
<td>Register of Deeds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>520,251</td>
<td>530,913</td>
<td>506,906</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>124,108</td>
<td>106,748</td>
<td>107,455</td>
</tr>
<tr>
<td>Total</td>
<td>644,359</td>
<td>637,661</td>
<td>6,698</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over /Under</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Buildings:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>608,288</td>
<td>560,140</td>
<td></td>
<td>620,425</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>2,367,439</td>
<td>1,911,192</td>
<td></td>
<td>1,967,447</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>-</td>
<td>13,300</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,975,727</td>
<td>2,471,332</td>
<td>504,395</td>
<td>2,601,172</td>
</tr>
<tr>
<td><strong>General Services:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>157,336</td>
<td>150,223</td>
<td></td>
<td>101,691</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>368,551</td>
<td>329,513</td>
<td></td>
<td>316,293</td>
</tr>
<tr>
<td>Total</td>
<td>525,887</td>
<td>479,736</td>
<td>46,151</td>
<td>417,984</td>
</tr>
<tr>
<td><strong>Transportation:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>714,412</td>
<td>708,006</td>
<td></td>
<td>655,486</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>608,840</td>
<td>424,095</td>
<td></td>
<td>358,381</td>
</tr>
<tr>
<td>Total</td>
<td>1,323,252</td>
<td>1,132,101</td>
<td>191,151</td>
<td>1,013,867</td>
</tr>
<tr>
<td><strong>GIS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>424,531</td>
<td>422,183</td>
<td></td>
<td>416,061</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>50,447</td>
<td>40,965</td>
<td></td>
<td>45,529</td>
</tr>
<tr>
<td>Total</td>
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<td><strong>Public Safety:</strong></td>
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<td><strong>Sheriff:</strong></td>
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<tr>
<td>Salaries and employee benefits</td>
<td>7,019,912</td>
<td>6,935,259</td>
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<td>1,224,526</td>
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<td>77,641</td>
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<td>7,970,982</td>
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<td>448,426</td>
<td>314,777</td>
<td>133,649</td>
<td>313,497</td>
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</table>
## Harnett County, North Carolina

### General Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

**For the Year Ended June 30, 2011**

**With Comparative Actual Amounts for the Year Ended June 30, 2010**

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over /Under</th>
<th>2010 Actual</th>
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<tr>
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<td>55,098</td>
<td>55,081</td>
<td>17</td>
<td>138,429</td>
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<td>55,081</td>
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<td>138,429</td>
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<td>1,096,290</td>
<td>981,140</td>
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<td>187,446</td>
<td>127,059</td>
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<td>1,283,736</td>
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<td>175,537</td>
<td>1,072,762</td>
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<td><strong>Jail:</strong></td>
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<td>54,828</td>
<td>53,479</td>
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<td>12,836</td>
<td>17,701</td>
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<td>33,882</td>
<td>71,180</td>
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<td>59,866</td>
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<td>70,701</td>
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<td><strong>Emergency Services:</strong></td>
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<td>580,517</td>
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<td>173,489</td>
<td>90,003</td>
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<td>46,979</td>
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<td>847,440</td>
<td>812,443</td>
<td>34,997</td>
<td>670,520</td>
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HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
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<th>2011</th>
<th>Variance</th>
<th>2010</th>
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<tbody>
<tr>
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<td>Over /Under</td>
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<td>-</td>
<td>-</td>
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<td>1,015,768</td>
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<td>-</td>
<td>-</td>
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<td>447,561</td>
<td>74,678</td>
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<td>32,900</td>
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<td>132,069</td>
<td>208,296</td>
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<td>132,660</td>
<td>132,069</td>
<td>591</td>
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<td>Emergency Services Grant:</td>
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<td>35,620</td>
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<td>Animal Control:</td>
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<td>Salaries and employee benefits</td>
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<td>291,424</td>
<td>351,485</td>
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<td>101,010</td>
<td>82,609</td>
<td>78,430</td>
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<td>Total</td>
<td>457,279</td>
<td>374,033</td>
<td>429,915</td>
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<tr>
<td>Total public safety</td>
<td>24,142,691</td>
<td>22,468,833</td>
<td>1,673,858</td>
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</tbody>
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# Harnett County, North Carolina

## General Fund

### Schedule of Revenues, Expenditures, and Changes

In Fund Balance - Budget and Actual

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td><strong>Transportation:</strong></td>
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<tr>
<td><strong>Airport:</strong></td>
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<tr>
<td>Other operating expenditures</td>
<td>157,488</td>
<td>149,839</td>
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<tr>
<td><strong>Total transportation</strong></td>
<td>157,488</td>
<td>149,839</td>
</tr>
<tr>
<td><strong>Environmental Protection:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Soil and Water:</strong></td>
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<td>Salaries and employee benefits</td>
<td>163,943</td>
<td>143,809</td>
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<td>Other operating expenditures</td>
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<td>6,054</td>
</tr>
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<td><strong>Total</strong></td>
<td>172,810</td>
<td>149,863</td>
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<tr>
<td><strong>Environmental Protection Allocation:</strong></td>
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<tr>
<td>Salaries and employee benefits</td>
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<td></td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>41,890</td>
<td>13,422</td>
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<tr>
<td><strong>Total</strong></td>
<td>41,890</td>
<td>13,422</td>
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<tr>
<td><strong>Total environmental protection</strong></td>
<td>214,700</td>
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<tr>
<td><strong>Economic and Physical Development:</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Planning and Inspections:</strong></td>
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<td></td>
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<tr>
<td><strong>Total</strong></td>
<td>1,246,755</td>
<td>1,154,135</td>
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</table>
HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over /Under</th>
<th>2010 Actual</th>
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</thead>
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<td><strong>Workforce Development/Job Link:</strong></td>
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<td>Total</td>
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<td>6,648</td>
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<tr>
<td><strong>Forestry Program:</strong></td>
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<td>99,494</td>
<td>8,227</td>
<td>100,567</td>
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<td><strong>Economic and Physical Development Appropriations:</strong></td>
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<td><strong>Health:</strong></td>
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<td>88,364</td>
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<td>Total</td>
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HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Variance</th>
<th>Actual</th>
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<tr>
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<td>Actual</td>
<td>Over /Under</td>
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</tr>
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<td>Nutrition:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>54,532</td>
<td>54,906</td>
<td></td>
<td>59,748</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>364,695</td>
<td>353,776</td>
<td></td>
<td>285,965</td>
</tr>
<tr>
<td>Total</td>
<td>419,227</td>
<td>408,682</td>
<td>10,545</td>
<td>345,713</td>
</tr>
<tr>
<td>Community Alternatives Program:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>274,188</td>
<td>272,967</td>
<td></td>
<td>269,238</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>71,848</td>
<td>54,428</td>
<td></td>
<td>65,698</td>
</tr>
<tr>
<td>Total</td>
<td>346,036</td>
<td>327,395</td>
<td>18,641</td>
<td>334,936</td>
</tr>
<tr>
<td>Mental Health:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>205,679</td>
<td>205,679</td>
<td></td>
<td>205,679</td>
</tr>
<tr>
<td>Total</td>
<td>205,679</td>
<td>205,679</td>
<td></td>
<td>205,679</td>
</tr>
<tr>
<td>RSVP:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>59,661</td>
<td>60,382</td>
<td></td>
<td>76,947</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>28,024</td>
<td>24,131</td>
<td></td>
<td>24,178</td>
</tr>
<tr>
<td>Total</td>
<td>87,685</td>
<td>84,513</td>
<td>3,172</td>
<td>101,125</td>
</tr>
<tr>
<td>Aging Volunteers:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>25,571</td>
<td>25,874</td>
<td></td>
<td>32,980</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>2,500</td>
<td>1,237</td>
<td></td>
<td>802</td>
</tr>
<tr>
<td>Total</td>
<td>28,071</td>
<td>27,111</td>
<td>960</td>
<td>33,782</td>
</tr>
</tbody>
</table>
## General Fund

### Schedule of Revenues, Expenditures, and Changes

**In Fund Balance - Budget and Actual**

**For the Year Ended June 30, 2011**

**With Comparative Actual Amounts for the Year Ended June 30, 2010**

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over/Under</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Family Caregivers Grant:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>49,277</td>
<td>48,949</td>
<td></td>
<td>47,295</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>14,125</td>
<td>8,999</td>
<td></td>
<td>7,083</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>63,402</td>
<td>57,948</td>
<td>5,454</td>
<td>54,378</td>
</tr>
<tr>
<td><strong>Human Services Appropriations:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>211,000</td>
<td>204,101</td>
<td></td>
<td>200,402</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>211,000</td>
<td>204,101</td>
<td>6,899</td>
<td>200,402</td>
</tr>
<tr>
<td><strong>Public Assistance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TANF</td>
<td>5,000</td>
<td>3,351</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aid to the Aged and Blind</td>
<td>1,100,000</td>
<td>957,446</td>
<td>959,165</td>
<td></td>
</tr>
<tr>
<td>Medicaid</td>
<td>200,000</td>
<td>13,940</td>
<td>16,465</td>
<td></td>
</tr>
<tr>
<td>Aid to the blind</td>
<td>10,000</td>
<td>5,724</td>
<td>9,731</td>
<td></td>
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<tr>
<td>County assistance</td>
<td>2,500</td>
<td>993</td>
<td>1,155</td>
<td></td>
</tr>
<tr>
<td>CP&amp;L Project SHARE</td>
<td>11,334</td>
<td>10,892</td>
<td>2,341</td>
<td></td>
</tr>
<tr>
<td>Crisis Intervention</td>
<td>727,599</td>
<td>727,489</td>
<td>526,811</td>
<td></td>
</tr>
<tr>
<td>Adoption Assistance - IV-B</td>
<td>160,000</td>
<td>128,541</td>
<td>128,010</td>
<td></td>
</tr>
<tr>
<td>Adoption IV-B vendor</td>
<td>86,400</td>
<td>42,719</td>
<td>76,906</td>
<td></td>
</tr>
<tr>
<td>Adoption IV-E vendor</td>
<td>21,000</td>
<td>17,699</td>
<td>18,325</td>
<td></td>
</tr>
<tr>
<td>Adoption assistance - IV-E</td>
<td>240,000</td>
<td>233,904</td>
<td>225,662</td>
<td></td>
</tr>
<tr>
<td>Foster care - other</td>
<td>5,000</td>
<td>2,532</td>
<td>4,162</td>
<td></td>
</tr>
<tr>
<td>Title IV-E - foster care</td>
<td>283,000</td>
<td>271,546</td>
<td>466,102</td>
<td></td>
</tr>
<tr>
<td>Foster care county payments</td>
<td>10,000</td>
<td>38</td>
<td>6,615</td>
<td></td>
</tr>
<tr>
<td>State foster home care</td>
<td>387,000</td>
<td>342,782</td>
<td>218,712</td>
<td></td>
</tr>
<tr>
<td>Special services - foster care</td>
<td>36,000</td>
<td>17,437</td>
<td>28,307</td>
<td></td>
</tr>
<tr>
<td>Vendor transportation</td>
<td>270,000</td>
<td>263,286</td>
<td>230,128</td>
<td></td>
</tr>
<tr>
<td>Independent living - foster care</td>
<td>8,000</td>
<td>5,244</td>
<td>7,534</td>
<td></td>
</tr>
<tr>
<td>Day care</td>
<td>5,249,594</td>
<td>4,797,662</td>
<td>5,426,407</td>
<td></td>
</tr>
<tr>
<td>Food stamp employment training</td>
<td>-</td>
<td>(15)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All county clothing allowance</td>
<td>20,000</td>
<td>9,696</td>
<td>11,875</td>
<td></td>
</tr>
<tr>
<td>Professional services</td>
<td>40,000</td>
<td>27,272</td>
<td>12,150</td>
<td></td>
</tr>
<tr>
<td>Workfirst - emergency cash</td>
<td>26,844</td>
<td>25,990</td>
<td>18,088</td>
<td></td>
</tr>
<tr>
<td>Workfirst transportation grant</td>
<td>64,288</td>
<td>20,020</td>
<td>28,447</td>
<td></td>
</tr>
<tr>
<td>Workfirst county issued</td>
<td>5,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workfirst</td>
<td>53,000</td>
<td>31,641</td>
<td>45,823</td>
<td></td>
</tr>
<tr>
<td>Contracted services</td>
<td>106,676</td>
<td>56,170</td>
<td>190,742</td>
<td></td>
</tr>
<tr>
<td>Child support enforcement</td>
<td>72,100</td>
<td>46,112</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Harnett County, North Carolina
### General Fund
#### Schedule of Revenues, Expenditures, and Changes
##### In Fund Balance - Budget and Actual
##### For the Year Ended June 30, 2011
##### With Comparative Actual Amounts for the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over /Under</th>
<th>Variance Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>11,102</td>
<td>6,304</td>
<td></td>
<td>6,608</td>
</tr>
<tr>
<td>Food stamp issuance</td>
<td>35,000</td>
<td>34,621</td>
<td></td>
<td>30,361</td>
</tr>
<tr>
<td>Special needs adoption</td>
<td>147,654</td>
<td>54,211</td>
<td></td>
<td>23,676</td>
</tr>
<tr>
<td>World changer</td>
<td>15,000</td>
<td>-</td>
<td></td>
<td>17,521</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,409,091</td>
<td>8,158,247</td>
<td>1,250,844</td>
<td>8,737,629</td>
</tr>
<tr>
<td>Total human services</td>
<td>28,427,631</td>
<td>24,935,405</td>
<td>3,492,226</td>
<td>24,911,594</td>
</tr>
</tbody>
</table>

#### Cultural and Recreation:

##### Parks & Recreation:

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over /Under</th>
<th>Variance Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and employee benefits</td>
<td>190,258</td>
<td>178,957</td>
<td></td>
<td>224,862</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>188,104</td>
<td>175,191</td>
<td></td>
<td>157,379</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>8,993</td>
<td>8,993</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>387,355</td>
<td>363,141</td>
<td>24,214</td>
<td>382,241</td>
</tr>
</tbody>
</table>

#### Libraries:

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over /Under</th>
<th>Variance Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>778,558</td>
<td>677,990</td>
<td></td>
<td>673,124</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>319,563</td>
<td>273,228</td>
<td></td>
<td>301,504</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,098,121</td>
<td>951,218</td>
<td>146,903</td>
<td>974,628</td>
</tr>
</tbody>
</table>

#### Culture and Recreation Appropriations:

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over /Under</th>
<th>Variance Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other operating expenditures</td>
<td>232,000</td>
<td>232,000</td>
<td></td>
<td>232,616</td>
</tr>
<tr>
<td><strong>Total cultural and recreation</strong></td>
<td>1,717,476</td>
<td>1,546,359</td>
<td>171,117</td>
<td>1,589,485</td>
</tr>
</tbody>
</table>

#### Education:

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over /Under</th>
<th>Variance Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCCC campus</td>
<td>650,226</td>
<td>650,226</td>
<td></td>
<td>613,109</td>
</tr>
<tr>
<td>CCCC campus capital outlay</td>
<td>75,500</td>
<td>75,500</td>
<td></td>
<td>15,211</td>
</tr>
<tr>
<td>Public schools - current expenses</td>
<td>20,288,004</td>
<td>20,288,004</td>
<td></td>
<td>19,605,957</td>
</tr>
<tr>
<td>Public schools - capital outlay</td>
<td>965,181</td>
<td>965,181</td>
<td></td>
<td>2,098,867</td>
</tr>
<tr>
<td><strong>Total education</strong></td>
<td>21,978,911</td>
<td>21,978,911</td>
<td></td>
<td>22,333,144</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>Variance</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Over /Under</td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal retirement</td>
<td>6,773,751</td>
<td>6,666,295</td>
<td>6,213,639</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>5,811,304</td>
<td>6,032,595</td>
<td>6,070,074</td>
</tr>
<tr>
<td>Total debt service</td>
<td>12,585,055</td>
<td>12,698,890</td>
<td>(113,835)</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>106,460,918</td>
<td>99,714,800</td>
<td>6,746,118</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(6,930,083)</td>
<td>(148,691)</td>
<td>6,781,392</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer out</td>
<td>(382,348)</td>
<td>(331,667)</td>
<td>50,681</td>
</tr>
<tr>
<td>Transfer in</td>
<td>1,911,250</td>
<td>1,911,250</td>
<td>-</td>
</tr>
<tr>
<td>Long-term debt issued</td>
<td>20,838,475</td>
<td>20,803,000</td>
<td>(35,475)</td>
</tr>
<tr>
<td>Bond premium</td>
<td>-</td>
<td>35,475</td>
<td>35,475</td>
</tr>
<tr>
<td>Bond payoff</td>
<td>(20,838,475)</td>
<td>(20,035,000)</td>
<td>803,475</td>
</tr>
<tr>
<td>Appropriated fund balance</td>
<td>5,454,100</td>
<td>-</td>
<td>(5,454,100)</td>
</tr>
<tr>
<td>Contingency</td>
<td>(52,919)</td>
<td>-</td>
<td>52,919</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>6,930,083</td>
<td>2,383,058</td>
<td>(4,547,025)</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td></td>
<td>2,234,367</td>
<td>2,234,367</td>
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</table>

Fund Balance:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year - July 1</td>
<td>16,444,784</td>
<td>18,440,861</td>
</tr>
<tr>
<td>End of year - June 30</td>
<td>$ 18,679,151</td>
<td>$ 16,444,784</td>
</tr>
</tbody>
</table>
NONMAJOR FUNDS - GOVERNMENTAL

Special Revenue Funds account for the proceeds of special revenue sources that are legally restricted to the expenditure for special purposes.

INDIVIDUAL FUND DESCRIPTIONS:

Section 8 Housing Fund - accounts for grant funds provided to support the County’s Section 8 Existing and Modified Rehabilitation Housing programs.

Economic Development Green Jobs – accounts for grant funds to provide individuals, in Harnett and Sampson County, with the ability to gain work experience in environmental fields.

Special Districts Fund - accounts for revenues of sixteen rescue/fire districts and one special school district in Harnett County.

Law Enforcement Fund - accounts for the handgun assessed fees that are charged for concealed weapons permits.

Emergency Telephone System Fund - accounts for the surcharge fees billed to telephone customers and the expenditures related to the implementation of the Emergency Telephone System.

Automation Enhancement & Preservation Fund - accounts for 10% of fees collected in the Register of Deeds’ office. These fees are set aside and used to finance expenditures on computers and imaging technology for the Register of Deeds’ office.

Emergency Response Planning Fund - accounts for the expenditures and revenues for emergency response readiness for the fixed nuclear facility.

Harnett Memorial Fund - accounts for funds received from citizens for the construction of memorials in the County.

Abandoned Manufactured Homes Fund - accounts for funds received from citizens for the removal of abandoned mobile homes to the County landfill.

Floodplain Mapping Fund - accounts for the expenditures and revenues for the self-insurance related to the County’s floodplain mapping.
**NONMAJOR FUNDS - GOVERNMENTAL**

**Workforce Investment Act Youth Program** - accounts for the grant funds to provide job placement and educational opportunities to eligible participants in Harnett and Sampson Counties.

**AMPI Unrecoverable Cost Fund** - accounts for the expenditures and Revenues for the public assistance program that aide's property owners in the removal of abandoned manufactured housing. Eligible sites may be located within both municipal and county jurisdictional boundaries.

**American Recovery and Reinvestment Act (ARRA)** - accounts for the ARRA grants received by Harnett County Health Department and the Harnett County Department of Services for the Aging.
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HARNETT COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011

<table>
<thead>
<tr>
<th>Nonmajor</th>
<th>Special Revenue Funds</th>
<th>Capital Project Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 1,684,813</td>
<td>$ 386,720</td>
<td>$ 2,071,533</td>
</tr>
<tr>
<td>Assets:</td>
<td>133,792</td>
<td>-</td>
<td>133,792</td>
</tr>
<tr>
<td>Cash and investments</td>
<td>335,895</td>
<td>172,108</td>
<td>508,003</td>
</tr>
<tr>
<td>Taxes receivable, net</td>
<td>-</td>
<td>4,789,449</td>
<td>4,789,449</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents, restricted</td>
<td>-</td>
<td>4,789,449</td>
<td>4,789,449</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 2,154,500</td>
<td>$ 5,348,277</td>
<td>$ 7,502,777</td>
</tr>
</tbody>
</table>

Liabilities and Fund Balances:

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 451,186</td>
<td>$ 773,737</td>
<td>$ 1,224,923</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>50,158</td>
<td>25,900</td>
<td>76,058</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>133,792</td>
<td>-</td>
<td>133,792</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>635,136</td>
<td>799,637</td>
<td>1,434,773</td>
</tr>
</tbody>
</table>

Fund Balances:

<table>
<thead>
<tr>
<th>Fund Balances:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted for stabilization for State statute</td>
<td>335,895</td>
<td>172,108</td>
<td>508,003</td>
</tr>
<tr>
<td>Restricted for Register of Deeds</td>
<td>137,532</td>
<td>-</td>
<td>137,532</td>
</tr>
<tr>
<td>Restricted for education</td>
<td>-</td>
<td>4,371,719</td>
<td>4,371,719</td>
</tr>
<tr>
<td>Restricted for public safety</td>
<td>1,226,792</td>
<td>429,530</td>
<td>1,656,322</td>
</tr>
<tr>
<td>Restricted for memorials</td>
<td>2,030</td>
<td>-</td>
<td>2,030</td>
</tr>
<tr>
<td>Committed</td>
<td>-</td>
<td>198,652</td>
<td>198,652</td>
</tr>
<tr>
<td>Assigned</td>
<td>143,764</td>
<td>-</td>
<td>143,764</td>
</tr>
<tr>
<td>Unassigned</td>
<td>(326,649)</td>
<td>(623,369)</td>
<td>(950,018)</td>
</tr>
<tr>
<td>Total fund balances</td>
<td>1,519,364</td>
<td>4,548,640</td>
<td>6,068,004</td>
</tr>
</tbody>
</table>

Total liabilities and fund balances

$ 2,154,500 $ 5,348,277 $ 7,502,777
HARNETT COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Special Revenue Funds</th>
<th>Capital Project Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad valorem taxes</td>
<td>$5,557,398</td>
<td>$</td>
<td>$5,557,398</td>
</tr>
<tr>
<td>Other taxes and licenses</td>
<td>886,171</td>
<td>-</td>
<td>886,171</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>368,202</td>
<td>266,131</td>
<td>634,333</td>
</tr>
<tr>
<td>Permits and fees</td>
<td>950,368</td>
<td>-</td>
<td>950,368</td>
</tr>
<tr>
<td>Sales and services</td>
<td>63,000</td>
<td>-</td>
<td>63,000</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>1,584</td>
<td>10,562</td>
<td>12,146</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>10,195</td>
<td>11,485</td>
<td>21,680</td>
</tr>
<tr>
<td>Total revenues</td>
<td>7,836,918</td>
<td>288,178</td>
<td>8,125,096</td>
</tr>
</tbody>
</table>

| Expenditures:                 |                       |                       |         |
| Current:                      |                       |                       |         |
| General government            | 439,030               | 4,451,686             | 4,890,716 |
| Public safety                 | 6,802,605             | 22,578                | 6,825,183 |
| Economic and physical development | 54,674         | 82,946                | 137,620  |
| Human services                | -                     | 143,423               | 143,423  |
| Cultural and recreation       | -                     | 3,414                 | 3,414    |
| Education                     | 260,759               | -                     | 260,760  |
| Total expenditures            | 7,557,068             | 4,704,048             | 12,261,116 |

| Revenues over (under) expenditures | 279,850 | (4,415,870) | (4,136,020) |

| Other Financing Sources (Uses): |         |           |         |
| Transfers in                    | -       | 31,667    | 31,667  |
| Transfers out                   | (3,000) | (1,433,249)| (1,436,249)|
| Total other financing sources (uses) | (3,000) | (1,401,582) | (1,404,582) |

| Net change in fund balances     | 276,850 | (5,817,452) | (5,540,602) |

| Fund Balances:                  |         |           |         |
| Beginning of year - July 1      | 1,242,514 | 10,366,092 | 11,608,606 |
| End of year - June 30           | $1,519,364 | $4,548,640 | $6,068,004 |
HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Section 8 Housing Fund</th>
<th>Economic Development Green Jobs</th>
<th>Special Districts Fund</th>
<th>Law Enforcement Fund</th>
<th>Emergency Telephone System Fund</th>
<th>Automation Enhancement &amp; Preservation Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$30,735</td>
<td>$</td>
<td>$81,010</td>
<td>$26,186</td>
<td>$1,226,995</td>
<td>$195,558</td>
</tr>
<tr>
<td>Taxes receivable, net</td>
<td></td>
<td>$</td>
<td>$133,792</td>
<td>$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td></td>
<td>$3,736</td>
<td>$220,512</td>
<td>5</td>
<td>$69,489</td>
<td>$</td>
</tr>
<tr>
<td>Total assets</td>
<td>$30,735</td>
<td>$3,736</td>
<td>$435,314</td>
<td>$26,191</td>
<td>$1,296,484</td>
<td>$195,558</td>
</tr>
</tbody>
</table>

| **Liabilities and Fund Balances:**|                        |                                 |                        |                      |                                  |                                            |
| **Liabilities:**                  |                        |                                 |                        |                      |                                  |                                            |
| Accounts payable                  | $92,360                | $23                             | $290,307               | $4,300               | $203                            | $58,026                                    |
| Due to other funds                |                        | $3,825                          |                        | $                      |                                  |                                            |
| Deferred revenue                  |                        |                                  | $133,792               | $                      |                                  |                                            |
| Total liabilities                 | $92,360                | $3,848                          | $424,099               | $4,300               | $203                            | $58,026                                    |

**Fund Balances:**

- Restricted for stabilization for State statute
- Restricted for Register of Deeds
- Restricted for public safety
- Restricted for memorials
- Assigned
- Unassigned

<table>
<thead>
<tr>
<th></th>
<th>Section 8 Housing Fund</th>
<th>Economic Development Green Jobs</th>
<th>Special Districts Fund</th>
<th>Law Enforcement Fund</th>
<th>Emergency Telephone System Fund</th>
<th>Automation Enhancement &amp; Preservation Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>(61,625)</td>
<td>(61,625)</td>
<td>88</td>
<td>11,215</td>
<td>21,891</td>
<td>1,296,281</td>
<td>137,532</td>
</tr>
<tr>
<td>Total fund balances</td>
<td>(61,625)</td>
<td>88</td>
<td>11,215</td>
<td>21,891</td>
<td>1,296,281</td>
<td>137,532</td>
</tr>
</tbody>
</table>

| Total liabilities and fund balances | $30,735 | $3,736 | $435,314 | $26,191 | $1,296,484 | $195,558 |
## Schedule D-1

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Response Planning Fund</td>
<td>$73,467</td>
</tr>
<tr>
<td>Harnett Memorial Fund</td>
<td>$2,030</td>
</tr>
<tr>
<td>Abandoned Manufactured Homes Fund</td>
<td>$48,832</td>
</tr>
<tr>
<td>Floodplain Mapping Fund</td>
<td>$23,716</td>
</tr>
<tr>
<td>WIA Youth Program Fund</td>
<td>$18,437</td>
</tr>
<tr>
<td>ARRA Fund</td>
<td>$133,792</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,684,813</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Response Planning Fund</td>
<td>$73,467</td>
</tr>
<tr>
<td>Harnett Memorial Fund</td>
<td>$2,030</td>
</tr>
<tr>
<td>Abandoned Manufactured Homes Fund</td>
<td>$48,832</td>
</tr>
<tr>
<td>Floodplain Mapping Fund</td>
<td>$23,716</td>
</tr>
<tr>
<td>WIA Youth Program Fund</td>
<td>$18,437</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,154,500</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Response Planning Fund</td>
<td>$421</td>
</tr>
<tr>
<td>Harnett Memorial Fund</td>
<td>$180</td>
</tr>
<tr>
<td>Abandoned Manufactured Homes Fund</td>
<td>$33,327</td>
</tr>
<tr>
<td>Floodplain Mapping Fund</td>
<td>$18,572</td>
</tr>
<tr>
<td>WIA Youth Program Fund</td>
<td>$50,158</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$451,186</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Response Planning Fund</td>
<td>$73,046</td>
</tr>
<tr>
<td>Harnett Memorial Fund</td>
<td>$2,030</td>
</tr>
<tr>
<td>Abandoned Manufactured Homes Fund</td>
<td>$48,832</td>
</tr>
<tr>
<td>Floodplain Mapping Fund</td>
<td>$18,572</td>
</tr>
<tr>
<td>WIA Youth Program Fund</td>
<td>$326,849</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,519,354</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Response Planning Fund</td>
<td>$73,467</td>
</tr>
<tr>
<td>Harnett Memorial Fund</td>
<td>$2,030</td>
</tr>
<tr>
<td>Abandoned Manufactured Homes Fund</td>
<td>$48,832</td>
</tr>
<tr>
<td>Floodplain Mapping Fund</td>
<td>$23,716</td>
</tr>
<tr>
<td>WIA Youth Program Fund</td>
<td>$18,437</td>
</tr>
<tr>
<td>ARRA Fund</td>
<td><strong>$2,154,500</strong></td>
</tr>
</tbody>
</table>
### HARNETT COUNTY, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**FOR THE YEAR ENDED JUNE 30, 2011**

<table>
<thead>
<tr>
<th></th>
<th>Section 8 Housing Fund</th>
<th>Economic Development Green Jobs Fund</th>
<th>Special Districts Fund</th>
<th>Law Enforcement Fund</th>
<th>Emergency Telephone System Fund</th>
<th>Automation Enhancement &amp; Preservation Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>$</td>
<td>-</td>
<td>$ 5,557,398</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other taxes and licenses</td>
<td>-</td>
<td>-</td>
<td>886,171</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Permits and fees</td>
<td>-</td>
<td>5,606</td>
<td>43,890</td>
<td>833,864</td>
<td>67,006</td>
<td></td>
</tr>
<tr>
<td>Sales and services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,173</td>
<td>333</td>
<td></td>
</tr>
<tr>
<td>Other general revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td></td>
<td>5,606</td>
<td>6,443,569</td>
<td>43,890</td>
<td>835,037</td>
<td>67,341</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>78,380</td>
</tr>
<tr>
<td>Public safety</td>
<td></td>
<td></td>
<td>6,179,489</td>
<td>44,260</td>
<td>526,064</td>
<td>-</td>
</tr>
<tr>
<td>Economic and physical development</td>
<td>-</td>
<td>5,518</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td>260,759</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td></td>
<td>5,518</td>
<td>6,440,248</td>
<td>44,260</td>
<td>526,064</td>
<td>78,380</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>-</td>
<td></td>
<td>88</td>
<td>3,321</td>
<td>(370)</td>
<td>308,973</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td></td>
<td></td>
<td>88</td>
<td>3,321</td>
<td>(370)</td>
<td>308,973</td>
</tr>
<tr>
<td><strong>Fund Balances:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year - July 1</td>
<td>(61,625)</td>
<td>-</td>
<td>7,894</td>
<td>22,261</td>
<td>987,308</td>
<td>148,571</td>
</tr>
<tr>
<td><strong>End of year - June 30</strong></td>
<td>$ (61,625)</td>
<td>$ 88</td>
<td>$ 11,215</td>
<td>$ 21,891</td>
<td>$ 1,296,281</td>
<td>$ 137,532</td>
</tr>
</tbody>
</table>
### Schedule D-2

<table>
<thead>
<tr>
<th>Emergency Response Planning Fund</th>
<th>Harnett Memorial Fund</th>
<th>Abandoned Manufactured Homes Fund</th>
<th>Floodplain Mapping Fund</th>
<th>WIA Youth Program Fund</th>
<th>AMPI Unrecoverable Cost Fund</th>
<th>ARRA Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$5,557,398</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7,057</td>
<td>100</td>
<td>295,144</td>
<td>21,481</td>
<td>44,420</td>
<td>368,202</td>
</tr>
<tr>
<td>63,000</td>
<td></td>
<td>78</td>
<td></td>
<td></td>
<td></td>
<td>63,000</td>
<td>1,584</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>63,000</td>
<td>17,330</td>
<td>100</td>
<td>295,144</td>
<td>21,481</td>
<td>44,420</td>
<td>7,836,918</td>
</tr>
<tr>
<td>52,792</td>
<td></td>
<td></td>
<td></td>
<td>298,562</td>
<td>17,670</td>
<td>44,418</td>
<td>439,030</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,802,605</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>49,156</td>
<td></td>
<td></td>
<td></td>
<td>54,674</td>
<td></td>
</tr>
<tr>
<td></td>
<td>52,792</td>
<td></td>
<td></td>
<td>298,562</td>
<td>17,670</td>
<td>44,418</td>
<td>7,557,068</td>
</tr>
<tr>
<td>10,208</td>
<td></td>
<td>(31,826)</td>
<td>100</td>
<td>(3,418)</td>
<td>3,811</td>
<td>2</td>
<td>279,850</td>
</tr>
<tr>
<td>(3,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(3,000)</td>
<td></td>
</tr>
<tr>
<td>(3,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(3,000)</td>
<td></td>
</tr>
<tr>
<td>7,208</td>
<td></td>
<td>(31,826)</td>
<td>100</td>
<td>(3,418)</td>
<td>3,811</td>
<td>2</td>
<td>278,850</td>
</tr>
<tr>
<td>65,838</td>
<td>2,030</td>
<td>80,658</td>
<td>(280)</td>
<td>(6,193)</td>
<td>(3,811)</td>
<td>(137)</td>
<td>1,242,514</td>
</tr>
<tr>
<td>$ 73,046</td>
<td>$ 2,030</td>
<td>$ 48,832</td>
<td>$ (180)</td>
<td>$ (9,611)</td>
<td>$</td>
<td>$ (135)</td>
<td>$ 1,519,364</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

SECTION 8 HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over/Under</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Fund Balance:
- Beginning of year - July 1: $(61,625)
- End of year - June 30: $(61,625)
HARNETT COUNTY, NORTH CAROLINA

ECONOMIC DEVELOPMENT GREEN JOBS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th></th>
<th>Variance</th>
<th>2010</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Over/Under</td>
<td></td>
<td>Actual</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workforce development fees</td>
<td>$17,200</td>
<td>$5,606</td>
<td>$(11,594)</td>
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<td>$</td>
</tr>
<tr>
<td>Total revenues</td>
<td>17,200</td>
<td>5,606</td>
<td>(11,594)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic and physical development:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenditures</td>
<td>17,200</td>
<td>5,518</td>
<td>11,682</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenditures</td>
<td>17,200</td>
<td>5,518</td>
<td>11,682</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td></td>
<td>88</td>
<td>$88</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Fund Balance:**

- Beginning of year - July 1
- End of year - June 30

$88

98
# Harnett County, North Carolina

## Law Enforcement Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

For the year ended June 30, 2011

With comparative actual amounts for the year ended June 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over/Under</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permits and fees</td>
<td>$44,515</td>
<td>$43,890</td>
<td>$(625)</td>
<td>$39,530</td>
</tr>
<tr>
<td>Total revenues</td>
<td>44,515</td>
<td>43,890</td>
<td>(625)</td>
<td>39,530</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenditures</td>
<td>44,515</td>
<td>44,260</td>
<td>255</td>
<td>36,240</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>44,515</td>
<td>44,260</td>
<td>255</td>
<td>36,240</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>$-</td>
<td>(370)</td>
<td>$(370)</td>
<td>3,290</td>
</tr>
</tbody>
</table>

**Fund Balance:**

- Beginning of year - July 1
- End of year - June 30

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>$22,261</td>
<td>18,971</td>
</tr>
<tr>
<td>End of year</td>
<td>$21,891</td>
<td>$22,261</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

SPECIAL DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over/Under</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>$ 5,518,560</td>
<td>$ 5,557,398</td>
<td>$ 38,838</td>
<td>$ 5,441,894</td>
</tr>
<tr>
<td>Other taxes and licenses</td>
<td>729,904</td>
<td>886,171</td>
<td>156,267</td>
<td>869,122</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$ 6,248,464</td>
<td>$ 6,443,569</td>
<td>$ 195,105</td>
<td>$ 6,311,016</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety</td>
<td>5,974,293</td>
<td>6,179,489</td>
<td>(205,196)</td>
<td>6,020,267</td>
</tr>
<tr>
<td>Education</td>
<td>274,171</td>
<td>260,759</td>
<td>13,412</td>
<td>265,327</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>$ 6,248,464</td>
<td>$ 6,440,248</td>
<td>(191,784)</td>
<td>$ 6,285,594</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>$ -</td>
<td>3,321</td>
<td>$ 3,321</td>
<td>25,422</td>
</tr>
</tbody>
</table>

**Fund Balance:**

- **Beginning of year - July 1**
  - $ 7,894
- **End of year - June 30**
  - $ 11,215
  - (17,530)
  - $ 7,894
HARNETT COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over/Under</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permits and fees</td>
<td>$833,865</td>
<td>$833,864</td>
<td>$(1)</td>
<td>$833,864</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>500</td>
<td>1,173</td>
<td>673</td>
<td>1,131</td>
</tr>
<tr>
<td>Total revenues</td>
<td>834,365</td>
<td>835,037</td>
<td>672</td>
<td>834,995</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenditures</td>
<td>507,117</td>
<td>427,631</td>
<td>79,486</td>
<td>237,504</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>391,570</td>
<td>98,433</td>
<td>293,137</td>
<td>316,986</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>898,687</td>
<td>526,064</td>
<td>372,623</td>
<td>554,490</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>$(64,322)</td>
<td>308,973</td>
<td>373,295</td>
<td>280,505</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(193,000)</td>
</tr>
<tr>
<td>Appropriated fund balance</td>
<td>64,322</td>
<td>-</td>
<td>(64,322)</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>64,322</td>
<td>-</td>
<td>(64,322)</td>
<td>(193,000)</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>-</td>
<td>308,973</td>
<td>$308,973</td>
<td>87,505</td>
</tr>
<tr>
<td>Fund Balance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year - July 1</td>
<td>987,308</td>
<td></td>
<td></td>
<td>899,803</td>
</tr>
<tr>
<td>End of year - June 30</td>
<td>$1,296,281</td>
<td></td>
<td></td>
<td>$987,308</td>
</tr>
</tbody>
</table>
## Harnett County, North Carolina

### Automation Enhancement & Preservation Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over/Under</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$</td>
<td>$ 333</td>
<td>$ 333</td>
<td>$ 164</td>
</tr>
<tr>
<td>Permits and fees</td>
<td>65,000</td>
<td>67,008</td>
<td>2,008</td>
<td>61,603</td>
</tr>
<tr>
<td>Total revenues</td>
<td>65,000</td>
<td>67,341</td>
<td>2,341</td>
<td>61,767</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenditures</td>
<td>147,887</td>
<td>78,380</td>
<td>69,507</td>
<td>33,838</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>147,887</td>
<td>78,380</td>
<td>69,507</td>
<td>33,838</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(82,887)</td>
<td>(11,039)</td>
<td>71,848</td>
<td>27,929</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriated fund balance</td>
<td>82,887</td>
<td>-</td>
<td>(82,887)</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>82,887</td>
<td>-</td>
<td>(82,887)</td>
<td>-</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$ -</td>
<td>(11,039)</td>
<td>$ (11,039)</td>
<td>27,929</td>
</tr>
<tr>
<td><strong>Fund Balance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year - July 1</td>
<td></td>
<td>148,571</td>
<td></td>
<td>120,642</td>
</tr>
<tr>
<td>End of year - June 30</td>
<td>$ 137,532</td>
<td></td>
<td></td>
<td>$ 148,571</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

EMERGENCY RESPONSE PLANNING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td></td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other general revenues</td>
<td>$63,000</td>
<td>$63,000</td>
<td>$0</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$63,000</td>
<td>$63,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$53,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and fringe benefits</td>
<td>32,113</td>
<td>8,758</td>
<td>23,355</td>
</tr>
<tr>
<td>Other operating expenditures</td>
<td>93,724</td>
<td>44,034</td>
<td>49,690</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>125,837</td>
<td>52,792</td>
<td>73,045</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>29,264</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(62,837)</td>
<td>10,208</td>
<td>73,045</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>23,736</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td>(3,000)</td>
<td>(3,000)</td>
<td>-</td>
</tr>
<tr>
<td>Appropriated fund balance</td>
<td>65,837</td>
<td>-</td>
<td>(65,837)</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>62,837</td>
<td>(3,000)</td>
<td>(65,837)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(51,160)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$-</td>
<td>7,208</td>
<td>$7,208</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(27,424)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year - July 1</td>
<td>65,838</td>
<td></td>
<td>93,262</td>
</tr>
<tr>
<td>End of year - June 30</td>
<td>$73,046</td>
<td></td>
<td>$65,838</td>
</tr>
</tbody>
</table>

Schedule D-9

103
HARNETT COUNTY, NORTH CAROLINA

HARNETT MEMORIAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over/Under</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

Fund Balance:
- Beginning of year - July 1
  - $2,030
- End of year - June 30
  - $2,030
# Harnett County, North Carolina

## Abandoned Manufactured Homes Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

**For the Year Ended June 30, 2011**

**With Comparative Actual Amounts for the Year Ended June 30, 2010**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted intergovernmental</td>
<td>$</td>
<td>$ 7,057</td>
<td>$ 7,057</td>
<td>$ 8,622</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>-</td>
<td>78</td>
<td>78</td>
<td>38</td>
</tr>
<tr>
<td>Other general revenues</td>
<td>14,000</td>
<td>10,195</td>
<td>(3,805)</td>
<td>9,549</td>
</tr>
<tr>
<td>Total revenues</td>
<td>14,000</td>
<td>17,330</td>
<td>3,330</td>
<td>18,209</td>
</tr>
</tbody>
</table>

### Expenditures:

#### Economic and Physical Development:

| Abandoned home removal        | 86,827      | 49,156      | 37,671              | 30,095      |
| Total expenditures            | 86,827      | 49,156      | 37,671              | 30,095      |

| Revenues over (under) expenditures | (72,827) | (31,826) | 41,001 | (11,886) |

### Other Financing Sources (Uses):

| Transfer in                   | 72,827      | -          | (72,827)            | 72,827      |
| Total other financing sources (uses) | 72,827 | -          | (72,827)            | 72,827      |

| Net change in fund balance    | $           | (31,826)   | $ (31,826)          | 60,941      |

### Fund Balance:

| Beginning of year - July 1    | 80,658      | 19,717     |
| End of year - June 30         | $ 48,832    | $ 80,658   |
HARNETT COUNTY, NORTH CAROLINA

FLOODPLAIN MAPPING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted intergovernmental</td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$51,000</td>
<td>$100</td>
</tr>
<tr>
<td>Expenditures:</td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>General government:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenditures</td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$51,000</td>
<td></td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$-</td>
<td>100</td>
</tr>
</tbody>
</table>

Fund Balance:
Beginning of year - July 1         | $(280)      |
End of year - June 30               | $(180)      |

Schedule D-12
HARNETT COUNTY, NORTH CAROLINA

WIA YOUTH PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>$319,396</td>
<td>$295,144</td>
</tr>
<tr>
<td>Total revenues</td>
<td>319,396</td>
<td>295,144</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenditures</td>
<td>319,396</td>
<td>298,562</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>319,396</td>
<td>298,562</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$-</td>
<td>$(3,418)</td>
</tr>
<tr>
<td>Fund Balance:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year - July 1</td>
<td>(6,193)</td>
<td>-</td>
</tr>
<tr>
<td>End of year - June 30</td>
<td>$ (9,611)</td>
<td>$ (6,193)</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

AMPI UNRECOVERABLE COST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior Years</td>
<td>Current Year</td>
<td>Total to Date</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>$ 40,000</td>
<td>$ 15,324</td>
<td>$ 21,481</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$ 40,000</td>
<td>$ 15,324</td>
<td>$ 21,481</td>
</tr>
</tbody>
</table>

| Expenditures:         |            |               |                |                  |
| General government:   |            |               |                |                  |
| Operating expenditures|            |               |                |                  |
| Total expenditures    | $ 40,000   | $ 19,135      | $ 36,805       | 3,195            |

Net change in fund balance | $ - | $ (3,811) | 3,811 | $ - |

Fund Balance:
Beginning of year - July 1 | (3,811)  |
End of year - June 30 | $ - |
HARNETT COUNTY, NORTH CAROLINA

ARRA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>Variance Over/Under</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>$45,355</td>
<td>$44,420</td>
<td>$(935)</td>
<td>$34,684</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$45,355</td>
<td>$44,420</td>
<td>$(935)</td>
<td>$34,684</td>
</tr>
<tr>
<td>Expenditures:</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenditures</td>
<td>$45,355</td>
<td>$44,418</td>
<td>937</td>
<td>$34,821</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$45,355</td>
<td>$44,418</td>
<td>937</td>
<td>$34,821</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$</td>
<td>2</td>
<td>$2</td>
<td>(137)</td>
</tr>
</tbody>
</table>

Fund Balance:
Beginning of year - July 1 | (137) |
End of year - June 30      | $ (135) | $ (137) |
NONMAJOR FUNDS - GOVERNMENTAL

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities:

INDIVIDUAL FUND DESCRIPTION:

Transportation Facility Design Capital Project Fund - accounts for construction and design of a facility used by the Harnett County Area Transit System (HARTS).

Land Acquisition & Runway Safety Project Fund - accounts for the expenditures and revenues for the Land Acquisition, Runway Safety Area, and ILS Site Prep.

School Improvements QZAB Capital Project Fund - accounts for the renovation, refurbishment, and furnishing of twenty existing Harnett County Schools that are funded by interest-free Qualified Zone Academy Bond (QZAB) funds from the State.

Housing Preservation Capital Project Fund - accounts for the expenditures and revenues for single family rehabilitation project for the County. Eligible households must be very low income, owner-occupied, and cost effective to be rehabilitated and have clear real estate title.


Barbecue Creek Park Capital Project Fund - accounts for the expenditures and revenues for the renovation and expansion of the Barbecue Park Project.

School QZAB III Capital Project Fund - accounts for the renovation, refurbishment, and furnishing of twenty existing Harnett County Schools that are funded by interest-free Qualified Zone Academy Bond (QZAB) funds from the State.
NONMAJOR FUNDS - GOVERNMENTAL

Emergency Services Renovation Capital Project Fund - accounts for the expenditures and revenues for the renovation of the building formerly known as the Law Enforcement & Detention Center. To provide office space for the Emergency Services division.

Scattered Site Housing 2008 Capital Project Fund - accounts for the expenditures and revenues for the rehabilitation of six privately owned dwellings. Owned and occupied by low and very low income persons thru the Community Development Block Grant Project.

Boone Trail Elementary School Capital Project Fund - accounts for the 2009 Certificate of Participation proceeds received for the construction of a new elementary school at the intersection of Griffin Road and Adcock Road in the Mamers Community, which is located in the western portion of the County.

Harnett Central High School Capital Project Fund - accounts for the 2009 Certificate of Participation proceeds received for the construction of a 13,550 square foot auxiliary gymnasium and a 24-classroom addition to the Harnett Central High School.

Johnsonville Elementary School Capital Project Fund - accounts for the 2009 Certificate of Participation proceeds received for the construction of a fifteen class addition to the Johnsonville Elementary School. The additional classrooms will add the capacity to accommodate approximately 350 students.

Highland Elementary Gym Capital Project Fund - accounts for the 2009 Certificate of Participation proceeds received for the construction of a new 9,903 square-foot gymnasium at Highland Elementary School, located on Buffalo Lake Road in Highland in the western portion of the County.

Angier Elementary School Capital Project Fund - accounts for the expenditures and revenues associated with school construction projects.
NONMAJOR FUNDS - GOVERNMENTAL

Law Enforcement Expansion Capital Project Fund - accounts for the expenditures and revenues for the construction of a new law enforcement center/detention facility.

Airport Runway Reimbursement Project – accounts for the expenditures and revenues for a grant awarded by the NC Aeronautics Council to reimburse the County for meals and materials provided to the military for Runway extension grading in a previous year.

Airport Overlay Zoning Fund - accounts for the expenditures and revenues for the Land Use Compatibility Zoning Plan better known as the "Airport Overlay Zoning District" and for the preliminary engineering/design for the airport pavement rehabilitation project.

Campo Pedestrian Trail - accounts for the expenditures and revenues to undertake a pedestrian oriented project within Harnett County. This project is located at the campus of Harnett Central Middle and High Schools and Neil's Creek Park and is intended to serve as a safe mode of pedestrian transportation throughout the campus.

Good Hope Mental Health Fund - accounts for the expenditures and revenues for the renovation of the Good Hope Hospital into a 16-bed mental health facility project.

Single Family – accounts for the expenditures and revenues of the rehabilitation of scattered site single family housing units owned and occupied by low and very low income elderly and/or disabled homeowners.

Adopt-A-Trail – accounts for the expenditures and revenues for the preservation of the Dunn Erwin Rail Trail.

Recreational Trail - accounts for the expenditures and revenues for the preservation of the Dunn Erwin Rail Trail.
## NONMAJOR CAPITAL PROJECT FUNDS
### COMBINING BALANCE SHEET
#### JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Transportation Facility Design</th>
<th>Barbeque Creek Park</th>
<th>School Improvements QZAB III</th>
<th>Emergency Service Response</th>
<th>Boone Trail Elementary</th>
<th>Harnett Central High School</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$329</td>
<td>$8,239</td>
<td>$</td>
<td>$8,389</td>
<td>$120,131</td>
<td>$11,800</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>81,419</td>
<td>78,185</td>
<td>$</td>
<td>$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>-</td>
<td>1,220</td>
<td>-</td>
<td>2,051,750</td>
<td>1,239,360</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$81,748</td>
<td>$86,424</td>
<td>$1,220</td>
<td>$8,389</td>
<td>$2,171,881</td>
<td>$1,251,160</td>
</tr>
</tbody>
</table>

| **Liabilities and Fund Balances:** |                     |                     |                               |                           |                       |                             |
| Liabilities:            |                     |                     |                               |                           |                       |                             |
| Accounts payable and accrued liabilities | $ -             | $50,159             | $ -                          | $10,000                   | $573,788              | $ -                         |
| Due to other funds     | 20,000                         | -                   | $ -                          | -                        | -                     | -                           |
| **Total liabilities**  | 20,000                        | 50,159              | $ 10,000                     | $573,788                 | -                     | -                           |

| **Fund Balances:**     |                     |                     |                               |                           |                       |                             |
| Restricted for stabilization | 81,419         | 78,185              | $ -                           | -                        | -                     | -                           |
| Restricted for education | -                   | -                   | 1,220                        | -                        | 2,051,750             | 1,251,160                   |
| Restricted for public safety | -                | -                   | -                            | -                        | -                     | -                           |
| Committed              | -                   | -                   | -                            | -                        | -                     | -                           |
| Unassigned             | (19,671)           | (41,820)            | -                            | (1,611)                  | (453,657)             | -                           |
| **Total fund balances**| 61,748             | 36,265              | 1,220                        | (1,611)                  | 1,598,093             | 1,251,160                   |

<p>| <strong>Total liabilities and fund balances</strong> | 81,748             | 86,424              | 1,220                        | 8,389                    | 2,171,881             | 1,251,160                   |</p>
<table>
<thead>
<tr>
<th></th>
<th>Johnsonville Elementary School</th>
<th>Highland Elementary School Gym</th>
<th>Angier Elementary School</th>
<th>Law Enforcement Expansion</th>
<th>Airport Overlay Zoning</th>
<th>Campo Pedestrian Trail</th>
<th>Good Hope Mental Health</th>
<th>Single Family</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>16,174</td>
<td>27,105</td>
<td>66,064</td>
<td>46,699</td>
<td>14,356</td>
<td>13,278</td>
<td>54,147</td>
<td>9</td>
<td>$386,720</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>172,108</td>
</tr>
<tr>
<td>895,346</td>
<td>172,243</td>
<td></td>
<td></td>
<td></td>
<td>429,530</td>
<td></td>
<td></td>
<td></td>
<td>4,789,449</td>
</tr>
<tr>
<td>$911,520</td>
<td>199,348</td>
<td>66,064</td>
<td>476,229</td>
<td>19,360</td>
<td>13,278</td>
<td>54,147</td>
<td>7,509</td>
<td>5,348,277</td>
<td></td>
</tr>
<tr>
<td>$109,293</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25,900</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>799,637</td>
<td></td>
<td></td>
</tr>
<tr>
<td>895,346</td>
<td>172,243</td>
<td></td>
<td></td>
<td></td>
<td>429,530</td>
<td></td>
<td></td>
<td></td>
<td>172,108</td>
</tr>
<tr>
<td>-</td>
<td>27,105</td>
<td>66,064</td>
<td>46,699</td>
<td>8,796</td>
<td>13,278</td>
<td>36,710</td>
<td>(13,391)</td>
<td>(823,369)</td>
<td></td>
</tr>
<tr>
<td>(93,119)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,548,840</td>
</tr>
<tr>
<td>802,227</td>
<td>199,348</td>
<td>66,064</td>
<td>476,229</td>
<td>13,800</td>
<td>13,278</td>
<td>36,710</td>
<td>(5,881)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$911,520</td>
<td>199,348</td>
<td>66,064</td>
<td>476,229</td>
<td>13,278</td>
<td>54,147</td>
<td>7,509</td>
<td>5,348,277</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Transportation Design</th>
<th>Housing Preservation</th>
<th>Overhills Elementary</th>
<th>Barbeque Creek Park</th>
<th>School Improvements QZAB III</th>
<th>Emergency Services Renovation</th>
<th>Scattered Site Housing 2008</th>
<th>Boone Trail Elementary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>$ 81,419</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 78,184</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 63,576</td>
<td>$ -</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>29</td>
<td>5</td>
<td>(2)</td>
<td>53</td>
<td>4</td>
<td>15</td>
<td>(2)</td>
<td>5,441</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,066</td>
<td>-</td>
<td>1</td>
<td>6,885</td>
<td>-</td>
<td>2,226</td>
<td>-</td>
<td>602</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>83,516</td>
<td>5</td>
<td>(1)</td>
<td>84,922</td>
<td>4</td>
<td>2,244</td>
<td>63,574</td>
<td>6,443</td>
</tr>
</tbody>
</table>

| **Expenditures:**        |                       |                      |                      |                    |                             |                              |                          |                       |
| Current:                 |                       |                      |                      |                    |                             |                              |                          |                       |
| General government       | 33,700                | 7,944               | -                   | 158,529            | -                           | -                           | 2,152,563                | -                     |
| Public safety            | -                     | -                   | -                   | -                  | -                           | -                           | -                         | -                     |
| Economic and physical development | -               | -                   | -                   | -                  | 3,606                       | -                           | -                         | -                     |
| Human services           | -                     | -                   | -                   | -                  | -                           | 57,877                      | -                         | -                     |
| Cultural and recreation  | -                     | -                   | -                   | -                  | -                           | -                           | -                         | -                     |
| Education                | -                     | -                   | -                   | -                  | -                           | -                           | -                         | -                     |
| **Total expenditures**   | 33,700                | 7,944               | -                   | 158,529            | 1                           | 3,806                       | 57,877                   | 2,152,563             |
| **Revenues over (under) expenditures** | 49,816             | (7,939)             | (1)                 | (70,607)           | 3                           | (1,582)                     | 5,697                    | (2,146,640)         |

| **Other Financing Sources (Uses):** |                       |                      |                      |                    |                             |                              |                          |                       |
| Transfers in             | 15,000                | -                   | -                   | -                  | -                           | -                           | -                         | -                     |
| Transfers out            | -                     | -                   | (750,166)           | -                  | -                           | -                           | (673,786)                | -                     |
| Total other financing sources (uses) | 15,000              | -                   | (750,166)           | -                  | -                           | -                           | (673,786)                | -                     |
| **Net change in fund balances** | 64,816               | (7,939)             | (750,166)           | (70,607)           | 3                           | (1,562)                     | 5,697                    | (2,720,429)         |

| **Fund Balances:**       |                       |                      |                      |                    |                             |                              |                          |                       |
| Beginning of year - July 1 | (3,066)              | 7,939               | 750,166             | 106,872            | 1,217                       | (49)                        | (5,697)                  | 4,316,521            |
| End of year - June 30    | $ 61,746              | $ -                 | $ -                 | $ 35,285            | $ 1,220                     | $ (1,611)                   | $ 5,697                  | $ 1,666,093          |
|-----------------------------|--------------------------------|-------------------------------|--------------------------|--------------------------|-----------------------|-----------------------|------------------------|--------------|-------------|-------|
| $                           | $                              | $                             | $                        | $                        | $                     | $                     | $                      | $            | $           | $     |
| 2,620                       | 1,042                          | 402                           | 168                      | 616                      | 13                    | 15                    | 121                    | -            | -           | 266,131 |
| 2,620                       | 1,043                          | 401                           | 168                      | 616                      | 25,933                | 15                    | 121                    | 13,618       | 3,414       | 11,485  |
| 1,898,367                   | 203,594                        | (1)                           | 18,772                   | 5,560                    | 143,423               | 19,509                | 143,423                 | 5,817,452    | 4,415,870   | 4,704,048|
| (1,895,747)                 | (202,821)                      | 401                           | 189                      | (18,154)                 | 20,373                | 15                    | (143,302)              | (5,891)      | -           | (4,415,870) |
| -                           | -                              | -                             | -                        | -                        | -                     | -                     | -                      | -            | -           | 31,667  |
| (1,895,747)                 | (311,814)                      | 401                           | 189                      | (18,154)                 | 37,040                | 15                    | (143,302)              | (5,891)      | -           | (5,817,452) |
| 3,149,907                   | 1,114,041                      | 198,947                       | 65,675                   | 494,363                  | (23,240)              | 13,263                | 180,012                 | -            | -           | 10,386,092 |
| $ 1,251,166                 | $ 802,227                      | $ 198,348                     | $ 66,064                 | $ 476,229                | $ 13,800              | $ 13,278              | $ 36,710                 | $ (5,891)    | $ -         | $ 4,548,640 |

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HARNETT COUNTY, NORTH CAROLINA

TRANSPORTATION FACILITY DESIGN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment earnings</td>
<td>$ 7,500</td>
<td>$ 7,433</td>
<td>$ 29</td>
<td>$ 7,462</td>
<td>$(38)</td>
</tr>
<tr>
<td>Restricted intergovernmental revenues</td>
<td>549,000</td>
<td>518,166</td>
<td>81,419</td>
<td>599,585</td>
<td>50,585</td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>-</td>
<td>7,391</td>
<td>2,068</td>
<td>9,459</td>
<td>9,459</td>
</tr>
<tr>
<td>Total revenues</td>
<td>556,500</td>
<td>532,990</td>
<td>83,516</td>
<td>616,506</td>
<td>60,006</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and administrative</td>
<td>5,802</td>
<td>5,559</td>
<td>-</td>
<td>5,559</td>
<td>243</td>
</tr>
<tr>
<td>Engineering</td>
<td>33,643</td>
<td>32,144</td>
<td>-</td>
<td>32,144</td>
<td>1,499</td>
</tr>
<tr>
<td>Construction</td>
<td>564,000</td>
<td>530,300</td>
<td>33,700</td>
<td>564,000</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>5,654</td>
<td>5,654</td>
<td>-</td>
<td>5,654</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>609,099</td>
<td>573,657</td>
<td>33,700</td>
<td>607,357</td>
<td>1,742</td>
</tr>
</tbody>
</table>

Revenues over (under) expenditures: (52,599) (40,667) 49,816 9,149 61,748

Other Financing Sources (Uses):

| Transfers in                       | 52,599                | 37,599      | 15,000       | 52,599        | -                   |
| Total other financing sources (uses) | 52,599                | 37,599      | 15,000       | 52,599        | -                   |

Net change in fund balance: - $ (3,068) 64,816 $ 61,748 $ 61,748

Fund Balance:

Beginning of year - July 1: (3,068)

End of year - June 30: $ 61,748
# Harnett County, North Carolina

## Land Acquisition and Runway Safety

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual from Inception and for the Year Ended June 30, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted intergovernmental</td>
<td>$405,000</td>
<td>$257,841</td>
<td>$</td>
<td>$257,841</td>
<td>$(147,159)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$405,000</td>
<td>257,841</td>
<td></td>
<td>257,841</td>
<td>(147,159)</td>
</tr>
</tbody>
</table>

## Expenditures:

General government:

| Engineering | 86,200 | 22,260 | - | 22,260 | 63,940 |
| Construction | 318,800 | 235,581 | - | 235,581 | 83,219 |
| Total expenditures | $405,000 | 257,841 | - | 257,841 | 147,159 |

Net change in fund balance:

| $ | $ | - | $ | $ | - |

## Fund Balance:

Beginning of year - July 1

End of year, June 30

| $ | - | | | | |
## HARNETT COUNTY, NORTH CAROLINA

### SCHOOL IMPROVEMENTS QZAB
### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
### IN FUND BALANCE - BUDGET AND ACTUAL
### FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>$4,000,000</td>
<td>$4,000,000</td>
<td>-</td>
<td>$4,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$4,000,000</td>
<td>4,000,000</td>
<td>-</td>
<td>4,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(4,000,000)</td>
<td>(4,000,000)</td>
<td>-</td>
<td>(4,000,000)</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Financing Sources (Uses):</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond issuance</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>-</td>
<td>4,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>-</td>
<td>4,000,000</td>
<td>-</td>
</tr>
</tbody>
</table>

| Net change in fund balance | | | | | |
|---------------------------| | | | | |
| Beginning of year - July 1 | | | | | |
| End of year - June 30 | $ | | | | |
HARNETT COUNTY, NORTH CAROLINA

HOUSING PRESERVATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Project Authorization</th>
<th>Actual</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior Years</td>
<td>Current Year</td>
<td>Total to Date</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>$ 90,000</td>
<td>$ 90,000</td>
<td>- $ 90,000</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>27</td>
<td>22</td>
<td>5</td>
</tr>
<tr>
<td>Total revenues</td>
<td>90,027</td>
<td>90,022</td>
<td>5</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and administrative</td>
<td>16,227</td>
<td>8,283</td>
<td>7,944</td>
</tr>
<tr>
<td>Engineering</td>
<td>93,800</td>
<td>93,800</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>110,027</td>
<td>102,083</td>
<td>7,944</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(20,000)</td>
<td>(12,061)</td>
<td>(7,939)</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>20,000</td>
<td>20,000</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>20,000</td>
<td>20,000</td>
<td>-</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$ -</td>
<td>$ 7,939</td>
<td>(7,939)</td>
</tr>
</tbody>
</table>

Fund Balance:
Beginning of year - July 1

End of year - June 30

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HARNETT COUNTY, NORTH CAROLINA

OVERHILLS ELEMENTARY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$ 754,171</td>
<td>$ 754,294</td>
<td>(2)</td>
<td>$ 754,292</td>
<td>$ 121</td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>612,119</td>
<td>439,555</td>
<td>1</td>
<td>439,556</td>
<td>(172,563)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>1,366,290</td>
<td>1,193,849</td>
<td>(1)</td>
<td>1,193,848</td>
<td>(172,442)</td>
</tr>
</tbody>
</table>

| **Expenditures:**      |                       |             |              |               |                     |
| General government:    |                       |             |              |               |                     |
| Legal and administrative| -                     | 6,690       | -            | 6,690         | (6,690)             |
| Engineering            |                       | 861,438     | -            | 861,438       | (861,438)           |
| Construction           | 15,842,232            | 14,974,102  | -            | 14,974,102    | 868,130             |
| Materials and supplies | 1,222,148             | 1,195,770   | -            | 1,195,770     | 26,378              |
| Debt service:          |                       |             |              |               |                     |
| Debt issue costs       | 276,800               | 276,800     | -            | 276,800       | -                   |
| Total expenditures     | 17,341,180            | 17,314,800  | -            | 17,314,800    | 26,380              |
| Revenues over (under) expenditures | (15,974,890) | (16,120,951) | (1) | (16,120,952) | (146,062) |

| **Other Financing Sources (Uses):** |                       |             |              |               |                     |
| Transfers out          | (1,722,194)           | (825,964)   | (750,168)    | (1,576,132)   | 146,062             |
| Bond premium           | 669,555               | 669,555     | -            | 669,555       | -                   |
| Bond issuance          | 17,027,529            | 17,027,529  | -            | 17,027,529    | -                   |
| Total other financing sources (uses) | 15,974,890          | 16,871,120  | (750,168)    | 16,120,952    | 146,062             |

| Net change in fund balance |                       | $ 750,169   | (750,169)    | -             | $ -                 |

| Fund Balance:           |                       |             |              |               |                     |
| Beginning of year - July 1 |                       |             |              |               | 750,169             |
| End of year - June 30   |                       |             |              |               | $ -                 |

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HARNETT COUNTY, NORTH CAROLINA

BARBEQUE CREEK PARK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Intergovernmental</td>
<td>$ 500,000</td>
<td>$ 400,907</td>
<td>$ 78,184</td>
<td>$ 479,091</td>
<td>(20,909)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>150</td>
<td>212</td>
<td>53</td>
<td>265</td>
<td>115</td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>9,997</td>
<td>17,879</td>
<td>6,685</td>
<td>24,564</td>
<td>14,567</td>
</tr>
<tr>
<td>Total revenues</td>
<td>510,147</td>
<td>418,998</td>
<td>84,922</td>
<td>503,920</td>
<td>(6,227)</td>
</tr>
</tbody>
</table>

| **Expenditures:**            |                       |             |              |               |                     |
| General government:          |                       |             |              |               |                     |
| Engineering                  | 108,025               | 89,225      | 15,500       | 104,725       | 3,300               |
| Construction                 | 753,009               | 578,788     | 135,029      | 713,817       | 39,192              |
| Materials and supplies       | 149,113               | 144,113     | 5,000        | 149,113       | -                   |
| Total expenditures           | 1,010,147             | 812,126     | 155,529      | 967,655       | 42,492              |
| Revenues over (under) expenses| (500,000)             | (393,128)   | (70,607)     | (463,735)     | 36,265              |

| **Other Financing Sources (Uses):** |                       |             |              |               |                     |
| Transfers in                 | 500,000               | 500,000     | -            | 500,000       | -                   |
| Total other financing sources (uses) | 500,000               | 500,000     | -            | 500,000       | -                   |
| Net change in fund balance   | $ -                   | $ 106,872   | (70,607)     | $ 36,265      | $ 36,265            |

| **Fund Balance:**            |                       |             |              |               |                     |
| Beginning of year - July 1   |                       |             |              | 106,872       |                     |
| End of year - June 30        |                       |             |              | $ 36,265      |                     |

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HARNETT COUNTY, NORTH CAROLINA

SCHOOL IMPROVEMENTS QZAB III
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Project Authorization</th>
<th>Actual</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$ 3,500</td>
<td>$ 3,559</td>
<td>$ 4</td>
<td>$ 3,563</td>
<td>$ 63</td>
</tr>
<tr>
<td>Total revenues</td>
<td>3,500</td>
<td>3,559</td>
<td>4</td>
<td>3,563</td>
<td>63</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>793,000</td>
<td>791,842</td>
<td>1</td>
<td>791,843</td>
<td>1,157</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>793,000</td>
<td>791,842</td>
<td>1</td>
<td>791,843</td>
<td>1,157</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(789,500)</td>
<td>(788,283)</td>
<td>3</td>
<td>(788,280)</td>
<td>1,220</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond issuance</td>
<td>789,500</td>
<td>789,500</td>
<td>-</td>
<td>789,500</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>789,500</td>
<td>789,500</td>
<td>-</td>
<td>789,500</td>
<td>-</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$ -</td>
<td>$ 1,217</td>
<td>3</td>
<td>$ 1,220</td>
<td>$ 1,220</td>
</tr>
</tbody>
</table>

**Fund Balance:**
- Beginning of year - July 1
  - 1,217
- End of year - June 30
  - $ 1,220
HARNETT COUNTY, NORTH CAROLINA

EMERGENCY SERVICES RENOVATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Project Authorization</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior Years</td>
<td>Current Year</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>$ 10,000</td>
<td>$ 10,000</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>-</td>
<td>218</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>21,000</td>
<td>16,924</td>
</tr>
<tr>
<td>Total revenues</td>
<td>31,000</td>
<td>27,142</td>
</tr>
</tbody>
</table>

| Expenditures:         |        |            |            |          |
| Public safety:        |        |            |            |          |
| Legal and administrative | 1,675 | 1,675 | - | 1,675 | - |
| Engineering           | 72,523 | 68,716 | 3,806 | 72,522 | 1 |
| Construction          | 638,300 | 638,300 | - | 638,300 | - |
| Materials and supplies | 8,598 | 8,597 | - | 8,597 | 1 |
| Capital outlay        | 123,505 | 123,504 | - | 123,504 | 1 |
| Total expenditures    | 844,601 | 840,792 | 3,806 | 844,598 | 3 |

| Revenues over (under) expenditures | (813,601) | (813,650) | (1,562) | (815,212) | (1,611) |

| Other Financing Sources (Uses): |        |            |            |          |
| Transfers in                  | 813,601 | 813,601 | - | 813,601 | - |
| Total other financing sources (uses) | 813,601 | 813,601 | - | 813,601 | - |

| Net change in fund balance | $ | - | $ (49) | (1,562) | $ (1,611) | $ (1,611) |

| Fund Balance:               |              |            |            |          |
| Beginning of year - July 1  |              |            | (49)       |          |          |
| End of year - June 30       |              |            | $ (1,611)  |          |          |
HARNETT COUNTY, NORTH CAROLINA

SCATTERED SITE HOUSING 2008
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>$ 400,000</td>
<td>$ 336,424</td>
<td>$ 63,576</td>
<td>$ 400,000</td>
<td>$</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>-</td>
<td>2</td>
<td>(2)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total revenues</td>
<td>400,000</td>
<td>336,426</td>
<td>63,574</td>
<td>400,000</td>
<td>-</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic and physical development:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and administrative</td>
<td>40,000</td>
<td>25,839</td>
<td>14,161</td>
<td>40,000</td>
<td>-</td>
</tr>
<tr>
<td>Engineering</td>
<td>360,000</td>
<td>316,284</td>
<td>43,716</td>
<td>360,000</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>400,000</td>
<td>342,123</td>
<td>57,877</td>
<td>400,000</td>
<td>-</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>-</td>
<td>$ (5,697)</td>
<td>5,697</td>
<td>-</td>
<td>$</td>
</tr>
</tbody>
</table>

Fund Balance:
Beginning of year - July 1

End of year, June 30

$ -
HARNETT COUNTY, NORTH CAROLINA

BOONE TRAIL ELEMENTARY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Project Authorization</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior Years</td>
<td>Current Year</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$ -  75,363</td>
<td>$ 5,441</td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>- 119,369</td>
<td>502</td>
</tr>
<tr>
<td>Total revenues</td>
<td>- 194,732</td>
<td>5,943</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and administrative</td>
<td>18,752</td>
<td>3,618</td>
</tr>
<tr>
<td>Engineering</td>
<td>1,212,096</td>
<td>780,719</td>
</tr>
<tr>
<td>Construction</td>
<td>15,693,826</td>
<td>14,527,951</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>2,983,351</td>
<td>473,182</td>
</tr>
<tr>
<td>Debt issue costs</td>
<td>458,841</td>
<td>457,606</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>20,366,866</td>
<td>16,243,076</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(20,366,866)</td>
<td>(16,048,344)</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer out</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bond premium</td>
<td>374,115</td>
<td>374,115</td>
</tr>
<tr>
<td>Bond issuance</td>
<td>19,992,751</td>
<td>19,992,750</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>20,366,866</td>
<td>20,366,865</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$ -</td>
<td>$ 4,318,521</td>
</tr>
<tr>
<td>Fund Balance:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year - July 1</td>
<td></td>
<td>4,318,521</td>
</tr>
<tr>
<td>End of year, June 30</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### HARNETT COUNTY, NORTH CAROLINA

HARNETT CENTRAL HIGH SCHOOL

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment earnings</td>
<td>$</td>
<td>-</td>
<td>$37,022</td>
<td>$2,620</td>
<td>$39,642</td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>-</td>
<td>12,806</td>
<td></td>
<td>$12,806</td>
<td>12,806</td>
</tr>
<tr>
<td>Total revenues</td>
<td>-</td>
<td>49,826</td>
<td>2,620</td>
<td>52,448</td>
<td>52,448</td>
</tr>
</tbody>
</table>

**Expenditures:**

General government:

| Legal and administrative          | 10,615                | 1,084       |              | 1,084         | 9,531               |
| Engineering                       | 792,880               | 625,200     | 23,895       | 649,095       | 143,785             |
| Construction                      | 8,554,255             | 6,050,885   | 1,874,473    | 7,925,358     | 628,897             |
| Materials and supplies            | 421,154               | 4,657       | (1)          | 4,656         | 416,498             |
| Debt issue costs                  | 225,872               | 225,871     |              | 225,871       | (1)                 |
| Total expenditures                | 10,004,776            | 6,907,697   | 1,898,367    | 8,806,064     | 1,198,712           |

Revenues over (under) expenditures  (10,004,776) (6,857,869) (1,895,747) (8,753,616) 1,251,160

**Other Financing Sources (Uses):**

| Bond premium                      | 183,776               | 183,776     |              | 183,776       | -                   |
| Bond issuance                     | 9,821,000             | 9,821,000   |              | 9,821,000     | -                   |
| Total other financing sources (uses) | 10,004,776            | 10,004,776  |              | 10,004,776    | -                   |

Net change in fund balance $ - $3,146,907 (1,895,747) $1,251,160 $1,251,160

**Fund Balance:**

Beginning of year - July 1 3,146,907

End of year - June 30 $1,251,160
HARNETT COUNTY, NORTH CAROLINA

JOHNSONVILLE ELEMENTARY SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment earnings</td>
<td>$</td>
<td>-</td>
<td>$ 14,543</td>
<td>$ 1,042</td>
<td>$ 15,585</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td>-</td>
<td>$ 16,132</td>
<td>1</td>
<td>$ 16,133</td>
</tr>
<tr>
<td>Total revenues</td>
<td></td>
<td>-</td>
<td>$ 30,675</td>
<td>1,043</td>
<td>$ 31,718</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and administrative</td>
<td>5,356</td>
<td>1,912</td>
<td>-</td>
<td>1,912</td>
<td>3,444</td>
</tr>
<tr>
<td>Engineering</td>
<td>303,009</td>
<td>215,450</td>
<td>1</td>
<td>215,451</td>
<td>87,558</td>
</tr>
<tr>
<td>Construction</td>
<td>2,249,770</td>
<td>2,210,193</td>
<td>1</td>
<td>2,210,194</td>
<td>39,576</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>1,284,003</td>
<td>331,217</td>
<td>203,562</td>
<td>534,779</td>
<td>749,224</td>
</tr>
<tr>
<td>Debt issue costs</td>
<td>88,310</td>
<td>88,310</td>
<td>-</td>
<td>88,310</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>3,930,448</td>
<td>2,847,082</td>
<td>203,564</td>
<td>3,050,646</td>
<td>879,802</td>
</tr>
</tbody>
</table>

Revenues over (under) expenditures: | (3,930,448) | (2,816,407) | (202,521) | (3,018,928) | 911,520 |

Other Financing Sources (Uses):

| Transfers out | | - | (109,293) | (109,293) | (109,293) |
| Bond premium | 72,198 | 72,198 | - | 72,198 | - |
| Bond issuance | 3,858,250 | 3,858,250 | - | 3,858,250 | - |

Total other financing sources (uses): | 3,930,448 | 3,930,448 | (109,293) | 3,821,155 | (109,293) |

Net change in fund balance: | $ | - | $ 1,114,041 | (311,814) | $ 802,227 | $ 802,227 |

Fund Balance:

Beginning of year - July 1 | 1,114,041 |

End of year - June 30 | $ 802,227 |
HARNETT COUNTY, NORTH CAROLINA

HIGHLAND ELEMENTARY SCHOOL GYM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment earnings</td>
<td>$</td>
<td>-</td>
<td>$ 5,300</td>
<td>$ 402</td>
<td>$ 5,702</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>5,800</td>
<td>27,057</td>
<td>(1)</td>
<td>27,056</td>
<td>21,256</td>
</tr>
<tr>
<td>Total revenues</td>
<td>5,800</td>
<td>32,357</td>
<td>401</td>
<td>32,758</td>
<td>26,958</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and administrative</td>
<td>5,357</td>
<td>1,172</td>
<td>(1)</td>
<td>1,171</td>
<td>4,186</td>
</tr>
<tr>
<td>Engineering</td>
<td>127,000</td>
<td>112,911</td>
<td>-</td>
<td>112,911</td>
<td>14,089</td>
</tr>
<tr>
<td>Construction</td>
<td>1,270,584</td>
<td>1,116,468</td>
<td>1</td>
<td>1,116,469</td>
<td>154,115</td>
</tr>
<tr>
<td>Debt issue costs</td>
<td>32,113</td>
<td>32,113</td>
<td>-</td>
<td>32,113</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>1,435,054</td>
<td>1,262,664</td>
<td>-</td>
<td>1,262,664</td>
<td>172,390</td>
</tr>
</tbody>
</table>

| Revenues over (under) expenditures | (1,429,254) | (1,230,307) | 401 | (1,229,906) | 199,348 |

<table>
<thead>
<tr>
<th>Other Financing Sources (Uses):</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond premium</td>
<td>-</td>
<td>26,254</td>
<td>-</td>
<td>26,254</td>
<td>26,254</td>
</tr>
<tr>
<td>Bond issuance</td>
<td>1,429,254</td>
<td>1,403,000</td>
<td>-</td>
<td>1,403,000</td>
<td>(26,254)</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>1,429,254</td>
<td>1,429,254</td>
<td>-</td>
<td>1,429,254</td>
<td>-</td>
</tr>
</tbody>
</table>

| Net change in fund balance     | $                     | -           | $ 198,947    | 401 | $ 199,348 | $ 199,348 |

<table>
<thead>
<tr>
<th>Fund Balance:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year - July 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>198,947</td>
</tr>
<tr>
<td>End of year - June 30</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 199,348</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

ANGIER ELEMENTARY SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$ 98,347</td>
<td>$ 98,793</td>
<td>$ 188</td>
<td>$ 98,981</td>
<td>$ 634</td>
</tr>
<tr>
<td>Sales tax</td>
<td>311,650</td>
<td>344,315</td>
<td></td>
<td>344,315</td>
<td>32,665</td>
</tr>
<tr>
<td>Total revenues</td>
<td>409,997</td>
<td>443,108</td>
<td>188</td>
<td>443,296</td>
<td>33,299</td>
</tr>
</tbody>
</table>

| Expenditures:          |                       |             |              |               |                     |
| General government:    |                       |             |              |               |                     |
| Legal and administrative | 1,111                | 1,111       |              | 1,111         | -                   |
| Engineering           | 984,984               | 984,982     |              | 984,982       | 2                   |
| Construction          | 13,418,224            | 13,385,461  | 1            | 13,385,462    | 32,762              |
| Materials and supplies| 596,791               | 596,792     | (1)          | 596,791       | -                   |
| Debt issue costs      | 31,655                | 31,655      | (1)          | 31,654        | 1                   |
| Total expenditures    | 15,032,765            | 15,000,001  | (1)          | 15,000,000    | 32,765              |

| Revenues over (under) expenditures | (14,622,768) | (14,556,893) | 189 | (14,556,704) | 66,064 |

| Other Financing Sources (Uses): |                       |             |              |               |                     |
| Transfers out            | (377,232)            | (377,232)   |              | (377,232)     | -                   |
| Bond issuance            | 15,000,000           | 15,000,000  |              | 15,000,000    | -                   |
| Total other financing sources (uses) | 14,622,768 | 14,622,768 |              | 14,622,768    | -                   |

| Net change in fund balance | $ -                     | $ 65,875    | 189 | $ 66,064      | $ 66,064 |

| Fund Balance:            |                       |             |              |               |                     |
| Beginning of year - July 1 |                       |             |              |               | 65,875              |
| End of year - June 30    |                       |             |              |               | $ 66,064            |
## HARNETT COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT EXPANSION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment earnings</td>
<td>$ 958,175</td>
<td>$ 1,052,990</td>
<td>$ 618</td>
<td>$ 1,053,608</td>
<td>$ 95,433</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>446,122</td>
<td>446,121</td>
<td></td>
<td>446,121</td>
<td>(1)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>1,404,297</td>
<td>1,499,111</td>
<td>618</td>
<td>1,499,729</td>
<td>95,432</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public safety:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and administrative</td>
<td>3,958</td>
<td>3,958</td>
<td>(1)</td>
<td>3,957</td>
<td>1</td>
</tr>
<tr>
<td>Engineering</td>
<td>1,569,049</td>
<td>1,472,360</td>
<td>5,079</td>
<td>1,477,439</td>
<td>91,610</td>
</tr>
<tr>
<td>Construction</td>
<td>22,028,323</td>
<td>21,742,620</td>
<td></td>
<td>21,742,620</td>
<td>285,703</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>769,610</td>
<td>752,433</td>
<td>13,694</td>
<td>766,127</td>
<td>3,483</td>
</tr>
<tr>
<td>Professional services</td>
<td>112,861</td>
<td>112,861</td>
<td></td>
<td>112,861</td>
<td>-</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>48,068</td>
<td>48,068</td>
<td></td>
<td>48,068</td>
<td>-</td>
</tr>
<tr>
<td>Debt issue costs</td>
<td>376,164</td>
<td>376,164</td>
<td></td>
<td>376,164</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>24,908,033</td>
<td>24,508,464</td>
<td>18,772</td>
<td>24,527,236</td>
<td>380,797</td>
</tr>
</tbody>
</table>

| Other Financing Sources (Uses): |                       |             |              |               |                     |
| Transfers in         | 1,346,800             | 1,346,800   |              | 1,346,800     | -                   |
| Transfers out        | (1,973,197)           | (1,973,197) |              | (1,973,197)   | -                   |
| Bond premium         | 909,908               | 909,908     |              | 909,908       | -                   |
| Bond issuance        | 23,220,225            | 23,220,225  |              | 23,220,225    | -                   |
| Total other financing sources (uses) | 23,503,736    | 23,503,736  |              | 23,503,736    | -                   |

| Net change in fund balance | $ - | $ 494,383 | (18,154) | $ 476,229    | $ 476,229           |

| Fund Balance:         |                       |             |              |               |                     |
| Beginning of year - July 1 |             |             |              |               | 494,383             |
| End of year - June 30 | $ 476,229            |             |              |               |                     |
HARNETT COUNTY, NORTH CAROLINA

AIRPORT RUNWAY REIMBURSEMENT PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>$ 105,930</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$(105,930)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>105,930</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

| **Expenditures:**              |                       |             |              |               |                     |
| Economic and physical development: |                      |             |              |               |                     |
| Construction                   | 117,700               | -           | -            | -             | 117,700             |
| Total expenditures             | 117,700               | -           | -            | -             | 117,700             |
| Revenues over (under) expenditures | (11,770)             | -           | -            | -             | 11,770              |

| **Other Financing Sources (Uses):** |                       |             |              |               |                     |
| Transfers in                   | 11,770                | -           | -            | -             | (11,770)            |
| Total other financing sources (uses) | 11,770                | -           | -            | -             | (11,770)            |
| Net change in fund balance     | $                     | -           | -            | -             | $                   |

**Fund Balance:**
- Beginning of year - July 1
- End of year - June 30 $
HARNETT COUNTY, NORTH CAROLINA

AIRPORT OVERLAY ZONING PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted intergovernmental</td>
<td>$ 150,000</td>
<td>-</td>
<td>$ 25,920</td>
<td>25,920</td>
<td>$(124,080)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>-</td>
<td>-</td>
<td>13</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Total revenues</td>
<td>150,000</td>
<td>-</td>
<td>25,933</td>
<td>25,933</td>
<td>$(124,067)</td>
</tr>
</tbody>
</table>

| Expenditures:          |                       |             |              |               |                    |
| Economic and physical development: |     |             |              |               |                    |
| Engineering            | 161,107               | 23,240      | -            | 23,240        | 137,867            |
| Construction           | 5,560                 | -           | 5,560        | 5,560         | -                  |
| Total expenditures     | 166,667               | 23,240      | 5,560        | 28,800        | 137,867            |

| Revenues over (under) expenditures | (16,667) | (23,240) | 20,373 | (2,867) | 13,800 |

| Other Financing Sources (Uses): |             |             |              |               |                    |
| Transfers in               | 16,667     | -           | 16,667       | 16,667        | -                  |
| Total other financing sources (uses) | 16,667 | -           | 16,667       | 16,667        | -                  |

| Net change in fund balance | $ -       | $(23,240)  | 37,040       | 13,800        | $ 13,800           |

| Fund Balance:               |             |             |              |               |                    |
| Beginning of year - July 1  | (23,240)    |             |              |               |                    |
| End of year - June 30       | $ 13,800    |             |              |               |                    |
HARNETT COUNTY, NORTH CAROLINA

CAMPO PEDESTRIAN TRAIL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Project Authorization</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted intergovernmental</td>
<td>$ 53,050</td>
<td>$ - $ - $ - $</td>
<td>$ (53,050)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td></td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Total revenues</td>
<td></td>
<td>53,050</td>
<td>(53,055)</td>
</tr>
</tbody>
</table>

| Expenditures:                 |                        |                 |                     |
| Economic and physical development: |                 |                 |                     |
| Engineering                   | 5,305                 | -               | 5,305               |
| Construction                  | 61,008                | -               | 61,008              |
| Total expenditures            | 66,313                | -               | 66,313              |

| Revenues over (under) expenditures | (13,263) | 15 | 15 | 13,278 |

| Other Financing Sources (Uses): |              |                 |                     |
| Transfers in                   | 13,263      | 13,263          | - 13,263            |
| Total other financing sources (uses) | 13,263 | 13,263 | - 13,263 |

| Net change in fund balance    | - $ 13,263  | 15 $ 13,278     | $ 13,278             |

| Fund Balance:                 |              |                 |                     |
| Beginning of year - July 1    | 13,263       |                 |                     |
| End of year, June 30          | $ 13,278     |                 |                     |
HARNETT COUNTY, NORTH CAROLINA

GOOD HOPE MENTAL HEALTH PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$ - $ 12</td>
<td>$ 12</td>
<td>$ 121</td>
<td>$ 133</td>
<td>$ 133</td>
</tr>
<tr>
<td>Total revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Expenditures:**      |                       |             |              |               |                     |
| Human services:        |                       |             |              |               |                     |
| Engineering            | 180,000               | -           | 143,423      | 143,423       | 36,577              |
| Total expenditures     | 180,000               | -           | 143,423      | 143,423       | 36,577              |
| Revenues over (under) expenditures | (180,000) | 12 | (143,302) | (143,280) | 36,710 |

| **Other Financing Sources (Uses):** |                       |             |              |               |                     |
| Transfers in            | 180,000               | 180,000     | -            | 180,000       |                     |
| Total other financing sources (uses) | 180,000               | 180,000     | -            | 180,000       |                     |
| Net change in fund balance | $ - $ 180,012 | (143,302) | $ 36,710 | $ 36,710 |

| **Fund Balance:**      |                       |             |              |               |                     |
| Beginning of year - July 1 |                     |             |              | 180,012       |                     |
| End of year - June 30   |                       |             |              | $ 36,710      |                     |
HARNETT COUNTY, NORTH CAROLINA

SINGLE FAMILY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>$200,000</td>
<td>$</td>
<td>$13,618</td>
<td>$13,618</td>
<td>$(186,382)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$200,000</td>
<td></td>
<td>$13,618</td>
<td>$13,618</td>
<td>$(186,382)</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic and physical development:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>$200,000</td>
<td></td>
<td>$19,509</td>
<td>$19,509</td>
<td>$180,491</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$200,000</td>
<td></td>
<td>$19,509</td>
<td>$19,509</td>
<td>$180,491</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>$</td>
<td></td>
<td>$(5,891)</td>
<td>$(5,891)</td>
<td>$(5,891)</td>
</tr>
</tbody>
</table>

**Fund Balance:**

Beginning of year - July 1

End of year - June 30

$ (5,891)
HARNETT COUNTY, NORTH CAROLINA

ADOPT-A-TRAIL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted Intergovernmental</td>
<td>$ 5,000</td>
<td>$</td>
<td>$ 3,414</td>
<td>$ 3,414</td>
<td>$(1,586)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>5,000</td>
<td>-</td>
<td>3,414</td>
<td>3,414</td>
<td>(1,586)</td>
</tr>
</tbody>
</table>

| Expenditures:                 |                       |             |              |               |                     |
| Culture and recreation:       |                       |             |              |               |                     |
| Restoration                   |                       | 5,000       | 3,414        | 3,414         | 1,586               |
| Total expenditures            |                       | 5,000       | 3,414        | 3,414         | 1,586               |

Net change in fund balance

<table>
<thead>
<tr>
<th>Actual</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fund Balance:
Beginning of year - July 1

End of year - June 30

$
**HARNETT COUNTY, NORTH CAROLINA**

**RECREATIONAL TRAIL**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>$ 5,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$(5,000)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$ 5,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(5,000)</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and recreation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restoration</td>
<td>$ 5,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$ 5,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**Fund Balance:**

- **Beginning of year - July 1**
  - 

- **End of year - June 30**
  - $ -
This page left blank intentionally.
ENTERPRISE FUNDS

Enterprise Funds account for operations financed and operated in a manner similar to private business enterprises - where the costs of providing services are financed primarily through user charges. Harnett County maintains one enterprise fund to account for the operations of the water and sewer districts. The County maintains ten additional funds to account for the debt service for each district. The County maintains a separate enterprise fund for the operations of the landfill.

INDIVIDUAL FUND DESCRIPTIONS:

Harnett County Public Utilities Fund - accounts for the operations of the ten water and sewer districts, which provide water and sewer to the residents of the County.

Individual Water and Sewer Funds - accounts for the debt service for each of the water and sewer districts. These funds are the Northeast Metro Water and Sewer District, the Buies Creek / Coats Sewer District, the South Central Water and Sewer District, the West Central Water and Sewer District, the Northwest Water and Sewer District, the Southwest Water and Sewer District, the Bunnlevel Riverside Water and Sewer District, the Southeast Water and Sewer District, the East Central Water and Sewer District, and Riverside Water and Sewer District.

Solid Waste Management Fund - accounts for the operations of the Harnett County Landfill.
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## HARNETT COUNTY, NORTH CAROLINA

### ENTERPRISE FUND - WATER AND SEWER FUND

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**

**FOR THE YEAR ENDED JUNE 30, 2011**

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and sewer sales</td>
<td>$19,732,370</td>
<td>$23,002,146</td>
<td>$3,269,776</td>
</tr>
<tr>
<td>Water and sewer taps</td>
<td>370,000</td>
<td>333,881</td>
<td>(36,119)</td>
</tr>
<tr>
<td>Johnson County</td>
<td>3,600</td>
<td>-</td>
<td>(3,600)</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>2,230,753</td>
<td>2,303,839</td>
<td>73,086</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>22,336,723</td>
<td>25,639,866</td>
<td>3,303,143</td>
</tr>
<tr>
<td>Non-operating revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest earned on investments</td>
<td>25,000</td>
<td>11,211</td>
<td>(13,789)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>22,361,723</td>
<td>25,651,077</td>
<td>3,289,354</td>
</tr>
</tbody>
</table>

| Expenditures:                 |          |          |                     |
| Salaries and employee benefits| 5,867,877 | 5,558,254 | 309,623             |
| Purchased water               | 77,000   | 71,383   | 5,617               |
| Sewage treatment              | 1,915,981 | 1,466,495 | 449,486             |
| Other operating expenses      | 8,868,282 | 7,037,909 | 1,830,373           |
| Capital outlay                | -        | 636,009  | (636,009)           |
| Debt service:                 |          |          |                     |
| Debt principal                | 2,534,871 | 2,064,868 | 470,003             |
| Interest and fees             | 5,810,294 | 3,308,639 | 2,501,655           |
| Total expenditures            | 25,074,305 | 20,143,557 | 4,930,748           |

Revenues over (under) expenditures

Other Financing Sources (Uses):

| Federal government loan payoff | - | 35,516,024 | 35,516,024 |
| Payments to escrow agents      | - | (35,516,024) | (35,516,024) |
| Appropriated fund balance      | 3,310,872 | - | (3,310,872) |
| Transfers in                   | 2,294,911 | 249,985 | (2,044,926) |
| Transfers out                  | (2,893,201) | (2,893,200) | 1 |
| Total other financing sources (uses) | 2,712,582 | (2,643,215) | (5,355,797) |

Revenues and other financing sources over (under) expenditures and other financing uses

<table>
<thead>
<tr>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$2,864,305</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Reconciliation from Budgetary Basis</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Modified Accrual) to Full Accrual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td></td>
<td>$ 2,864,305</td>
<td></td>
</tr>
<tr>
<td>Reconciling items:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt principal</td>
<td>2,064,868</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan payoff</td>
<td>26,030,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in compensated absences</td>
<td>(47,201)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in other post-employment benefits</td>
<td>(196,216)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital contribution</td>
<td>20,169,089</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed asset</td>
<td>1,912,610</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and fees from project</td>
<td>(3,145,843)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in from projects</td>
<td>4,821,170</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out from projects</td>
<td>(249,985)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital outlay</td>
<td>636,009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>(5,001,800)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td></td>
<td>$ 49,857,006</td>
<td></td>
</tr>
</tbody>
</table>
# Harnett County, North Carolina

**Enterprise Fund - Non-Operating Enterprise Fund - North East Metro**  
**Schedule of Revenues and Expenditures -**  
**Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2011**

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt principal</td>
<td>$432,500</td>
<td>$432,500</td>
<td>$</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>$96,383</td>
<td>$93,158</td>
<td>$3,225</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$528,883</td>
<td>$525,658</td>
<td>$3,225</td>
</tr>
<tr>
<td>Revenues under expenditures</td>
<td>(528,883)</td>
<td>(525,658)</td>
<td>$3,225</td>
</tr>
</tbody>
</table>

**Other Financing Sources (Uses):**  
- Capital lease transfer in  
  - Total other financing sources (uses)  
  - Revenues and other financing sources over (under) expenditures and other financing uses

<table>
<thead>
<tr>
<th>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciling items:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt principal</td>
<td>$432,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction in investment in direct financing lease receivable</td>
<td>($432,500)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - BUIES CREEK/COATS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt principal</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>11,400</td>
<td>10,925</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>111,400</td>
<td>110,925</td>
</tr>
<tr>
<td>Revenues under expenditures</td>
<td>(111,400)</td>
<td>(110,925)</td>
</tr>
</tbody>
</table>

Other Financing Sources (Uses):

| Capital lease transfer in | 111,400 | 110,925 | (475) |
| Total other financing sources (uses) | 111,400 | 110,925 | (475) |

Revenues and other financing sources over (under) expenditures and other financing uses | $ | $ | $ |

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues and other financing sources over (under) expenditures and other financing uses | $ | - |

Reconciling items:
Debt principal | 100,000 |
Reduction in investment in direct financing lease receivable | (100,000) |
Change in net assets | $ | - |
HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - SOUTH CENTRAL
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt principal</td>
<td>$216,016</td>
<td>$216,016</td>
<td>$</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>508,389</td>
<td>89,487</td>
<td>418,902</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>724,405</td>
<td>305,503</td>
<td>418,902</td>
</tr>
<tr>
<td>Revenues under expenditures</td>
<td>(724,405)</td>
<td>(305,503)</td>
<td>418,902</td>
</tr>
</tbody>
</table>

Other Financing Sources (Uses):

| Capital lease transfer in         | 724,405      | 305,503      | (418,902)  |
| Total other financing sources (uses)| 724,405     | 305,503      | (418,902)  |
| Revenues and other financing sources over (under) expenditures and other financing uses | - | - | - |

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

| Revenues and other financing sources over (under) expenditures and other financing uses | $ | - |
| Reconciling items:                  |   |   |
| Debt principal                      | $216,016    |   |
| Reduction in investment in direct financing lease receivable | (216,016) |   |
| Change in net assets                | $ | - |
HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - WEST CENTRAL
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt principal</td>
<td>$ 80,000</td>
<td>$ 80,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>$ 90,583</td>
<td>$ 90,343</td>
<td>$ 240</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$ 170,583</td>
<td>$ 170,343</td>
<td>$ 240</td>
</tr>
<tr>
<td>Revenues under expenditures</td>
<td>(170,583)</td>
<td>(170,343)</td>
<td>$ 240</td>
</tr>
</tbody>
</table>

Other Financing Sources (Uses):

| Capital lease transfer in   | $ 170,583 | $ 170,343 | (240)             |
| Total other financing sources (uses) | $ 170,583 | $ 170,343 | (240)             |

Revenues and other financing sources over (under) expenditures and other financing uses

|                    | $ - | $ - | $ -                   |

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues and other financing sources over (under) expenditures and other financing uses

|                    | $ - | $ - | $ -                   |

Reconciling items:

| Debt principal | $ 80,000 |
| Reduction in investment in direct financing lease receivable | (80,000) |
| Change in net assets | $ - |
HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - NORTHWEST
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt principal</td>
<td>$115,000</td>
<td>$115,000</td>
<td>$</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>76,588</td>
<td>76,150</td>
<td>438</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>191,588</td>
<td>191,150</td>
<td>438</td>
</tr>
<tr>
<td>Revenues under expenditures</td>
<td>(191,588)</td>
<td>(191,150)</td>
<td>438</td>
</tr>
</tbody>
</table>

| Other Financing Sources (Uses):|          |          |                    |
| Capital lease transfer in      | 191,588  | 191,150  | (438)              |
| Total other financing sources (uses) | 191,588  | 191,150  | (438)              |
| Revenues and other financing sources over (under) expenditures and other financing uses | $        | $        | $                    |

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues and other financing sources over (under) expenditures and other financing uses $ -

Reconciling items:

Debt principal $115,000
Reduction in investment in direct financing lease receivable $(115,000)
Change in net assets $ -
HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - SOUTHWEST
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt principal</td>
<td>$471,343</td>
<td>$471,342</td>
<td>$1</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>218,943</td>
<td>216,353</td>
<td>2,590</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>690,286</td>
<td>687,695</td>
<td>2,591</td>
</tr>
<tr>
<td>Revenues under expenditures</td>
<td>(690,286)</td>
<td>(687,695)</td>
<td>2,591</td>
</tr>
</tbody>
</table>

Other Financing Sources (Uses):

| Capital lease transfer in              | 690,286 | 687,695 | (2,591)             |
| Total other financing sources (uses)   | 690,286 | 687,695 | (2,591)             |

Revenues and other financing sources over (under) expenditures and other financing uses

|                                      | $       | $       | $                   |

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues and other financing sources over (under) expenditures and other financing uses

|                                      | $       | -       | -                   |

Reconciling items:

Debt principal

Reconciliation in investment in direct financing lease receivable

Change in net assets

|                                      | (471,342) | $       | -                   |

|                                      | $       | -       | -                   |
HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - BUNNLEVEL/RIVERSIDE
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt principal</td>
<td>$13,984</td>
<td>$13,984</td>
<td>$</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>5,835</td>
<td>5,793</td>
<td>42</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>19,819</td>
<td>19,777</td>
<td>42</td>
</tr>
<tr>
<td>Revenues under expenditures</td>
<td>(19,819)</td>
<td>(19,777)</td>
<td>42</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital lease transfer in</td>
<td>19,819</td>
<td>19,777</td>
<td>(42)</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>19,819</td>
<td>19,777</td>
<td>(42)</td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td>$</td>
<td>-</td>
<td>$</td>
</tr>
</tbody>
</table>

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues and other financing sources over (under) expenditures and other financing uses $       -

Reconciling items:

- Debt principal 13,984
- Reduction in investment in direct financing lease receivable (13,984)

Change in net assets $               -
HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - SOUTHEAST
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt principal</td>
<td>$32,000</td>
<td>$32,000</td>
<td>$</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>59,194</td>
<td>59,057</td>
<td>137</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>91,194</td>
<td>91,057</td>
<td>137</td>
</tr>
<tr>
<td>Revenues under expenditures</td>
<td>(91,194)</td>
<td>(91,057)</td>
<td>137</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital lease transfer in</td>
<td>91,194</td>
<td>91,057</td>
<td>(137)</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>91,194</td>
<td>91,057</td>
<td>(137)</td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td>$</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td><strong>Reconciliation from Budgetary Basis</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>(Modified Accrual) to Full Accrual:</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td>$</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Reconciling items:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt principal</td>
<td>32,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction in investment in</td>
<td></td>
<td></td>
<td>(32,000)</td>
</tr>
<tr>
<td>direct financing lease receivable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - EAST CENTRAL
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt principal</td>
<td>$ 72,000</td>
<td>$ 72,000</td>
<td>$</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>159,439</td>
<td>159,130</td>
<td>309</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>231,439</td>
<td>231,130</td>
<td>309</td>
</tr>
<tr>
<td>Revenues under expenditures</td>
<td>(231,439)</td>
<td>(231,130)</td>
<td>309</td>
</tr>
</tbody>
</table>

Other Financing Sources (Uses):

| Capital lease transfer in          | 231,439 | 231,130 | (309)               |
| Total other financing sources (uses)| 231,439 | 231,130 | (309)               |

Revenues and other financing sources over (under) expenditures and other financing uses

| $ | $ | $ |

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues and other financing sources over (under) expenditures and other financing uses

| $ | $ |

Reconciling items:

| Debt principal                     | 72,000 |
| Reduction in investment in direct financing lease receivable | (72,000) |
| Change in net assets               | $ | $ |
HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - RIVERSIDE
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt principal</td>
<td>$18,000</td>
<td>$18,000</td>
<td>$</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>51,804</td>
<td>51,732</td>
<td>72</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>69,804</td>
<td>69,732</td>
<td>72</td>
</tr>
<tr>
<td>Revenues under expenditures</td>
<td>(69,804)</td>
<td>(69,732)</td>
<td>72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Financing Sources (Uses):</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital lease transfer in</td>
<td>69,804</td>
<td>69,732</td>
<td>(72)</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>69,804</td>
<td>69,732</td>
<td>(72)</td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues and other financing sources over (under) expenditures and other financing uses $ - $ - $ -

Reconciling items:
Debt principal 18,000
Reduction in investment in direct financing lease receivable (18,000)
Change in net assets $ -
HARNETT COUNTY, NORTH CAROLINA

SOUTH CENTRAL WASTEWATER CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales tax refund</td>
<td>$ 596,219</td>
<td>$ 581,975</td>
<td>$ 22,617</td>
<td>$ 604,592</td>
<td>$ 8,373</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>255,441</td>
<td>255,131</td>
<td>502</td>
<td>255,633</td>
<td>192</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>6,767,000</td>
<td>5,012,926</td>
<td>1,021,593</td>
<td>6,034,519</td>
<td>(732,481)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>7,618,660</td>
<td>5,850,032</td>
<td>1,044,712</td>
<td>6,894,744</td>
<td>(723,916)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>21,897,716</td>
<td>20,546,137</td>
<td>1,069,346</td>
<td>21,615,483</td>
<td>282,233</td>
</tr>
<tr>
<td>Legal and administration</td>
<td>113,209</td>
<td>79,604</td>
<td>31,490</td>
<td>111,094</td>
<td>2,115</td>
</tr>
<tr>
<td>Engineering</td>
<td>1,339,192</td>
<td>1,301,542</td>
<td>37,649</td>
<td>1,339,191</td>
<td>1</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>37,000</td>
<td>36,635</td>
<td>1</td>
<td>36,636</td>
<td>363</td>
</tr>
<tr>
<td>Land</td>
<td>839,999</td>
<td>832,898</td>
<td>(5,168)</td>
<td>827,730</td>
<td>12,269</td>
</tr>
<tr>
<td>Construction interest</td>
<td>1,356,353</td>
<td>1,277,369</td>
<td>550,997</td>
<td>1,828,366</td>
<td>(472,013)</td>
</tr>
<tr>
<td>Issuance cost</td>
<td>1,969</td>
<td>1,969</td>
<td>82</td>
<td>2,051</td>
<td>(82)</td>
</tr>
<tr>
<td>Contingency</td>
<td>844,074</td>
<td></td>
<td></td>
<td></td>
<td>844,074</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>26,429,512</td>
<td>24,076,155</td>
<td>1,684,397</td>
<td>25,760,552</td>
<td>668,960</td>
</tr>
</tbody>
</table>

| Revenues over (under) expenditures | (18,810,852) | (18,226,123) | (639,688) | (18,865,808) | (54,956) |

<table>
<thead>
<tr>
<th>Other Financing Sources (Uses):</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond issuance</td>
<td>13,253,000</td>
<td>13,253,000</td>
<td>-</td>
<td>13,253,000</td>
<td>-</td>
</tr>
<tr>
<td>Transfers in - Enterprise Fund</td>
<td>5,957,852</td>
<td>4,143,577</td>
<td>1,414,275</td>
<td>5,957,852</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>18,810,852</td>
<td>17,396,577</td>
<td>1,414,275</td>
<td>18,810,852</td>
<td>-</td>
</tr>
</tbody>
</table>

| Revenues and other financing sources over (under) expenditures and other financing uses | $ | $(829,546) | $774,590 | $(54,956) | $(54,956) |
## HARNETT COUNTY, NORTH CAROLINA

### RAW WATER INTAKE UPGRADE CAPITAL PROJECT

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>$11,000</td>
<td>$10,800</td>
<td></td>
<td>$10,800</td>
<td>$(200)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$23,912</td>
<td>$23,662</td>
<td>16</td>
<td>$23,698</td>
<td>$(214)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$34,912</td>
<td>$34,462</td>
<td>16</td>
<td>$34,498</td>
<td>$(414)</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>$863,000</td>
<td>$852,500</td>
<td></td>
<td>$852,500</td>
<td>$10,500</td>
</tr>
<tr>
<td>Legal and administration</td>
<td>$15,820</td>
<td>9,927</td>
<td>(1)</td>
<td>9,926</td>
<td>5,894</td>
</tr>
<tr>
<td>Engineering</td>
<td>$112,615</td>
<td>111,500</td>
<td></td>
<td>111,500</td>
<td>1,115</td>
</tr>
<tr>
<td>Contingency</td>
<td>$2,433</td>
<td></td>
<td></td>
<td>$2,433</td>
<td></td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$993,866</td>
<td>$973,927</td>
<td>(1)</td>
<td>$973,926</td>
<td>19,942</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(958,956)</td>
<td>(939,445)</td>
<td>17</td>
<td>(939,428)</td>
<td>19,528</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in - Enterprise Fund</td>
<td>$958,956</td>
<td>$958,956</td>
<td></td>
<td>$958,956</td>
<td></td>
</tr>
<tr>
<td>Transfers out - Enterprise Fund</td>
<td>-</td>
<td>-</td>
<td>(19,528)</td>
<td>(19,528)</td>
<td>(19,528)</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>$958,956</td>
<td>$958,956</td>
<td>(19,528)</td>
<td>$939,428</td>
<td>(19,528)</td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td>-</td>
<td>$19,511</td>
<td>(19,511)</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

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HARNETT COUNTY, NORTH CAROLINA

FORT BRAGG NTA HOUSING CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Project Authorization</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior Years</td>
<td>Current Year</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>$65,997</td>
<td>$66,195</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>113,224</td>
<td>113,216</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>2,101,011</td>
<td>2,033,610</td>
</tr>
<tr>
<td>Total revenues</td>
<td>2,280,232</td>
<td>2,213,021</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>4,753,191</td>
<td>4,753,190</td>
</tr>
<tr>
<td>Legal and administration</td>
<td>47,440</td>
<td>46,945</td>
</tr>
<tr>
<td>Engineering</td>
<td>553,786</td>
<td>526,967</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>64,700</td>
<td>60,401</td>
</tr>
<tr>
<td>Land</td>
<td>58,000</td>
<td>56,449</td>
</tr>
<tr>
<td>Interest</td>
<td>437,787</td>
<td>366,181</td>
</tr>
<tr>
<td>Contingency</td>
<td>53,716</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>5,968,620</td>
<td>5,810,133</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(3,688,388)</td>
<td>(3,597,112)</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State loan issuance</td>
<td>2,058,293</td>
<td>2,058,293</td>
</tr>
<tr>
<td>Transfers in - Enterprise Fund</td>
<td>1,630,095</td>
<td>1,472,000</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>3,688,388</td>
<td>3,530,293</td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td>$ -</td>
<td>$ (66,819)</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

ERWIN WASTEWATER CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>$ 800</td>
<td>$ 4,671</td>
<td>$ 443</td>
<td>$ 5,114</td>
<td>$ 4,314</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>14,130</td>
<td>14,929</td>
<td>749</td>
<td>15,678</td>
<td>1,548</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>3,198,500</td>
<td>2,000,000</td>
<td>200,000</td>
<td>2,200,000</td>
<td>(998,500)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>3,213,430</td>
<td>2,019,600</td>
<td>201,192</td>
<td>2,220,792</td>
<td>(992,638)</td>
</tr>
</tbody>
</table>

| **Expenses:**        |                       |             |              |               |                    |
| Construction         | 8,723,677             | 2,077,487   | 209,617      | 2,287,104     | 6,436,573          |
| Legal and administration | 37,000         | 13,222      | 17,873       | 31,095        | 5,905              |
| Engineering          | 821,904              | 738,865     | 61,195       | 800,060       | 21,844             |
| Materials and supplies | 256,319      | 243,004     | -            | 243,004       | 13,315             |
| Land                 | 75,000               | 22,849      | 1            | 22,850        | 52,150             |
| Interest             | 10,530               | -           | -            | -             | 10,530             |
| Contingency          | 638,100              | -           | -            | -             | 638,100            |
| Total expenditures   | 10,562,530           | 3,095,427   | 288,686      | 3,384,113     | 7,178,417          |

Revenues over (under) expenditures
(7,349,100) (1,075,827) (67,494) (1,163,321) 6,185,779

**Other Financing Sources (Uses):**

|                      |                       |             |              |               |                    |
| Long-term debt issued | 7,007,100             | -           | -            | -             | (7,007,100)        |
| Transfers in - Enterprise Fund | 1,800,000 | 1,800,000 | -            | 1,800,000     | -                  |
| Transfers out - Enterprise Fund | (1,458,000) | -           | -            | -             | 1,458,000          |
| Total other financing sources (uses) | 7,349,100 | 1,800,000 | -            | 1,800,000     | (5,548,100)        |

Revenues and other financing sources over (under) expenditures and other financing uses
$ - $ 724,173 $(87,494) $ 636,679 $ 636,679
HARNETT COUNTY, NORTH CAROLINA

LAFAYETTE SCHOOL CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>$ 3,000</td>
<td>$ 4,428</td>
<td>$ 6,918</td>
<td>$ 11,346</td>
<td>$ 8,346</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>79,891</td>
<td>88,174</td>
<td>304</td>
<td>88,478</td>
<td>8,587</td>
</tr>
<tr>
<td>Total revenues</td>
<td>82,891</td>
<td>92,602</td>
<td>7,222</td>
<td>99,824</td>
<td>16,933</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>830,077</td>
<td>535,730</td>
<td>294,346</td>
<td>830,076</td>
<td>1</td>
</tr>
<tr>
<td>Legal and administration</td>
<td>41,672</td>
<td>41,671</td>
<td>-</td>
<td>41,671</td>
<td>1</td>
</tr>
<tr>
<td>Engineering</td>
<td>116,266</td>
<td>78,943</td>
<td>37,323</td>
<td>116,266</td>
<td>-</td>
</tr>
<tr>
<td>Land</td>
<td>7,500</td>
<td>7,500</td>
<td>-</td>
<td>7,500</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>225,718</td>
<td>180,168</td>
<td>31,687</td>
<td>211,855</td>
<td>13,863</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>1,221,233</td>
<td>844,012</td>
<td>363,356</td>
<td>1,207,368</td>
<td>13,865</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(1,138,342)</td>
<td>(751,410)</td>
<td>(356,134)</td>
<td>(1,107,544)</td>
<td>30,798</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond issuance</td>
<td>1,010,089</td>
<td>1,010,089</td>
<td>-</td>
<td>1,010,089</td>
<td>-</td>
</tr>
<tr>
<td>Transfers in - Enterprise Fund</td>
<td>128,253</td>
<td>80,915</td>
<td>47,337</td>
<td>128,252</td>
<td>(1)</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>1,138,342</td>
<td>1,091,004</td>
<td>47,337</td>
<td>1,138,341</td>
<td>(1)</td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td>$ -</td>
<td>$ 339,594</td>
<td>$(308,797)</td>
<td>$ 30,797</td>
<td>$ 30,797</td>
</tr>
</tbody>
</table>

Schedule F-16

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HARNETT COUNTY, NORTH CAROLINA

EAST CENTRAL IMPROVEMENTS CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>$92,423</td>
<td>$ -</td>
<td>$191,995</td>
<td>$191,995</td>
<td>$99,572</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>3,438</td>
<td>3,569</td>
<td>1</td>
<td>3,560</td>
<td>122</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>547,500</td>
<td>-</td>
<td>273,500</td>
<td>273,500</td>
<td>(274,000)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>643,361</td>
<td>3,559</td>
<td>465,496</td>
<td>469,055</td>
<td>(174,306)</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>4,365,015</td>
<td>7,421</td>
<td>3,997,779</td>
<td>3,997,779</td>
<td>367,236</td>
</tr>
<tr>
<td>Legal and administration</td>
<td>102,423</td>
<td>92,753</td>
<td>100,174</td>
<td>2,249</td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>471,600</td>
<td>79,268</td>
<td>356,594</td>
<td>115,006</td>
<td></td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>36,000</td>
<td>5,083</td>
<td>5,083</td>
<td>30,917</td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>83,000</td>
<td>17,799</td>
<td>76,241</td>
<td>6,759</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>102,063</td>
<td>-</td>
<td>-</td>
<td>102,063</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>62,879</td>
<td>-</td>
<td>-</td>
<td>62,879</td>
<td></td>
</tr>
<tr>
<td>Total expenditures</td>
<td>5,222,980</td>
<td>348,272</td>
<td>4,187,599</td>
<td>4,535,871</td>
<td>687,109</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(4,579,619)</td>
<td>(344,713)</td>
<td>(3,722,103)</td>
<td>(4,066,816)</td>
<td>512,803</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan issued</td>
<td>4,454,119</td>
<td>-</td>
<td>3,354,250</td>
<td>3,354,250</td>
<td>(1,099,869)</td>
</tr>
<tr>
<td>Transfers in - Enterprise Fund</td>
<td>275,500</td>
<td>275,500</td>
<td>-</td>
<td>275,500</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out - Enterprise Fund</td>
<td>(150,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>150,000</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>4,579,619</td>
<td>275,500</td>
<td>3,354,250</td>
<td>3,629,750</td>
<td>(949,869)</td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td>$ -</td>
<td>$ (69,213)</td>
<td>$ (367,853)</td>
<td>$ (437,066)</td>
<td>$ (437,066)</td>
</tr>
</tbody>
</table>

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## HARNETT COUNTY, NORTH CAROLINA

### FT. BRAGG WATER & WASTEWATER CAPITAL PROJECT

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Project Authorization</td>
<td>Prior Years</td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>$ 800</td>
<td>$ 28,178</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>28,476</td>
<td>28,356</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>39,073,791</td>
<td>22,956,341</td>
</tr>
<tr>
<td>Total revenues</td>
<td>39,103,067</td>
<td>23,022,875</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Project Authorization</td>
<td>Prior Years</td>
<td>Current Year</td>
<td>Total to Date</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>33,351,599</td>
<td>15,117,712</td>
<td>17,194,887</td>
<td>32,312,599</td>
<td>1,039,000</td>
</tr>
<tr>
<td>Legal and administration</td>
<td>12,200</td>
<td>12,137</td>
<td>1,390</td>
<td>13,527</td>
<td>(1,327)</td>
</tr>
<tr>
<td>Engineering</td>
<td>4,497,356</td>
<td>3,402,343</td>
<td>492,067</td>
<td>3,894,410</td>
<td>602,946</td>
</tr>
<tr>
<td>Land</td>
<td>260,000</td>
<td>147,904</td>
<td>8,095</td>
<td>155,999</td>
<td>104,001</td>
</tr>
<tr>
<td>Contingency</td>
<td>981,912</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>981,912</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>39,103,067</td>
<td>18,680,096</td>
<td>17,666,439</td>
<td>36,376,535</td>
<td>2,726,532</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenues over (under) expenditures</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>4,342,779</td>
<td>(301,088)</td>
<td>4,041,691</td>
<td>4,041,691</td>
</tr>
</tbody>
</table>

**Other Financing Sources (Uses):**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in - Enterprise Fund</td>
<td></td>
<td>450,000</td>
<td>-</td>
<td>450,000</td>
<td>450,000</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td></td>
<td>450,000</td>
<td>-</td>
<td>450,000</td>
<td>450,000</td>
</tr>
</tbody>
</table>

| Revenues and other financing sources over (under) expenditures and other financing uses | $                          | $ 4,792,779     | $ (301,088)  | $ 4,491,691   | $ 4,491,691                            |

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HARNETT COUNTY, NORTH CAROLINA

WATER PLANT EXPANSION CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>$ 488,500</td>
<td>$ 518,800</td>
<td>$ 18,566</td>
<td>$ 537,366</td>
<td>$ 48,868</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>78,300</td>
<td>272,232</td>
<td>(31,641)</td>
<td>240,591</td>
<td>162,291</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>35,392,521</td>
<td>33,445,786</td>
<td>1,719,772</td>
<td>35,165,558</td>
<td>(226,963)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>35,559,521</td>
<td>34,236,818</td>
<td>1,706,699</td>
<td>35,943,517</td>
<td>(15,804)</td>
</tr>
</tbody>
</table>

| Expenditures:            |                       |             |              |               |                    |
| Construction             | 55,651,649            | 53,988,866  | 1,365,927    | 55,354,793    | 296,856            |
| Legal and administration | 116,265               | 102,327     | 1,504        | 103,831       | 12,434             |
| Engineering              | 2,766,725             | 1,547,484   | 392,043      | 1,939,527     | 827,198            |
| Furniture and fixtures   | 230,000               | 200,320     | 9,555        | 209,875       | 20,125             |
| Land                     | 180,000               | 175,607     | -            | 175,607       | 4,393              |
| Interest                 | 4,121,173             | 3,360,793   | 501,456      | 3,862,249     | 258,924            |
| Bond issuance            | 96,002                | 92,002      | 38,334       | 130,336       | (34,334)           |
| Total expenditures       | 63,161,814            | 59,467,399  | 2,308,819    | 61,776,218    | 1,385,566          |

Revenues over (under) expenditures: (27,202,493) (25,230,581) (602,120) (25,832,701) 1,369,792

Other Financing Sources (Uses):

|                          |                       |             |              |               |                    |
| Bond issuance            | 26,470,000            | 26,470,000  | (2,293,714)  | 24,176,286    | (2,293,714)        |
| Transfers in - Enterprise Fund | 1,532,493           | 1,000,000   | 532,493      | 1,532,493     | -                  |
| Transfers out - Enterprise Fund | (800,000)            | -           | -            | -             | 800,000            |
| Total other financing sources (uses) | 27,202,493         | 27,470,000  | (1,761,221)  | 25,708,779    | (1,495,714)        |

Revenues and other financing sources over (under) expenditures and other financing uses: $ - $ 2,239,419 $ (2,363,341) $ (123,922) $ (123,922)
HARNETT COUNTY, NORTH CAROLINA

BUFFALO LAKES WASTEWATER CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Project Authorization</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior</td>
<td>Current</td>
</tr>
<tr>
<td></td>
<td>Years</td>
<td>Year</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>$ 27,027</td>
<td>$ 29,118</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>6,400</td>
<td>6,643</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>420,000</td>
<td>420,000</td>
</tr>
<tr>
<td>Total revenues</td>
<td>453,427</td>
<td>455,761</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>2,176,515</td>
<td>1,228,369</td>
</tr>
<tr>
<td>Legal and administration</td>
<td>5,000</td>
<td>2,622</td>
</tr>
<tr>
<td>Engineering</td>
<td>337,518</td>
<td>280,766</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>43,070</td>
<td>32,850</td>
</tr>
<tr>
<td>Land</td>
<td>32,530</td>
<td>23,126</td>
</tr>
<tr>
<td>Contingency</td>
<td>28,161</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>2,622,794</td>
<td>1,567,733</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(2,169,367)</td>
<td>(1,111,972)</td>
</tr>
</tbody>
</table>

Other Financing Sources (Uses):

| Transfers in - Enterprise Fund | 2,169,367 | 2,169,367 | - | 2,169,367 | - |
| Total other financing sources (uses) | 2,169,367 | 2,169,367 | - | 2,169,367 | - |

Revenues and other financing sources over (under) expenditures and other financing uses $ - $ 1,057,395 $ (1,014,067) $ 43,328 $ 43,328

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## HARNETT COUNTY, NORTH CAROLINA

### SOUTHWEST NTA/CAMERON HILL CAPITAL PROJECT

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Authorization</td>
<td>Prior Years</td>
<td>Current Year</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$</td>
<td>$ 1,632</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>3,430,000</td>
<td>-</td>
</tr>
<tr>
<td>Total revenues</td>
<td>3,430,000</td>
<td>1,632</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>4,236,405</td>
<td>116,554</td>
</tr>
<tr>
<td>Legal and administration</td>
<td>9,999</td>
<td>-</td>
</tr>
<tr>
<td>Engineering</td>
<td>376,000</td>
<td>194,601</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>20,000</td>
<td>-</td>
</tr>
<tr>
<td>Land</td>
<td>20,000</td>
<td>-</td>
</tr>
<tr>
<td>Contingency</td>
<td>206,000</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>4,870,404</td>
<td>311,155</td>
</tr>
</tbody>
</table>

Revenues over (under) expenditures: (1,440,404) (309,523) 61,708 (247,815) 1,192,589

### Other Financing Sources (Uses):

<table>
<thead>
<tr>
<th>Transfers in - Enterprise Fund</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,440,404</td>
<td>1,440,404</td>
<td></td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>1,440,404</td>
<td>1,440,404</td>
</tr>
</tbody>
</table>

Revenues and other financing sources over (under) expenditures and other financing uses: $ - $ 1,130,881 $ 61,708 $ 1,192,589 $ 1,192,589
HARNETT COUNTY, NORTH CAROLINA

SOUTH CENTRAL WASTEWATER 1B-1 CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Project Authorization</td>
<td>Prior Years</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>4,449,000</td>
<td>49</td>
</tr>
<tr>
<td>Total revenues</td>
<td>4,449,000</td>
<td>49</td>
</tr>
</tbody>
</table>

| Expenditures:                         |                      |                |              |
|---------------------------------------|----------------------|----------------|              |
| Construction                          | 2,945,368            |                |              |              | 2,945,368  |
| Legal and administration              | 49,025               | 17,100         | 23,999       | 41,099       | 7,926      |
| Engineering                           | 1,065,070            |                | 154,293      | 154,293      | 910,777    |
| Materials and supplies                | 72,268               |                |              |              | 72,268     |
| Land                                  | 100,000              | 29,172         | 62,347       | 91,519       | 8,481      |
| Interest                              | 90,000               |                |              |              | 90,000     |
| Contingency                           | 127,269              |                |              |              | 127,269    |
| Total expenditures                    | 4,449,000            | 46,272         | 240,639      | 286,911      | 4,162,089  |

| Revenues over (under) expenditures    | $                    | (46,223)       | (240,624)    | (286,847)    | (286,847)  |
### HARNETT COUNTY, NORTH CAROLINA

#### SOUTH CENTRAL WASTEWATER 1B-2 CAPITAL PROJECT

**SCHEDULE OF REVENUES AND EXPENDITURES -**

**BUDGET AND ACTUAL (NON-GAAP)**

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance</th>
<th>Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$</td>
<td>-</td>
<td>$ 51</td>
<td>$ 22</td>
<td>73</td>
<td>$ 73</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>4,937,000</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>(4,937,000)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>4,937,000</td>
<td>51</td>
<td>22</td>
<td>73</td>
<td>(4,936,927)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>3,094,402</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>3,094,402</td>
</tr>
<tr>
<td>Legal and administration</td>
<td>25,000</td>
<td>2,100</td>
<td>12,748</td>
<td>14,848</td>
<td>10,152</td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>1,384,078</td>
<td>-</td>
<td>190,781</td>
<td>190,781</td>
<td>1,193,297</td>
<td></td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>75,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75,000</td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>100,000</td>
<td>29,172</td>
<td>71,308</td>
<td>100,480</td>
<td>(480)</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>125,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>125,000</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>133,520</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>133,520</td>
<td></td>
</tr>
<tr>
<td>Total expenditures</td>
<td>4,937,000</td>
<td>31,272</td>
<td>274,837</td>
<td>306,109</td>
<td>4,630,891</td>
<td></td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>$</td>
<td>-</td>
<td>(31,221)</td>
<td>(274,815)</td>
<td>(306,036)</td>
<td>(306,036)</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

BRIGHTWATER INFRASTRUCTURE CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales tax refund</td>
<td>$ -</td>
<td>$ 3,290</td>
<td>$ 3,290</td>
<td>$ 3,290 (2,212,000)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>- 254</td>
<td>773</td>
<td>1,027</td>
<td>1,027</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>2,212,000</td>
<td>-</td>
<td>-</td>
<td>(2,212,000)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>2,212,000</td>
<td>254</td>
<td>4,063</td>
<td>4,317 (2,207,683)</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>2,243,802</td>
<td>-</td>
<td>-</td>
<td>2,243,802</td>
</tr>
<tr>
<td>Legal and administration</td>
<td>59,999</td>
<td>10,104</td>
<td>1,008</td>
<td>11,112 48,887</td>
</tr>
<tr>
<td>Utilities plus</td>
<td>86,171</td>
<td>86,171</td>
<td>86,171</td>
<td>-</td>
</tr>
<tr>
<td>Engineering</td>
<td>382,500</td>
<td>193,548</td>
<td>86,343</td>
<td>279,891 102,609</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>30,350</td>
<td>-</td>
<td>-</td>
<td>30,350</td>
</tr>
<tr>
<td>Land</td>
<td>74,650</td>
<td>19,100</td>
<td>55,550</td>
<td>74,650</td>
</tr>
<tr>
<td>Town of Lillington</td>
<td>10,000</td>
<td>-</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>NCDOT improvement</td>
<td>210,415</td>
<td>-</td>
<td>-</td>
<td>210,415</td>
</tr>
<tr>
<td>Contingency</td>
<td>131,094</td>
<td>-</td>
<td>-</td>
<td>131,094</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>3,228,981</td>
<td>222,752</td>
<td>229,072</td>
<td>451,824 2,777,157</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(1,016,981)</td>
<td>(222,498)</td>
<td>(225,009)</td>
<td>(447,507) 569,474</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in - Enterprise Fund</td>
<td>1,016,981</td>
<td>1,016,981</td>
<td>-</td>
<td>1,016,981</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>1,016,981</td>
<td>1,016,981</td>
<td>-</td>
<td>1,016,981</td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td>$ -</td>
<td>$ 794,483</td>
<td>$ (225,009)</td>
<td>$ 569,474</td>
</tr>
</tbody>
</table>
## HARNETT COUNTY, NORTH CAROLINA

**COATS HWY 55 WW EXTENSION CAPITAL PROJECT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

<table>
<thead>
<tr>
<th></th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$</td>
<td>-</td>
<td>$  25</td>
<td>$  135</td>
<td>$  160</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>250,000</td>
<td>-</td>
<td>-</td>
<td>19,703</td>
<td>19,703</td>
</tr>
<tr>
<td>Total revenues</td>
<td>250,000</td>
<td>25</td>
<td>19,838</td>
<td>19,838</td>
<td>(230,137)</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>386,200</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>386,200</td>
</tr>
<tr>
<td>Legal and administration</td>
<td>15,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,000</td>
</tr>
<tr>
<td>Engineering</td>
<td>52,272</td>
<td>26,829</td>
<td>12,577</td>
<td>39,406</td>
<td>12,866</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>7,218</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,218</td>
</tr>
<tr>
<td>Land</td>
<td>20,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>19,310</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19,310</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>500,000</td>
<td>26,829</td>
<td>12,577</td>
<td>39,406</td>
<td>460,594</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(250,000)</td>
<td>(26,804)</td>
<td>7,261</td>
<td>(19,543)</td>
<td>230,457</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in - Enterprise Fund</td>
<td>250,000</td>
<td>250,000</td>
<td>-</td>
<td>250,000</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out - Enterprise Fund</td>
<td>-</td>
<td>-</td>
<td>(230,457)</td>
<td>(230,457)</td>
<td>(230,457)</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>250,000</td>
<td>250,000</td>
<td>(230,457)</td>
<td>19,543</td>
<td>(230,457)</td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td>$</td>
<td>-</td>
<td>$ 223,196</td>
<td>$ 223,196</td>
<td>$</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

SOUTH CENTRAL WASTEWATER 1C-1 CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment earnings</td>
<td>$</td>
<td>-</td>
<td>$ 1</td>
<td>$ 1</td>
<td>$ 1</td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>4,239,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(4,239,000)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>4,239,000</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>(4,238,999)</td>
</tr>
</tbody>
</table>

| Expenditures:                 |                       |             |              |               |                    |
| Construction                  | 2,242,028             | -           | -            | -             | 2,242,028          |
| Legal and administration      | 32,305                | 10,133      | (5,840)      | 4,293         | 28,012             |
| Engineering                   | 1,586,667             | 133,391     | 133,391      | 1,453,276     |                    |
| Materials and supplies        | 75,000                | -           | -            | -             | 75,000             |
| Land                          | 100,000               | -           | 975          | 975           | 99,025             |
| Interest                      | 90,000                | -           | -            | -             | 90,000             |
| Contingency                   | 113,000               | -           | -            | -             | 113,000            |
| Total expenditures            | 4,239,000             | 10,133      | 128,526      | 138,659       | 4,100,341          |

| Revenues over (under) expenses| $                     | (10,133)    | (128,525)    | (138,658)     | (138,658)          |
HARNETT COUNTY, NORTH CAROLINA

SOUTH CENTRAL WASTEWATER 1C-2 CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Project Authorization</td>
<td>Prior Years</td>
<td>Current Year</td>
<td>Total to Date</td>
<td>Variance Over/Under</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted intergovernmental</td>
<td>$ 3,586,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$(3,586,000)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$ 3,586,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(3,586,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>1,956,150</td>
<td>5,167</td>
<td>3,280</td>
<td>8,447</td>
<td>16,553</td>
</tr>
<tr>
<td>Legal and administration</td>
<td>25,000</td>
<td>132,259</td>
<td>132,259</td>
<td>1,109,581</td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>1,241,850</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75,000</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>75,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>90,000</td>
</tr>
<tr>
<td>Land</td>
<td>100,000</td>
<td>-</td>
<td>975</td>
<td>975</td>
<td>99,025</td>
</tr>
<tr>
<td>Interest</td>
<td>90,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>90,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>98,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>98,000</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$ 3,586,000</td>
<td>5,167</td>
<td>136,514</td>
<td>141,681</td>
<td>3,444,319</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>$ -</td>
<td>$(5,167)</td>
<td>$(136,514)</td>
<td>$(141,681)</td>
<td>$(141,681)</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

WASTEWATER MASTER PLAN
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment earnings</td>
<td>$-</td>
<td>$-</td>
<td>$152</td>
<td>$152</td>
<td>$152</td>
</tr>
<tr>
<td>Total revenues</td>
<td>-</td>
<td>-</td>
<td>152</td>
<td>152</td>
<td>152</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>204,430</td>
<td>-</td>
<td>163,624</td>
<td>163,624</td>
<td>40,806</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>4,000</td>
<td>-</td>
<td>2,540</td>
<td>2,540</td>
<td>1,460</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>46,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>46,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>11,570</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,570</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>266,000</td>
<td>-</td>
<td>166,164</td>
<td>166,164</td>
<td>99,836</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenues and other financing sources over (under) expenditures and other financing uses</th>
<th>Project Authorization</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total to Date</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$99,988</td>
<td>$99,988</td>
<td>$99,988</td>
<td>$99,988</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Over/Under</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid waste fees</td>
<td>$3,783,000</td>
<td>$3,936,152</td>
<td>$153,152</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>-</td>
<td>1,512</td>
<td>1,512</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>3,783,000</td>
<td>3,937,664</td>
<td>154,664</td>
</tr>
<tr>
<td>Non-operating revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid waste state taxes</td>
<td>179,469</td>
<td>264,145</td>
<td>84,676</td>
</tr>
<tr>
<td>Interest earned on investments</td>
<td>3,000</td>
<td>1,374</td>
<td>(1,626)</td>
</tr>
<tr>
<td>Total non-operating revenues</td>
<td>182,469</td>
<td>265,519</td>
<td>83,050</td>
</tr>
<tr>
<td>Total revenues</td>
<td>3,965,469</td>
<td>4,203,183</td>
<td>237,714</td>
</tr>
</tbody>
</table>

| Expenditures:                  |         |         |           |
| Salaries and employee benefits | 688,248 | 659,974 | 28,274    |
| Other operating expenses       | 3,394,840 | 3,665,846 | (271,006) |
| Capital outlay                 | 140,000 | 112,500 | -         |
| Debt service:                  |         |         |           |
| Debt principal and interest    | 130,020 | 129,680 | 340       |
| Total expenditures             | 4,353,108 | 4,568,000 | (214,892)|

| Revenues over (under) expenditures | (387,639) | (364,817) | 22,822 |

| Other Financing Sources (Uses): |         |         |           |
| Transfers in (out) - Water and Sewer Fund | (72,827) | - | 72,827 |
| Appropriated fund balance        | 460,466 | - | (460,466) |
| Total other financing sources (uses) | 387,639 | - | (387,639) |

| Revenues and other financing sources over (under) expenditures and other financing uses | $ | $ (364,817) | $ (364,817) |
HARNETT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Reconciliation from Budgetary Basis</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Modified Accrual) to Full Accrual:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td>$</td>
<td>(364,817)</td>
<td></td>
</tr>
<tr>
<td>Reconciling items:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt principal</td>
<td>40,230</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in compensated absences</td>
<td>(2,507)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in other post-employment benefits</td>
<td>(17,758)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in post-closure liability</td>
<td>411,326</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital outlay</td>
<td>112,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>(241,994)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ (63,020)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This page left blank intentionally.
INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, on a cost-reimbursement basis.

INDIVIDUAL FUND DESCRIPTIONS:

Workers' Compensation Fund - accounts for accumulated resources as self-insurance for workers' compensation claims.

Group Insurance Fund - accounts for the expenditures and revenues for the self-insurance related to the County's health and dental insurance claims.
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HARNETT COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Workers' Compensation Fund</th>
<th>Group Insurance Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$208,876</td>
<td>$354,515</td>
<td>$563,391</td>
</tr>
<tr>
<td>Total assets</td>
<td>$208,876</td>
<td>$354,515</td>
<td>$563,391</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims payable</td>
<td>386,836</td>
<td></td>
<td>386,836</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>-</td>
<td>236,367</td>
<td>236,367</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>386,836</td>
<td>236,367</td>
<td>623,203</td>
</tr>
<tr>
<td>Non-current liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims payable</td>
<td>1,371,511</td>
<td>-</td>
<td>1,371,511</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,758,347</td>
<td>236,367</td>
<td>1,994,714</td>
</tr>
<tr>
<td><strong>Net Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(1,549,471)</td>
<td>118,148</td>
<td>(1,431,323)</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$ (1,549,471)</td>
<td>$118,148</td>
<td>$(1,431,323)</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Workers' Compensation Fund</th>
<th>Group Insurance Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County contribution</td>
<td>$ 914,049</td>
<td>$ 389,000</td>
<td>$ 1,303,049</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits and premiums</td>
<td>439,169</td>
<td>-</td>
<td>439,169</td>
</tr>
<tr>
<td>Operating income (loss) before transfers</td>
<td>474,880</td>
<td>389,000</td>
<td>863,880</td>
</tr>
<tr>
<td>Transfers in (out)</td>
<td>300,000</td>
<td>-</td>
<td>300,000</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>774,880</td>
<td>389,000</td>
<td>1,163,880</td>
</tr>
<tr>
<td><strong>Net Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year - July 1</td>
<td>(2,324,351)</td>
<td>(270,852)</td>
<td>(2,595,203)</td>
</tr>
<tr>
<td>End of year - June 30</td>
<td>$ (1,549,471)</td>
<td>$ 118,148</td>
<td>$ (1,431,323)</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Workers' Compensation Fund</th>
<th>Group Insurance Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flows from Operating Activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from customers and users</td>
<td>$ 914,049</td>
<td>$ 389,000</td>
<td>$ 1,303,049</td>
</tr>
<tr>
<td>Cash paid to suppliers</td>
<td>(862,082)</td>
<td>(103,000)</td>
<td>(965,082)</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>51,967</td>
<td>286,000</td>
<td>337,967</td>
</tr>
</tbody>
</table>

Cash Flows From Non-Capital Financing Activities:

<table>
<thead>
<tr>
<th></th>
<th>Workers' Compensation Fund</th>
<th>Group Insurance Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in due to/from other funds</td>
<td>(300,000)</td>
<td>-</td>
<td>(300,000)</td>
</tr>
<tr>
<td>Transfers from other funds</td>
<td>300,000</td>
<td>-</td>
<td>300,000</td>
</tr>
<tr>
<td>Net cash provided (used) by non-capital financing activities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Net increase (decrease) in cash and cash equivalents | 51,967                      | 286,000              | 337,967     |

Cash and Cash Equivalents:

| Beginning of year - July 1 | 156,909 | 68,515 | 225,424 |
| End of year - June 30      | $208,876 | $354,515 | $563,391 |

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

<table>
<thead>
<tr>
<th></th>
<th>Workers' Compensation Fund</th>
<th>Group Insurance Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>$474,880</td>
<td>$389,000</td>
<td>$863,880</td>
</tr>
<tr>
<td>Change in claims payable</td>
<td>(422,913)</td>
<td>(103,000)</td>
<td>(525,913)</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>$51,967</td>
<td>286,000</td>
<td>337,967</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

WORKERS’ COMPENSATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - FINANCIAL PLAN AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Financial Plan</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County contributions</td>
<td>$953,950</td>
<td>$914,049</td>
<td>$(39,901)</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits and premiums</td>
<td>1,253,950</td>
<td>439,169</td>
<td>814,781</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>1,253,950</td>
<td>439,169</td>
<td>814,781</td>
</tr>
<tr>
<td>Revenues over (under) expenses</td>
<td>-300,000</td>
<td>474,880</td>
<td>774,880</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in (out)</td>
<td>300,000</td>
<td>300,000</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>300,000</td>
<td>300,000</td>
<td>-</td>
</tr>
<tr>
<td>Revenues and other financing sources over (under) expenditures and other financing uses</td>
<td>$-</td>
<td>774,880</td>
<td>$774,880</td>
</tr>
<tr>
<td><strong>Fund Balance:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year - July 1</td>
<td>(2,324,351)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>End of year - June 30</td>
<td>$ (1,549,471)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

GROUP INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - FINANCIAL PLAN AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th>Financial Plan</th>
<th>Actual</th>
<th>Variance Over/Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>County contributions</td>
<td>506,251</td>
<td>389,000</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits and premiums</td>
<td>506,251</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>506,251</td>
<td>-</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>-</td>
<td>389,000</td>
</tr>
</tbody>
</table>

Fund Balance:
Beginning of year - July 1 | (270,852) |
End of year - June 30 | $118,148 |
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AGENCY FUNDS

Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets held by the County as an agent on behalf of others.

INDIVIDUAL FUND DESCRIPTIONS:

Social Services Trust Fund - accounts for monies held by the Social Services Department for the benefit of certain individuals within the County.

Motor Vehicle Tax Fund - accounts for proceeds of the motor vehicle taxes that are collected by the county on behalf of the municipalities within the County.

State Vehicle Tax Fund - accounts for the 3% interest penalty on past due motor vehicle property tax bills that are remitted to the North Carolina Department of Motor Vehicles.

Fines and Forfeitures Fund - accounts for the collection and payment of fines and forfeitures to the Board of Education.
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HARNETT COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Social Services Trust Fund</th>
<th>Motor Vehicle Tax Fund</th>
<th>State Motor Vehicle Tax</th>
<th>Fines and Forfeitures Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$ 126,765</td>
<td>$ 63,673</td>
<td>$ 4,107</td>
<td>$</td>
<td>$ 194,545</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 126,765</td>
<td>$ 63,673</td>
<td>$ 4,107</td>
<td>$</td>
<td>$ 194,545</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$ 126,765</td>
<td>$ 63,673</td>
<td>$ 4,107</td>
<td>$</td>
<td>$ 194,545</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$ 126,765</td>
<td>$ 63,673</td>
<td>$ 4,107</td>
<td>$</td>
<td>$ 194,545</td>
</tr>
</tbody>
</table>
HARNETT COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2010</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance June 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Services:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$50,784</td>
<td>$580,931</td>
<td>$504,950</td>
<td>$126,765</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$50,784</td>
<td>$580,931</td>
<td>$504,950</td>
<td>$126,765</td>
</tr>
<tr>
<td><strong>Motor Vehicle Tax Fund:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$75,171</td>
<td>$2,404,235</td>
<td>$2,415,733</td>
<td>$63,673</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$75,171</td>
<td>$2,404,235</td>
<td>$2,415,733</td>
<td>$63,673</td>
</tr>
<tr>
<td><strong>State Motor Vehicle Tax Fund:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$4,567</td>
<td>$65,844</td>
<td>$66,304</td>
<td>$4,107</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$4,567</td>
<td>$65,844</td>
<td>$66,304</td>
<td>$4,107</td>
</tr>
<tr>
<td><strong>Fines and Forfeitures Fund:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>-</td>
<td>$375,943</td>
<td>$375,943</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>-</td>
<td>$375,943</td>
<td>$375,943</td>
<td>-</td>
</tr>
<tr>
<td><strong>Totals - All Agency Funds:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$130,522</td>
<td>$3,426,953</td>
<td>$3,362,930</td>
<td>$194,545</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$130,522</td>
<td>$3,426,953</td>
<td>$3,362,930</td>
<td>$194,545</td>
</tr>
</tbody>
</table>
OTHER SCHEDULES

Schedule of Ad Valorem Taxes Receivable - General Fund

Analysis of Current Tax Levy

Statement of Net Assets - Combined Water and Sewer Districts Operating Fund

Statement of Revenues, Expenses, and Changes in Fund Net Assets – Combined Water and Sewer Districts Operating Fund
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HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2011

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Uncollected Balance July 1, 2010</th>
<th>Additions</th>
<th>Collections and Credits</th>
<th>Uncollected Balance June 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-2010</td>
<td>$</td>
<td>- $50,653,905</td>
<td>$49,457,451</td>
<td>$1,196,454</td>
</tr>
<tr>
<td>2008-2009</td>
<td>1,246,416</td>
<td>(87,870)</td>
<td>867,311</td>
<td>291,235</td>
</tr>
<tr>
<td>2007-2008</td>
<td>253,694</td>
<td>3,396</td>
<td>92,501</td>
<td>164,589</td>
</tr>
<tr>
<td>2006-2007</td>
<td>180,482</td>
<td>6,250</td>
<td>45,001</td>
<td>141,731</td>
</tr>
<tr>
<td>2005-2006</td>
<td>142,657</td>
<td>(5,391)</td>
<td>17,048</td>
<td>120,218</td>
</tr>
<tr>
<td>2004-2005</td>
<td>128,798</td>
<td>(4,031)</td>
<td>11,775</td>
<td>112,992</td>
</tr>
<tr>
<td>2003-2004</td>
<td>146,028</td>
<td>(1,219)</td>
<td>10,113</td>
<td>134,696</td>
</tr>
<tr>
<td>2002-2003</td>
<td>161,500</td>
<td>(1,182)</td>
<td>10,914</td>
<td>149,404</td>
</tr>
<tr>
<td>2001-2002</td>
<td>175,221</td>
<td>(1,687)</td>
<td>9,112</td>
<td>164,422</td>
</tr>
<tr>
<td>2000-2001</td>
<td>160,159</td>
<td>(1,432)</td>
<td>8,076</td>
<td>150,651</td>
</tr>
<tr>
<td>1999-2000</td>
<td>170,461</td>
<td>-</td>
<td>170,461</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$2,765,416</td>
<td>$50,560,739</td>
<td>$50,699,763</td>
<td>2,626,392</td>
</tr>
</tbody>
</table>

Levy for 2011
342,198

Less: Allowance for uncollectible accounts - General Fund
1,483,008

Ad valorem taxes receivable, net - General Fund
$1,485,582

Reconciliation with Revenues:
Ad valorem taxes - General Fund
$50,879,784

Reconciling items:
Interest collected
(526,790)
Taxes written off
170,461
Vehicle collection fee
(26,045)
Miscellaneous adjustments
202,353

Total collections and credits
$50,699,763
<table>
<thead>
<tr>
<th>County-Wide</th>
<th>Total Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Property Excluding Registered Motor Vehicles</td>
</tr>
<tr>
<td></td>
<td>Valuation</td>
</tr>
<tr>
<td>Original Levy:</td>
<td></td>
</tr>
<tr>
<td>Property taxed at current year's rate</td>
<td>$6,796,456,555</td>
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<tr>
<td>Motor vehicles taxed at prior year's rate</td>
<td>263,508,089</td>
</tr>
<tr>
<td>Total</td>
<td>7,059,964,644</td>
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<tr>
<td>Discoveries:</td>
<td></td>
</tr>
<tr>
<td>Current years taxes</td>
<td>5,096,274</td>
</tr>
<tr>
<td>Prior years taxes</td>
<td>34,299,399</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>18,647,973</td>
</tr>
<tr>
<td>Penalties</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>58,043,646</td>
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<tr>
<td>Abatements</td>
<td>(144,154,956)</td>
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<tr>
<td>Total property valuation</td>
<td>$6,973,853,334</td>
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<tr>
<td>Net Levy</td>
<td>50,653,906</td>
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<tr>
<td>Uncollected taxes at June 30, 2011</td>
<td>1,196,454</td>
</tr>
<tr>
<td>Current Year's Taxes Collected</td>
<td>$49,457,452</td>
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<tr>
<td>Current Levy Collection Percentage</td>
<td>97.64%</td>
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</table>
HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
COMBINED WATER AND SEWER DISTRICTS OPERATING FUND
JUNE 30, 2011

<table>
<thead>
<tr>
<th>Assets:</th>
<th>Northeast Metro Water &amp; Sewer Fund</th>
<th>Buies Creek/Coats Water &amp; Sewer Fund</th>
<th>South Central Water &amp; Sewer Fund</th>
<th>West Central Water &amp; Sewer Fund</th>
<th>Northwest Water &amp; Sewer Fund</th>
<th>Southwest Water &amp; Sewer Fund</th>
<th>Bunlevel/Riverside Water &amp; Sewer Fund</th>
<th>Southeast Water &amp; Sewer Fund</th>
<th>East Central Water &amp; Sewer Fund</th>
<th>Water and Sewer Operating Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td>$2,922,116</td>
<td>$374,898</td>
<td>$1,425,021</td>
<td>$341,283</td>
<td>$454,048</td>
<td>$1,408,908</td>
<td>$31,365</td>
<td>$189,884</td>
<td>$330,081</td>
<td>$7,467,892</td>
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<tr>
<td>Prepaid items</td>
<td>$4,543,399</td>
<td>$603,542</td>
<td>$2,295,144</td>
<td>$549,440</td>
<td>$750,964</td>
<td>$2,142,967</td>
<td>$50,496</td>
<td>$365,378</td>
<td>$531,406</td>
<td>$12,022,756</td>
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<tr>
<td>Inventory</td>
<td>$36,516</td>
<td>$4,851</td>
<td>$18,447</td>
<td>$4,416</td>
<td>$5,875</td>
<td>$10,394</td>
<td>$406</td>
<td>$2,454</td>
<td>$4,271</td>
<td>$96,630</td>
<td></td>
</tr>
<tr>
<td>Restricted assets:</td>
<td>$192,303</td>
<td>$25,557</td>
<td>$97,169</td>
<td>$23,266</td>
<td>$30,954</td>
<td>$102,179</td>
<td>$2,138</td>
<td>$12,931</td>
<td>$22,503</td>
<td>$509,112</td>
<td></td>
</tr>
<tr>
<td>Cash and investments, restricted</td>
<td>$677,269</td>
<td>$89,967</td>
<td>$342,124</td>
<td>$81,902</td>
<td>$108,964</td>
<td>$356,088</td>
<td>$7,527</td>
<td>$45,521</td>
<td>$79,214</td>
<td>$1,792,166</td>
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<tr>
<td>Total current assets</td>
<td>$6,271,685</td>
<td>$1,098,805</td>
<td>$4,176,525</td>
<td>$1,000,307</td>
<td>$1,330,824</td>
<td>$4,393,033</td>
<td>$91,932</td>
<td>$555,969</td>
<td>$967,474</td>
<td>$21,888,505</td>
<td></td>
</tr>
<tr>
<td>Non-current assets:</td>
<td>$51,500,261</td>
<td>$6,961,188</td>
<td>$26,091,651</td>
<td>$6,246,142</td>
<td>$8,309,985</td>
<td>$27,431,096</td>
<td>$54,044</td>
<td>$3,471,597</td>
<td>$6,041,126</td>
<td>$138,677,060</td>
<td></td>
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<tr>
<td>Other capital assets, net</td>
<td>$57,041,787</td>
<td>$7,577,305</td>
<td>$28,815,235</td>
<td>$6,898,147</td>
<td>$9,177,403</td>
<td>$30,294,487</td>
<td>$633,965</td>
<td>$3,033,981</td>
<td>$6,071,731</td>
<td>$150,944,131</td>
<td></td>
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<tr>
<td>Bond issuance cost, net</td>
<td>$981,557</td>
<td>$91,866</td>
<td>$349,347</td>
<td>$83,631</td>
<td>$111,264</td>
<td>$367,231</td>
<td>$7,686</td>
<td>$46,482</td>
<td>$80,886</td>
<td>$1,830,000</td>
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</tr>
<tr>
<td>Total non-current assets</td>
<td>$106,833,065</td>
<td>$14,530,405</td>
<td>$55,256,232</td>
<td>$13,227,919</td>
<td>$17,598,632</td>
<td>$58,092,854</td>
<td>$1,215,695</td>
<td>$7,352,060</td>
<td>$12,793,743</td>
<td>$289,451,191</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>$117,655,290</td>
<td>$15,629,255</td>
<td>$59,434,759</td>
<td>$14,228,226</td>
<td>$18,929,457</td>
<td>$62,485,887</td>
<td>$1,307,627</td>
<td>$7,908,030</td>
<td>$13,761,217</td>
<td>$311,339,746</td>
<td></td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets: | | | | | | | | | | | |

<p>| Liabilities: | | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | | |
| Accounts payable and accrued liabilities | $1,427,353 | $189,609 | $721,042 | $172,612 | $229,646 | $758,057 | $15,864 | $95,937 | $166,946 | $3,777,079 |
| Accrued interest | $112,456 | $14,939 | $56,608 | $13,599 | $18,093 | $59,725 | $1,250 | $13,599 | $297,581 |
| Unearned revenue | $33,717 | $4,479 | $17,033 | $4,077 | $5,426 | $17,907 | $375 | $2,266 | $3,044 | $89,223 |
| Customer deposits | $550,663 | $74,308 | $282,881 | $67,720 | $90,085 | $297,403 | $6,224 | $37,938 | $85,497 | $1,451,829 |
| Compensated absences - current | $175,976 | $23,377 | $88,896 | $21,281 | $28,313 | $53,460 | $1,566 | $11,929 | $20,583 | $465,608 |
| Current portion of long-term debt | $1,451,571 | $192,826 | $732,276 | $175,541 | $233,542 | $770,919 | $16,133 | $97,565 | $189,779 | $3,841,152 |
| Total current liabilities | $3,701,057 | $499,616 | $1,899,936 | $454,830 | $605,113 | $1,997,471 | $41,801 | $252,794 | $439,901 | $9,952,519 |
| Non-current liabilities: | | | | | | | | | | | |
| Compensated absences - non-current | $20,527 | $2,777 | $10,369 | $2,482 | $3,303 | $10,902 | $228 | $1,380 | $2,401 | $54,318 |
| Other post-employment benefits | $213,961 | $28,422 | $105,095 | $25,875 | $34,424 | $113,633 | $2,378 | $14,381 | $25,026 | $566,185 |
| Total non-current liabilities | $20,327,362 | $2,709,206 | $10,268,542 | $2,458,210 | $3,270,442 | $10,705,685 | $225,919 | $1,366,270 | $2,377,526 | $53,790,161 |
| Total liabilities | $24,088,359 | $3,199,833 | $12,168,478 | $2,913,040 | $3,875,555 | $12,793,156 | $267,719 | $1,610,064 | $2,817,426 | $63,742,980 |
| Net Assets: | | | | | | | | | | | |
| Invested in capital assets, net of related debt | $87,238,992 | $11,588,799 | $44,069,642 | $10,549,935 | $14,035,800 | $46,331,992 | $969,578 | $5,863,840 | $10,203,657 | $230,851,976 |
| Restricted for capital projects | $3,379,700 | $840,604 | $3,196,838 | $765,251 | $1,018,101 | $3,360,740 | $70,329 | $425,325 | $740,133 | $16,745,090 |
| Total net assets | $90,618,692 | $12,429,372 | $47,266,280 | $11,315,186 | $15,053,902 | $49,692,731 | $1,039,068 | $6,286,965 | $10,843,790 | $247,597,066 |</p>
<table>
<thead>
<tr>
<th>Fund</th>
<th>Northeast Metro Water &amp; Sewer Fund</th>
<th>Dunes Creek/Coats Water &amp; Sewer Fund</th>
<th>South Central Water &amp; Sewer Fund</th>
<th>West Central Water &amp; Sewer Fund</th>
<th>Northwest Water &amp; Sewer Fund</th>
<th>Southeast Water &amp; Sewer Fund</th>
<th>Bunlevel/Riverside Water &amp; Sewer Fund</th>
<th>Southeast Water &amp; Sewer Fund</th>
<th>East Central Water &amp; Sewer Fund</th>
<th>Water and Sewer Operating Fund Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$ 8,693,021</td>
<td>$ 1,154,805</td>
<td>$ 4,390,767</td>
<td>$ 1,050,859</td>
<td>$ 1,398,421</td>
<td>$ 4,616,379</td>
<td>$ 97,226</td>
<td>$ 583,911</td>
<td>$ 1,016,857</td>
<td>$ 23,002,146</td>
</tr>
<tr>
<td>Water and sewer taxes</td>
<td>129,181</td>
<td>16,762</td>
<td>63,733</td>
<td>15,253</td>
<td>20,298</td>
<td>67,008</td>
<td>1,411</td>
<td>8,474</td>
<td>14,700</td>
<td>333,881</td>
</tr>
<tr>
<td>Johnston County</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>1,778,807</td>
<td>236,302</td>
<td>898,460</td>
<td>215,032</td>
<td>288,152</td>
<td>944,626</td>
<td>19,895</td>
<td>119,462</td>
<td>208,074</td>
<td>4,708,800</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>10,598,010</td>
<td>1,407,869</td>
<td>5,352,960</td>
<td>1,281,144</td>
<td>1,704,671</td>
<td>5,628,012</td>
<td>118,532</td>
<td>711,747</td>
<td>1,239,691</td>
<td>28,042,836</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water distribution and sewage treatment</td>
<td>5,433,559</td>
<td>721,809</td>
<td>2,744,443</td>
<td>656,838</td>
<td>874,081</td>
<td>2,885,461</td>
<td>80,771</td>
<td>364,910</td>
<td>635,585</td>
<td>14,377,457</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,890,291</td>
<td>251,112</td>
<td>954,769</td>
<td>228,500</td>
<td>304,086</td>
<td>1,003,828</td>
<td>21,142</td>
<td>126,949</td>
<td>221,115</td>
<td>5,001,800</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>7,323,850</td>
<td>972,921</td>
<td>3,699,212</td>
<td>985,346</td>
<td>1,178,167</td>
<td>3,889,289</td>
<td>81,913</td>
<td>491,859</td>
<td>855,700</td>
<td>19,379,257</td>
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<tr>
<td>Operating Income (loss)</td>
<td>3,274,159</td>
<td>434,948</td>
<td>1,653,748</td>
<td>395,798</td>
<td>526,704</td>
<td>1,738,723</td>
<td>36,619</td>
<td>219,888</td>
<td>382,991</td>
<td>8,663,578</td>
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<tr>
<td>Non-Operating Revenues (Expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution expense</td>
<td>4,237</td>
<td>563</td>
<td>2,140</td>
<td>512</td>
<td>682</td>
<td>2,290</td>
<td>47</td>
<td>285</td>
<td>496</td>
<td>11,211</td>
</tr>
<tr>
<td>Interest earned on investments</td>
<td>(6,024,270)</td>
<td>(800,281)</td>
<td>(3,042,800)</td>
<td>(728,246)</td>
<td>(969,107)</td>
<td>(3,199,154)</td>
<td>(67,378)</td>
<td>(404,581)</td>
<td>(704,683)</td>
<td>(15,940,505)</td>
</tr>
<tr>
<td>Income (loss) before capital contributions and transfers</td>
<td>(2,745,874)</td>
<td>(384,770)</td>
<td>(1,386,917)</td>
<td>(331,936)</td>
<td>(441,721)</td>
<td>(1,458,181)</td>
<td>(30,711)</td>
<td>(184,409)</td>
<td>(321,106)</td>
<td>(7,265,715)</td>
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<tr>
<td>Capital contributions</td>
<td>23,055,102</td>
<td>3,060,047</td>
<td>11,634,824</td>
<td>2,784,607</td>
<td>3,705,580</td>
<td>12,232,659</td>
<td>257,633</td>
<td>1,547,005</td>
<td>2,894,507</td>
<td>60,951,974</td>
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<tr>
<td>Income (loss) before transfers</td>
<td>20,289,228</td>
<td>2,895,277</td>
<td>10,247,907</td>
<td>3,425,907</td>
<td>3,263,969</td>
<td>10,774,478</td>
<td>226,922</td>
<td>1,392,596</td>
<td>2,373,311</td>
<td>53,686,257</td>
</tr>
<tr>
<td>Transfers:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrafund transfers</td>
<td>3,381,132</td>
<td>(1,127,662)</td>
<td>1,925,211</td>
<td>(465,741)</td>
<td>(1,029,991)</td>
<td>(1,204,841)</td>
<td>(79,182)</td>
<td>(484,938)</td>
<td>(913,968)</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(179,513)</td>
<td>(23,847)</td>
<td>(80,671)</td>
<td>(21,871)</td>
<td>(28,877)</td>
<td>(95,330)</td>
<td>(2,086)</td>
<td>(12,056)</td>
<td>(20,998)</td>
<td>(475,001)</td>
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<tr>
<td>Total transfers</td>
<td>3,201,619</td>
<td>(1,151,509)</td>
<td>1,843,540</td>
<td>(487,442)</td>
<td>(1,058,869)</td>
<td>(1,309,171)</td>
<td>(81,196)</td>
<td>(496,994)</td>
<td>(934,966)</td>
<td>(475,001)</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>23,490,846</td>
<td>1,543,768</td>
<td>12,082,447</td>
<td>1,965,229</td>
<td>2,205,000</td>
<td>9,474,307</td>
<td>145,733</td>
<td>865,602</td>
<td>1,438,325</td>
<td>53,211,256</td>
</tr>
<tr>
<td>Net Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year - July 1</td>
<td>70,076,085</td>
<td>10,885,060</td>
<td>35,183,833</td>
<td>9,349,957</td>
<td>12,848,902</td>
<td>40,218,424</td>
<td>894,175</td>
<td>5,423,364</td>
<td>9,505,466</td>
<td>194,385,810</td>
</tr>
<tr>
<td>End of year - June 30</td>
<td>93,566,931</td>
<td>12,429,373</td>
<td>47,266,280</td>
<td>11,315,186</td>
<td>15,053,902</td>
<td>49,092,731</td>
<td>1,038,908</td>
<td>6,288,966</td>
<td>10,843,791</td>
<td>247,597,066</td>
</tr>
</tbody>
</table>
STATISTICAL SECTION
(unaudited)

This part of Harnett County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<table>
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<th>Page</th>
</tr>
</thead>
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<td>186</td>
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<tr>
<td>Debt Capacity</td>
<td>190</td>
</tr>
<tr>
<td>Demographic and Economic Information</td>
<td>194</td>
</tr>
<tr>
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<td>196</td>
</tr>
</tbody>
</table>

Financial Trends
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.
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Harnett County, North Carolina
Net Assets by Component
Last Nine Fiscal Years
(UNAUDITED)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>5,816,485</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,023,136</td>
<td></td>
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<tr>
<td>Unrestricted</td>
<td>(30,221,650)</td>
<td>(35,691,131)</td>
<td>(30,123,489)</td>
<td>(25,422,526)</td>
<td>(20,756,613)</td>
<td>(30,362,560)</td>
<td>(38,235,980)</td>
<td>(77,060,014)</td>
<td>(89,050,481)</td>
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<td>$17,506,142</td>
<td>$6,909,346</td>
<td>($19,078,479)</td>
<td>($40,669,890)</td>
<td>($38,972,534)</td>
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<td>Business-type activities</td>
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<tr>
<td>Invested in capital assets, net of related debt</td>
<td>$57,333,007</td>
<td>$60,379,951</td>
<td>$63,266,357</td>
<td>$76,151,245</td>
<td>$98,508,987</td>
<td>$111,540,080</td>
<td>$150,838,425</td>
<td>$179,931,416</td>
<td>$229,078,137</td>
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<td>7,577,237</td>
<td>10,348,070</td>
<td>5,174,536</td>
<td>14,168,332</td>
<td>14,954,501</td>
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<td>Total business-type activities net assets</td>
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<td>$67,143,662</td>
<td>$83,887,370</td>
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<td>$121,888,150</td>
<td>$156,013,971</td>
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<td>$244,045,038</td>
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<td>Primary Government</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>$77,844,782</td>
<td>$91,024,609</td>
<td>$95,547,760</td>
<td>$115,603,911</td>
<td>$134,771,742</td>
<td>$148,811,988</td>
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<td>-</td>
<td>14,023,136</td>
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</tr>
<tr>
<td>Unrestricted</td>
<td>(26,204,645)</td>
<td>(32,495,526)</td>
<td>(26,246,164)</td>
<td>(26,686,400)</td>
<td>(20,179,376)</td>
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<td>(17,061,444)</td>
<td>(62,893,872)</td>
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<td>$124,592,366</td>
<td>$128,797,496</td>
<td>$136,935,492</td>
<td>$153,409,858</td>
<td>$205,072,504</td>
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</table>

Note: Harnett County implemented GASB Statement 34 in Fiscal Year 2003. In the future, up to nine (9) prior years will be presented with the current year to illustrate the County’s financial performance over time.
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>11,824,091</td>
<td>11,179,291</td>
<td>10,597,742</td>
<td>10,072,975</td>
<td>9,596,491</td>
<td>9,184,017</td>
<td>8,797,135</td>
<td>8,441,499</td>
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<tr>
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<td>15,824,091</td>
<td>15,179,291</td>
<td>14,597,742</td>
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<td>13,596,491</td>
<td>13,184,017</td>
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<td>12,109,958</td>
</tr>
<tr>
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<td>359,734</td>
<td>359,734</td>
<td>359,734</td>
<td>359,734</td>
<td>359,734</td>
<td>359,734</td>
<td>359,734</td>
<td>359,734</td>
</tr>
<tr>
<td>Economic &amp; Industrial Development</td>
<td>1,076,674</td>
<td>1,076,674</td>
<td>1,076,674</td>
<td>1,076,674</td>
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<td>1,076,674</td>
<td>1,076,674</td>
<td>1,076,674</td>
<td>1,076,674</td>
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<td>22,171,091</td>
<td>21,527,987</td>
<td>20,883,883</td>
<td>20,239,779</td>
<td>19,595,675</td>
<td>18,951,571</td>
<td>18,297,467</td>
<td>17,643,363</td>
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<td>Cultural &amp; Recreational Services</td>
<td>899,600</td>
<td>899,600</td>
<td>899,600</td>
<td>899,600</td>
<td>899,600</td>
<td>899,600</td>
<td>899,600</td>
<td>899,600</td>
<td>899,600</td>
</tr>
<tr>
<td>Education</td>
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<td>23,73,674</td>
<td>23,73,674</td>
<td>23,73,674</td>
<td>23,73,674</td>
<td>23,73,674</td>
<td>23,73,674</td>
<td>23,73,674</td>
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<td>85,341,091</td>
<td>84,947,541</td>
<td>84,553,091</td>
<td>84,158,641</td>
<td>83,764,291</td>
<td>83,370,135</td>
<td>82,975,987</td>
<td>82,581,841</td>
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Interest and fees

<table>
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<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,390,071</td>
<td>2,390,071</td>
<td>2,390,071</td>
<td>2,390,071</td>
<td>2,390,071</td>
<td>2,390,071</td>
<td>2,390,071</td>
<td>2,390,071</td>
<td>2,390,071</td>
</tr>
</tbody>
</table>

| Total business-type activities expenses | 11,694,443 | 11,464,091 | 11,234,739 | 11,005,387 | 10,775,944 | 10,546,502 | 10,317,060 | 10,087,618 | 9,858,176 |

| Total primary government expenses | 11,694,443 | 11,464,091 | 11,234,739 | 11,005,387 | 10,775,944 | 10,546,502 | 10,317,060 | 10,087,618 | 9,858,176 |

179
## Harnett County, North Carolina
### Changes in Net Assets
#### Last Nine Fiscal Years (accrual basis of accounting) (Unaudited)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Revenues</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Governmental Activities:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services:</td>
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<td></td>
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<td></td>
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<tr>
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<td>$1,778,866</td>
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<td>$2,078,794</td>
<td>$1,930,159</td>
<td>$1,705,350</td>
<td>$13,647,009</td>
<td>$3,202,817</td>
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<td>4,015,181</td>
<td>5,208,884</td>
<td>4,972,808</td>
<td>6,165,054</td>
<td>6,445,392</td>
<td>5,931,375</td>
<td>8,361,070</td>
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<td>268,695</td>
<td>235,955</td>
<td>246,468</td>
<td>264,936</td>
<td>242,983</td>
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<td>328,194</td>
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<td>-</td>
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<td>45,862</td>
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<td>-</td>
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<td>439,948</td>
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<td>Operating grants and contributions</td>
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<td>15,081</td>
<td>7,110</td>
<td>43,573</td>
<td>5,138</td>
<td>116,303</td>
<td>286,678</td>
<td>1,574,076</td>
<td>989,908</td>
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<td>659,297</td>
<td>833,364</td>
<td>676,900</td>
<td>685,126</td>
<td>1,565,755</td>
<td>1,990,881</td>
<td>1,904,951</td>
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<td>5,029</td>
<td>179,368</td>
<td>192,253</td>
<td>316,873</td>
<td>-</td>
<td>35,320</td>
<td>23,665</td>
<td>15,502</td>
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<td>907,992</td>
<td>1,558,337</td>
<td>1,187,832</td>
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<td>1,860,797</td>
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<td>665,288</td>
<td>704,113</td>
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<tr>
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<td>13,928,079</td>
<td>14,900,951</td>
<td>15,092,951</td>
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<td>15,086,088</td>
<td>15,099,811</td>
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<td>3,881</td>
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<td>180,991</td>
<td>196,413</td>
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<td>Capital grants and contributions</td>
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<tr>
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<td>11,000</td>
<td>2,200</td>
<td>19,856</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cultural and recreational</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total governmental activities programs revenues</strong></td>
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<td>27,587,890</td>
<td>31,491,331</td>
<td>32,882,004</td>
<td>32,334,478</td>
<td>34,506,343</td>
<td>34,948,804</td>
<td>46,223,842</td>
<td>37,870,726</td>
</tr>
</tbody>
</table>

#### Business-type activities:

| Charges for services: |            |            |            |            |            |            |            |            |            |
| Water and Sewer | 11,585,488 | 12,119,400 | 13,726,990 | 15,822,667 | 19,837,949 | 21,950,390 | 21,374,697 | 24,860,413 | 28,170,863 |
| Operating grants and contributions - water and sewer | - | 1,240,394 | 24,934 | 411,375 | 511,330 | - | - | - | - |
| Capital grants and contributions - water and sewer | 4,919,071 | - | 3,010,914 | 8,773,746 | 21,431,292 | 9,638,451 | 31,384,785 | 34,097,559 | 57,597,723 |
| **Total business-type activities program revenues** | 19,217,550 | 16,349,892 | 20,004,108 | 28,243,327 | 44,842,496 | 35,443,897 | 56,354,279 | 62,797,848 | 85,729,528 |
| **Total primary government program revenues** | $45,925,962 | $43,937,872 | $51,491,749 | $61,125,331 | $76,976,974 | $70,050,240 | $91,303,083 | $111,021,690 | $127,600,254 |

#### Net (expense)/revenue:

| Governmental activities | $59,028,582 | $57,753,286 | $53,976,580 | $56,095,283 | $59,961,116 | $80,706,349 | $93,708,307 | $90,763,602 | $69,471,068 |
| Business-type activities | $4,760,016 | 2,365,420 | 5,316,853 | 11,584,657 | 25,780,952 | 14,859,708 | 33,658,681 | 38,273,008 | 50,143,561 |
| **Total primary government net expense** | ($54,268,566) | ($55,387,866) | ($48,659,727) | ($44,510,626) | ($34,180,164) | ($66,046,641) | ($60,049,626) | ($52,489,994) | ($19,327,507) |
## Harnett County, North Carolina
### Changes in Net Assets
#### Last Nine Fiscal Years
(No accrual basis of accounting)
(UNAUDITED)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues and Other Changes in Net Assets</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Governmental activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>$30,962,061</td>
<td>$36,538,896</td>
<td>$38,052,769</td>
<td>$40,420,076</td>
<td>$42,322,460</td>
<td>$44,199,461</td>
<td>$46,969,567</td>
<td>$56,560,748</td>
<td>$56,366,267</td>
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<td>$20,757,236</td>
<td>$16,508,236</td>
<td>$12,367,175</td>
<td>$12,288,772</td>
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<tr>
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<td>$796,738</td>
<td>$853,032</td>
<td>$927,866</td>
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<td>$1,087,668</td>
<td>$954,293</td>
<td>$1,844,610</td>
<td>$1,899,527</td>
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<tr>
<td>Unrestricted grants and contributions</td>
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<td>$1,462,300</td>
<td>$668,085</td>
<td>$144,532</td>
<td>$234,713</td>
<td>$70,413</td>
<td>$125,845</td>
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<td>$358,035</td>
<td>$773,627</td>
<td>$527,522</td>
<td>$901,167</td>
<td>$1,485,912</td>
<td>$1,516,019</td>
<td>$451,055</td>
<td>$91,358</td>
<td>$33,012</td>
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<td>Miscellaneous</td>
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<td>$2,744,092</td>
<td>$1,940,896</td>
<td>$1,500,079</td>
<td>$2,050,793</td>
<td>$2,149,503</td>
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<td>-</td>
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<tr>
<td>Gain on sale of capital asset</td>
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<td>-</td>
<td>38,318</td>
<td>-</td>
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<td>$315,526</td>
<td>$439,265</td>
<td>$72,819</td>
<td>$475,001</td>
</tr>
</tbody>
</table>

**Total governmental activities** | $47,490,338 | $55,770,223 | $61,090,857 | $64,057,520 | $67,347,117 | $70,109,553 | $67,720,482 | $71,007,123 | $71,188,424 |

Business-type activities:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other taxes</td>
<td>$85,681</td>
<td>$90,198</td>
<td>$95,571</td>
<td>$101,665</td>
<td>$107,930</td>
<td>$114,575</td>
<td>$160,785</td>
<td>$210,121</td>
<td>$264,145</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$51,761</td>
<td>$51,392</td>
<td>$62,401</td>
<td>$57,179</td>
<td>$2,298,887</td>
<td>$38,891</td>
<td>$695,733</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain on sale of capital asset</td>
<td>$12,075</td>
<td>$8,814</td>
<td>$1,200</td>
<td>$(10,526)</td>
<td>-</td>
<td>66,923</td>
<td>$3,042</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers</td>
<td>$(851,269)</td>
<td>$(476,601)</td>
<td>$(1,884,185)</td>
<td>$(151,650)</td>
<td>$(219,199)</td>
<td>$(315,526)</td>
<td>$(439,265)</td>
<td>$(72,819)</td>
<td>$(475,001)</td>
</tr>
</tbody>
</table>

**Total business-type activities** | $(634,594) | $(229,873) | $(1,658,727) | $(159,031) | $2,417,302 | $142,219 | $467,140 | $162,475 | $(189,271) |

**Total primary government** | $46,855,744 | $55,540,350 | $69,432,230 | $64,216,551 | $69,765,019 | $70,251,772 | $68,187,622 | $71,169,598 | $70,990,153 |

### Change in Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental activities</td>
<td>$(11,538,244)</td>
<td>$(1,983,063)</td>
<td>$7,114,377</td>
<td>$7,962,237</td>
<td>$7,386,001</td>
<td>$(10,596,796)</td>
<td>$(25,987,825)</td>
<td>$(19,756,479)</td>
<td>$1,717,356</td>
</tr>
<tr>
<td>Business-type activities</td>
<td>$4,125,422</td>
<td>$2,135,547</td>
<td>$3,688,126</td>
<td>$11,743,686</td>
<td>$28,198,854</td>
<td>$14,861,927</td>
<td>$34,125,821</td>
<td>$38,436,083</td>
<td>$49,945,290</td>
</tr>
<tr>
<td><strong>Total primary government</strong></td>
<td>$(7,412,822)</td>
<td>$(152,516)</td>
<td>$(10,772,503)</td>
<td>$19,705,925</td>
<td>$35,584,855</td>
<td>$4,205,131</td>
<td>$5,137,998</td>
<td>$19,677,504</td>
<td>$51,662,646</td>
</tr>
</tbody>
</table>

**Note:** Harnett County implemented GASB Statement 34 in Fiscal Year 2003. In the future, up to nine (9) prior years will be presented with the current year to illustrate the County's financial performance over time.
Harnett County, North Carolina
Tax Revenues By Source
Last Nine Fiscal Years
(accrual basis of accounting)
(UNAUDITED)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Ad Valorem</th>
<th>Sales Tax</th>
<th>Excise Stamp - Real Property</th>
<th>Occupancy Tax</th>
<th>Cable franchise &amp; license</th>
<th>Solid Waste</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$30,862,061</td>
<td>$13,241,695</td>
<td>$226,315</td>
<td>$276,293</td>
<td>$149,311</td>
<td>$85,681</td>
<td>$44,841,356</td>
</tr>
<tr>
<td>2004</td>
<td>36,538,896</td>
<td>15,568,684</td>
<td>325,996</td>
<td>304,954</td>
<td>165,788</td>
<td>90,198</td>
<td>52,994,516</td>
</tr>
<tr>
<td>2005</td>
<td>38,052,769</td>
<td>16,963,204</td>
<td>358,956</td>
<td>289,062</td>
<td>185,014</td>
<td>95,571</td>
<td>55,944,576</td>
</tr>
<tr>
<td>2007</td>
<td>42,322,460</td>
<td>20,068,211</td>
<td>568,195</td>
<td>332,359</td>
<td>183,153</td>
<td>107,930</td>
<td>63,582,308</td>
</tr>
<tr>
<td>2008</td>
<td>44,199,461</td>
<td>20,757,236</td>
<td>453,552</td>
<td>393,721</td>
<td>215,603</td>
<td>114,575</td>
<td>66,134,148</td>
</tr>
<tr>
<td>2009</td>
<td>46,969,567</td>
<td>16,508,236</td>
<td>354,955</td>
<td>362,717</td>
<td>236,621</td>
<td>178,188</td>
<td>64,610,284</td>
</tr>
<tr>
<td>2010</td>
<td>56,560,748</td>
<td>12,367,175</td>
<td>380,883</td>
<td>372,187</td>
<td>222,418</td>
<td>210,121</td>
<td>70,113,532</td>
</tr>
<tr>
<td>2011</td>
<td>56,372,131</td>
<td>12,288,772</td>
<td>373,065</td>
<td>394,058</td>
<td>246,233</td>
<td>224,153</td>
<td>69,898,412</td>
</tr>
</tbody>
</table>

Note: Harnett County implemented GASB Statement 34 in Fiscal Year 2003. In the future, up to nine (9) prior years will be presented with the current year to illustrate the County's financial performance over time.
### Harnett County, North Carolina
### Fund Balances of Governmental Funds
### Last Nine Fiscal Years
### (modified accrual basis of accounting)
### (Unaudited)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserved</td>
<td>$5,841,973</td>
<td>$7,072,504</td>
<td>$7,247,012</td>
<td>$8,651,368</td>
<td>$9,590,857</td>
<td>$11,334,321</td>
<td>$9,113,259</td>
<td>$7,586,459</td>
<td>$ -</td>
</tr>
<tr>
<td>Unreserved</td>
<td>5,701,058</td>
<td>9,557,195</td>
<td>11,131,214</td>
<td>9,845,746</td>
<td>13,269,357</td>
<td>13,642,598</td>
<td>9,327,002</td>
<td>8,868,325</td>
<td>-</td>
</tr>
<tr>
<td>Non Spendable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>52,271</td>
</tr>
<tr>
<td>Committed</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total General Fund</strong></td>
<td>$11,543,031</td>
<td>$16,629,699</td>
<td>$18,378,226</td>
<td>$18,797,114</td>
<td>$22,860,214</td>
<td>$24,976,019</td>
<td>$18,440,881</td>
<td>$16,444,784</td>
<td>$18,678,151</td>
</tr>
</tbody>
</table>

| **All other governmental funds** |       |       |       |       |       |       |       |       |       |
| Reserved    | $5,728,330 | $3,544,560 | $5,425,700 | $7,316,481 | $5,416,089 | $2,704,804 | $1,001,871 | $524,215 | $ -    |
| Unreserved, undesignated reported in major governmental funds | - | - | - | - | 39,782,095 | 20,237,681 | 2,870,399 | - | - |
| Unreserved, reported in nonmajor: |       |       |       |       |       |       |       |       |       |
| Special Revenue | 81,387 | 451,486 | 635,578 | 689,250 | 731,491 | 412,406 | 975,147 | 718,299 | - |
| Non Spendable | - | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | - | 6,675,606 | - |
| Committed | - | - | - | - | - | - | - | 198,652 | - |
| Assigned | - | - | - | - | - | - | - | 143,764 | - |
| Unassigned | - | - | - | - | - | - | - | 950,018 | - |
| Capital Projects | 15,704,703 | 8,170,483 | 5,226,273 | 2,432,420 | 2,189,267 | 7,617,069 | 28,479,842 | 10,386,092 | - |
| **Total all other governmental funds** | $21,514,420 | $12,166,539 | $11,287,551 | $10,438,151 | $48,118,852 | $30,971,960 | $33,327,259 | $11,008,606 | $6,008,004 |

1. Decrease in Fund Balance for all other governmental funds is due to the closing of various projects from the prior year.
2. The increase in Fund Balance for all other governmental funds is due to the cash on deposit with an escrow agent for the Law Enforcement Expansion and Overhills Elementary Capital Project Funds.
3. The increase in Fund Balance for all other governmental funds is due to the cash on deposit with an escrow agent for the Boone Trail Elementary School Capital Project Fund.

Note: Harnett County implemented GASB Statement 34 in Fiscal Year 2003. In the future, up to nine (9) prior years will be presented with the current year to illustrate the County’s financial performance over time.
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>$29,488,446</td>
<td>$32,079,811</td>
<td>$37,166,836</td>
<td>$36,643,943</td>
<td>$40,885,746</td>
<td>$42,360,197</td>
<td>$44,672,744</td>
<td>$47,060,009</td>
<td>$55,407,612</td>
<td>$96,437,182</td>
</tr>
<tr>
<td>Other taxes and licenses</td>
<td>$12,107,835</td>
<td>$13,893,614</td>
<td>$16,365,422</td>
<td>$17,796,236</td>
<td>$19,051,924</td>
<td>$21,153,147</td>
<td>$21,820,112</td>
<td>$17,462,529</td>
<td>$14,211,785</td>
<td>$14,186,209</td>
</tr>
<tr>
<td>Unrestricted Intergovernmental</td>
<td>918,986</td>
<td>48,741</td>
<td>108,341</td>
<td>86,153</td>
<td>55,149</td>
<td>111,481</td>
<td>121,282</td>
<td>97,470</td>
<td>70,413</td>
<td>126,845</td>
</tr>
<tr>
<td>Restricted Intergovernmental</td>
<td>12,957,403</td>
<td>18,688,612</td>
<td>17,446,097</td>
<td>19,477,727</td>
<td>19,999,156</td>
<td>18,967,365</td>
<td>21,690,372</td>
<td>21,767,468</td>
<td>22,859,284</td>
<td>21,615,026</td>
</tr>
<tr>
<td>Permits and fees</td>
<td>2,014,839</td>
<td>2,456,909</td>
<td>2,794,494</td>
<td>2,919,326</td>
<td>3,181,855</td>
<td>3,349,608</td>
<td>4,136,668</td>
<td>3,296,521</td>
<td>3,153,029</td>
<td>3,382,006</td>
</tr>
<tr>
<td>Sales and services</td>
<td>5,722,287</td>
<td>5,559,892</td>
<td>6,514,859</td>
<td>7,622,530</td>
<td>8,617,645</td>
<td>8,530,503</td>
<td>8,759,607</td>
<td>9,211,303</td>
<td>7,648,967</td>
<td>9,697,003</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>871,257</td>
<td>744,838</td>
<td>778,059</td>
<td>537,600</td>
<td>1,023,817</td>
<td>1,587,886</td>
<td>2,286,039</td>
<td>470,083</td>
<td>91,358</td>
<td>33,012</td>
</tr>
<tr>
<td>Contributions</td>
<td>1,800</td>
<td>775</td>
<td>832,530</td>
<td>1,471,748</td>
<td>2,490,499</td>
<td>2,037,782</td>
<td>23,250</td>
<td>164,885</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other general revenues</td>
<td>1,514,595</td>
<td>1,502,439</td>
<td>2,194,379</td>
<td>2,793,179</td>
<td>2,128,850</td>
<td>1,806,189</td>
<td>2,414,723</td>
<td>2,102,532</td>
<td>1,951,479</td>
<td>1,912,634</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>65,608,208</td>
<td>74,975,681</td>
<td>84,201,017</td>
<td>91,348,442</td>
<td>97,434,641</td>
<td>99,678,398</td>
<td>105,925,097</td>
<td>101,632,808</td>
<td>105,403,927</td>
<td>107,691,205</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>16,884,784</td>
<td>10,393,384</td>
<td>11,813,870</td>
<td>14,937,119</td>
<td>15,594,781</td>
<td>14,087,333</td>
<td>40,976,358</td>
<td>33,588,824</td>
<td>31,822,046</td>
<td>14,869,728</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>88,177</td>
<td>91,210</td>
<td>122,573</td>
<td>164,981</td>
<td>118,113</td>
<td>128,917</td>
<td>136,095</td>
<td>192,134</td>
<td>184,147</td>
<td>163,285</td>
</tr>
<tr>
<td>Transportation</td>
<td>44,039</td>
<td>48,309</td>
<td>78,693</td>
<td>89,613</td>
<td>90,547</td>
<td>176,658</td>
<td>132,091</td>
<td>314,378</td>
<td>149,435</td>
<td>149,839</td>
</tr>
<tr>
<td>Economic and physical development</td>
<td>2,744,132</td>
<td>3,707,573</td>
<td>3,062,306</td>
<td>5,012,225</td>
<td>5,350,214</td>
<td>6,779,299</td>
<td>6,130,542</td>
<td>6,556,510</td>
<td>6,214,196</td>
<td>5,931,886</td>
</tr>
<tr>
<td>Human services</td>
<td>21,261,054</td>
<td>22,839,093</td>
<td>23,237,455</td>
<td>25,446,717</td>
<td>27,276,463</td>
<td>29,265,246</td>
<td>30,893,900</td>
<td>27,197,825</td>
<td>24,911,594</td>
<td>25,078,828</td>
</tr>
<tr>
<td>Cultural and recreational</td>
<td>807,629</td>
<td>805,654</td>
<td>865,871</td>
<td>1,058,245</td>
<td>1,227,703</td>
<td>1,206,477</td>
<td>1,563,968</td>
<td>1,556,175</td>
<td>1,589,485</td>
<td>1,548,773</td>
</tr>
<tr>
<td>Education</td>
<td>19,053,348</td>
<td>29,087,939</td>
<td>24,034,612</td>
<td>18,335,754</td>
<td>16,948,707</td>
<td>18,006,432</td>
<td>19,928,849</td>
<td>30,005,235</td>
<td>22,701,055</td>
<td>22,239,671</td>
</tr>
<tr>
<td>Debt Service</td>
<td>3,519,247</td>
<td>3,719,308</td>
<td>8,850,213</td>
<td>5,124,959</td>
<td>5,710,097</td>
<td>11,340,847</td>
<td>7,218,631</td>
<td>8,001,520</td>
<td>7,721,489</td>
<td>6,666,295</td>
</tr>
<tr>
<td>Principal</td>
<td>2,970,128</td>
<td>4,299,951</td>
<td>3,696,964</td>
<td>3,246,717</td>
<td>3,153,151</td>
<td>2,991,234</td>
<td>4,622,327</td>
<td>4,911,009</td>
<td>4,562,224</td>
<td>6,032,595</td>
</tr>
<tr>
<td>Interest and fees</td>
<td>339,057</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>558</td>
<td>803,900</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total primary government expenses</strong></td>
<td>$84,495,577</td>
<td>$90,962,931</td>
<td>$94,546,415</td>
<td>$94,824,583</td>
<td>$99,198,633</td>
<td>$106,654,581</td>
<td>$138,774,622</td>
<td>$140,570,441</td>
<td>$129,241,144</td>
<td>$111,975,916</td>
</tr>
<tr>
<td><strong>Excess of revenues over (under) expenditures</strong></td>
<td>$(18,887,369)</td>
<td>$(15,987,250)</td>
<td>$(10,345,398)</td>
<td>$(3,476,141)</td>
<td>$(1,764,952)</td>
<td>$(6,978,223)</td>
<td>$(30,849,245)</td>
<td>$(38,937,635)</td>
<td>$(23,837,217)</td>
<td>$(4,284,711)</td>
</tr>
<tr>
<td>------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>Bonds and Capital lease issuance</td>
<td>$32,570,902</td>
<td>$10,958</td>
<td>$24,181,348</td>
<td>$3,853,795</td>
<td>$1,182,830</td>
<td>$48,502,824</td>
<td>$15,503,712</td>
<td>$35,290,378</td>
<td>-</td>
<td>$20,803,000</td>
</tr>
<tr>
<td>Bond premium</td>
<td>-</td>
<td>-</td>
<td>1,116,722</td>
<td>-</td>
<td>-</td>
<td>656,343</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35,475</td>
</tr>
<tr>
<td>Payment to escrow agent</td>
<td>-</td>
<td>-</td>
<td>(20,610,463)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(20,035,000)</td>
</tr>
<tr>
<td>Transfers in</td>
<td>715,408</td>
<td>3,729,321</td>
<td>3,430,746</td>
<td>4,535,367</td>
<td>3,721,394</td>
<td>6,276,726</td>
<td>5,892,678</td>
<td>5,987,531</td>
<td>423,125</td>
<td>1,942,917</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(101,408)</td>
<td>(2,878,052)</td>
<td>(2,852,145)</td>
<td>(4,043,482)</td>
<td>(3,569,744)</td>
<td>(6,059,526)</td>
<td>(5,577,352)</td>
<td>(5,548,266)</td>
<td>-</td>
<td>(1,787,916)</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>33,185,902</td>
<td>862,227</td>
<td>5,166,208</td>
<td>4,345,680</td>
<td>4,134,480</td>
<td>48,722,024</td>
<td>15,819,238</td>
<td>36,355,986</td>
<td>423,125</td>
<td>978,476</td>
</tr>
</tbody>
</table>

| Net change in fund balances | $14,298,533 | $(15,125,023) | $(5,179,190) | $869,539 | $(430,512) | $41,743,801 | $(15,030,187) | $(2,551,649) | $(23,414,092) | $(3,306,235) |

Debt service as a percentage of noncapital expenditures:


* The increase in Total Other Financing Sources is due to the issuance of the 2007 Certificates of Participation for the Law Enforcement Center, Overhills Elementary School, Coats Elementary School Gymnasium projects.
### General Governmental Tax Revenues by Source

#### (modified accrual basis of accounting)  
#### (Unaudited)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Ad Valorem</th>
<th>Sales Tax</th>
<th>Excise Stamp Real Property</th>
<th>Occupancy Tax</th>
<th>Cable TV Franchise</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>29,499,446</td>
<td>11,570,775</td>
<td>222,733</td>
<td>171,306</td>
<td>142,821</td>
<td>41,607,081</td>
</tr>
<tr>
<td>2003</td>
<td>32,079,811</td>
<td>13,241,695</td>
<td>226,315</td>
<td>276,293</td>
<td>149,311</td>
<td>45,973,425</td>
</tr>
<tr>
<td>2004</td>
<td>37,166,836</td>
<td>15,568,684</td>
<td>325,996</td>
<td>304,954</td>
<td>165,788</td>
<td>53,532,258</td>
</tr>
<tr>
<td>2005</td>
<td>38,643,943</td>
<td>16,963,204</td>
<td>358,956</td>
<td>289,062</td>
<td>185,014</td>
<td>56,440,179</td>
</tr>
<tr>
<td>2006</td>
<td>40,885,746</td>
<td>18,124,258</td>
<td>478,806</td>
<td>270,406</td>
<td>178,454</td>
<td>59,937,670</td>
</tr>
<tr>
<td>2007</td>
<td>42,322,460</td>
<td>20,068,211</td>
<td>568,195</td>
<td>332,359</td>
<td>183,153</td>
<td>63,474,378</td>
</tr>
<tr>
<td>2008</td>
<td>44,199,461</td>
<td>20,757,236</td>
<td>453,552</td>
<td>393,721</td>
<td>215,603</td>
<td>66,019,573</td>
</tr>
<tr>
<td>2011</td>
<td>50,879,784</td>
<td>12,288,772</td>
<td>373,065</td>
<td>394,058</td>
<td>246,233</td>
<td>64,181,912</td>
</tr>
</tbody>
</table>

1 Includes Ad Valorem Tax and Other Taxes and Licenses
## Harnett County, North Carolina
### Assessed Value of Taxable Property
#### Last Ten Fiscal Years
( unaudited )

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Real Property</th>
<th>Public Service 1</th>
<th>Motor Vehicle</th>
<th>Other</th>
<th>Less: Tax Exempt Real Property 2</th>
<th>Total Assessed Value</th>
<th>Total Direct Tax Rate</th>
<th>Estimated Actual Taxable Value 3</th>
<th>Assessed Value as a Percentage of Actual Value 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>2,735,785,272</td>
<td>117,040,133</td>
<td>632,051,447</td>
<td>328,790,761</td>
<td>3708,938,035</td>
<td>0.76</td>
<td>4,179,973,165</td>
<td>88.73%</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>2,892,577,436</td>
<td>120,494,599</td>
<td>552,882,627</td>
<td>309,599,719</td>
<td>3,760,059,811</td>
<td>0.76</td>
<td>4,295,116,322</td>
<td>87.54%</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>3,716,832,164</td>
<td>137,807,959</td>
<td>584,923,607</td>
<td>291,344,948</td>
<td>4,572,947,018</td>
<td>0.735</td>
<td>4,572,947,018</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>3,816,647,064</td>
<td>137,920,639</td>
<td>609,445,287</td>
<td>295,595,827</td>
<td>4,696,106,997</td>
<td>0.735</td>
<td>4,915,884,804</td>
<td>95.53%</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>4,006,628,671</td>
<td>145,951,703</td>
<td>642,219,418</td>
<td>302,141,650</td>
<td>4,928,529,182</td>
<td>0.735</td>
<td>5,451,309,791</td>
<td>90.41%</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>4,241,454,829</td>
<td>151,673,422</td>
<td>668,654,872</td>
<td>293,367,960</td>
<td>5,172,104,823</td>
<td>0.735</td>
<td>5,720,722,069</td>
<td>90.41%</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>4,503,516,327</td>
<td>134,215,587</td>
<td>707,344,504</td>
<td>322,188,401</td>
<td>5,484,008,009</td>
<td>0.735</td>
<td>6,689,446,217</td>
<td>81.98%</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>4,524,717,546</td>
<td>141,054,893</td>
<td>771,747,421</td>
<td>348,654,007</td>
<td>5,592,787,617</td>
<td>0.735</td>
<td>6,822,136,639</td>
<td>81.98%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>5,986,060,609</td>
<td>172,744,103</td>
<td>734,279,327</td>
<td>347,311,298</td>
<td>6,968,853,607</td>
<td>0.725</td>
<td>6,954,313,270</td>
<td>99.82%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>5,852,387,598</td>
<td>167,779,881</td>
<td>751,193,380</td>
<td>405,703,786</td>
<td>6,899,877,285</td>
<td>0.725</td>
<td>6,735,660,206</td>
<td>97.82%</td>
<td></td>
</tr>
</tbody>
</table>

1 Public service companies' property includes real and personal property of utilities, railroad and busineses, etc. These assessments are made by the North Carolina Department of Revenue with no distinction between real and personal property.

2 Exempt real estate only, does not include Elderly Exemption or Deferred. Exempt properties are not reported in the year-to-year levy; therefore, annual scrolls were not maintained. The information presented was compiled from reports prepared for the Department of Revenue.

3 Estimated actual taxable value reflects an increase in real and exempt property. Estimated Actual Taxable Value was computed by using Real Estate Assesment Sales Ratio Study Percentages from the North Carolina Department of Revenue.

4 Estimated actual values and the ratio of total assessed value to total estimated actual value has been adjusted to reflect updated sales assessment ratio percentages from the North Carolina Department of Revenue.

5 Denotes the year in which a revaluation was effective January 1st and reflected in the following fiscal year.

Source: Harnett County Tax Department

Note: A revaluation of real property is required by North Carolina General Statutes at least every eight years. Assessed valuations are established by the Board of Commissioners at 100% of market value as of the year of the revaluation. The last revaluation was effective January 1, 2009 and reflected in the 2010 fiscal year.
Harnett County, North Carolina
Property Tax Rates - Direct and Overlapping\(^1\) Governments
(Per $100 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30(^2,3)</th>
<th>Harnett County</th>
<th>Special Fire Districts</th>
<th>Special School District</th>
<th>Overlapping Rates Levied by Municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>0.76</td>
<td>0.06 to 0.15</td>
<td>0.02</td>
<td>0.46</td>
</tr>
<tr>
<td>2003</td>
<td>0.76</td>
<td>0.06 to 0.15</td>
<td>0.02</td>
<td>0.46</td>
</tr>
<tr>
<td>2004</td>
<td>0.735</td>
<td>0.04 to 0.15</td>
<td>0.02</td>
<td>0.46</td>
</tr>
<tr>
<td>2005</td>
<td>0.735</td>
<td>0.04 to 0.15</td>
<td>0.02</td>
<td>0.46</td>
</tr>
<tr>
<td>2006</td>
<td>0.735</td>
<td>0.04 to 0.15</td>
<td>0.02</td>
<td>0.46</td>
</tr>
<tr>
<td>2007</td>
<td>0.735</td>
<td>0.04 to 0.15</td>
<td>0.02</td>
<td>0.52</td>
</tr>
<tr>
<td>2008</td>
<td>0.735</td>
<td>0.04 to 0.15</td>
<td>0.02</td>
<td>0.52</td>
</tr>
<tr>
<td>2009</td>
<td>0.735</td>
<td>0.04 to 0.15</td>
<td>0.02</td>
<td>0.48</td>
</tr>
<tr>
<td>2010</td>
<td>0.725</td>
<td>0.07 to 0.15</td>
<td>0.02</td>
<td>0.48</td>
</tr>
<tr>
<td>2011</td>
<td>0.725</td>
<td>0.07 to 0.15</td>
<td>0.02</td>
<td>0.48</td>
</tr>
</tbody>
</table>

\(^1\) Overlapping rates are those of local and county governments that apply to property owners within Harnett County. Not all overlapping rates apply to all Harnett County property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)

\(^2\) Property was revalued for fiscal year 2004.

\(^3\) For the years 1998 to 1999, Rescue Districts are included in the rates which are represented under Special Fire Districts. Beginning with the 2000 fiscal year, rescue districts no longer have a special tax.

Source: Harnett County Tax Department
### Harnett County, North Carolina
#### Principal Property Taxpayers
##### Ten Year Comparison
###### (Unaudited)

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>2010 Taxable Assessed Value</th>
<th>Rank</th>
<th>Percentage of Total Taxable Assessed Value</th>
<th>2001 Taxable Assessed Value</th>
<th>Rank</th>
<th>Percentage of Total Taxable Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress Energy</td>
<td>$65,587,931</td>
<td>1</td>
<td>1.10%</td>
<td>$42,510,694</td>
<td>2</td>
<td>1.50%</td>
</tr>
<tr>
<td>Carolina Telephone</td>
<td>39,450,992</td>
<td>2</td>
<td>0.60%</td>
<td>22,738,324</td>
<td>5</td>
<td>0.80%</td>
</tr>
<tr>
<td>South River EMC</td>
<td>32,939,854</td>
<td>3</td>
<td>0.50%</td>
<td>19,919,888</td>
<td>6</td>
<td>0.60%</td>
</tr>
<tr>
<td>Delhaize America (Food Lion, Inc.)</td>
<td>$25,401,960</td>
<td>4</td>
<td>0.40%</td>
<td>-</td>
<td>-</td>
<td>0.90%</td>
</tr>
<tr>
<td>Food Lion Stores, Distribution</td>
<td>17,985,130</td>
<td>5</td>
<td>0.30%</td>
<td>29,680,927</td>
<td>3</td>
<td>0.90%</td>
</tr>
<tr>
<td>Edward Brothers</td>
<td>15,718,867</td>
<td>6</td>
<td>0.30%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Oldcastle</td>
<td>15,318,228</td>
<td>7</td>
<td>0.20%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Elmwood Builders</td>
<td>14,327,950</td>
<td>8</td>
<td>0.20%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Edward S. Turlington</td>
<td>13,884,610</td>
<td>9</td>
<td>0.20%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wal Mart Real Estate</td>
<td>12,318,880</td>
<td>10</td>
<td>0.20%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Swift Textiles, Inc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>47,791,190</td>
<td>1</td>
<td>2.00%</td>
</tr>
<tr>
<td>Morganite</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>28,370,578</td>
<td>4</td>
<td>0.90%</td>
</tr>
<tr>
<td>James P. Godwin &amp; Wife</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,791,540</td>
<td>7</td>
<td>0.30%</td>
</tr>
<tr>
<td>Harnett Crossing, Inc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,759,680</td>
<td>8</td>
<td>0.30%</td>
</tr>
<tr>
<td>Alltel Carolina, Inc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,534,013</td>
<td>9</td>
<td>0.30%</td>
</tr>
<tr>
<td>Charter Communications</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,390,724</td>
<td>10</td>
<td>0.30%</td>
</tr>
</tbody>
</table>

$252,934,402

$222,487,558

Source: Harnett County Tax Department
## Harnett County, North Carolina

### Property Tax Levies and Collections - General Fund

#### Last Ten Fiscal Years

(UNAUDITED)

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Total Tax Levy</th>
<th>Current Tax Collections</th>
<th>Percent of Net Levy Collected</th>
<th>Collected in Subsequent Years</th>
<th>Total Collections to Date</th>
<th>Percent of Total Tax Collections To Net Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>27,600,119</td>
<td>25,241,068</td>
<td>91.45%</td>
<td>2,017,835</td>
<td>27,258,903</td>
<td>98.76%</td>
</tr>
<tr>
<td>2003 (1)</td>
<td>28,773,241</td>
<td>26,914,383</td>
<td>93.54%</td>
<td>1,586,835</td>
<td>28,501,219</td>
<td>99.05%</td>
</tr>
<tr>
<td>2004</td>
<td>33,715,256</td>
<td>31,986,355</td>
<td>94.87%</td>
<td>1,605,001</td>
<td>33,591,356</td>
<td>99.63%</td>
</tr>
<tr>
<td>2005</td>
<td>35,232,094</td>
<td>33,778,940</td>
<td>95.88%</td>
<td>1,394,150</td>
<td>35,173,090</td>
<td>99.83%</td>
</tr>
<tr>
<td>2006</td>
<td>36,286,697</td>
<td>35,106,194</td>
<td>96.75%</td>
<td>1,090,939</td>
<td>36,197,133</td>
<td>99.75%</td>
</tr>
<tr>
<td>2007</td>
<td>38,222,571</td>
<td>36,939,726</td>
<td>96.64%</td>
<td>1,121,936</td>
<td>38,061,662</td>
<td>99.58%</td>
</tr>
<tr>
<td>2008</td>
<td>40,179,862</td>
<td>38,935,459</td>
<td>96.90%</td>
<td>1,459,160</td>
<td>40,394,619</td>
<td>100.53%</td>
</tr>
<tr>
<td>2009</td>
<td>41,990,253</td>
<td>40,791,833</td>
<td>97.15%</td>
<td>1,490,161</td>
<td>42,281,994</td>
<td>100.69%</td>
</tr>
<tr>
<td>2010</td>
<td>49,571,730</td>
<td>48,325,314</td>
<td>97.48%</td>
<td>1,379,977</td>
<td>49,705,291</td>
<td>100.27%</td>
</tr>
<tr>
<td>2011</td>
<td>50,653,906</td>
<td>49,457,451</td>
<td>97.48%</td>
<td>1,242,312</td>
<td>50,699,783</td>
<td>100.09%</td>
</tr>
</tbody>
</table>

1 Denotes the year in which a revaluation was effective on January 1st and reflected in the following fiscal year.

Source: Harnett County Tax Department
Harnett County, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Percentage of Personal Income</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Capitalized Leases</td>
<td>Installment Purchase</td>
<td>Capitalized Leases</td>
<td>Installment Purchase</td>
</tr>
<tr>
<td>2002</td>
<td>$1,281,200</td>
<td>$80,552,021</td>
<td>$97,465</td>
<td>$11,410,218</td>
</tr>
<tr>
<td>2003</td>
<td>950,922</td>
<td>76,832,713</td>
<td>77,502</td>
<td>10,297,150</td>
</tr>
<tr>
<td>2004</td>
<td>925,583</td>
<td>73,341,011</td>
<td>290,306</td>
<td>10,864,283</td>
</tr>
<tr>
<td>2005</td>
<td>1,017,824</td>
<td>70,585,320</td>
<td>215,776</td>
<td>10,902,366</td>
</tr>
<tr>
<td>2006</td>
<td>941,063</td>
<td>66,134,470</td>
<td>138,654</td>
<td>11,035,649</td>
</tr>
<tr>
<td>2007</td>
<td>736,726</td>
<td>101,683,332</td>
<td>70,963</td>
<td>11,503,883</td>
</tr>
<tr>
<td>2008</td>
<td>905,925</td>
<td>110,290,619</td>
<td>13,455</td>
<td>10,161,918</td>
</tr>
<tr>
<td>2009</td>
<td>725,620</td>
<td>137,910,547</td>
<td>-</td>
<td>9,070,001</td>
</tr>
<tr>
<td>2010</td>
<td>498,504</td>
<td>131,923,791</td>
<td>-</td>
<td>7,920,748</td>
</tr>
<tr>
<td>2011</td>
<td>299,773</td>
<td>125,224,456</td>
<td>-</td>
<td>6,858,851</td>
</tr>
</tbody>
</table>

1 Provided by the NC Department of Commerce. Latest information available is represented. Refer to the schedule on page P-18 for personal income and population data. For the fiscal years ending 2009 and forward, the Personal Income expressed as a total dollar amount for the County is no longer available.

Details regarding the County's outstanding debt can be found in the notes to the financial statements.
Harnett County, North Carolina
Direct and Overlapping Governmental Activities Debt
For the fiscal year ending June 30, 2011
(Unaudited)

<table>
<thead>
<tr>
<th>Governmental Unit</th>
<th>Debt Outstanding</th>
<th>Estimated Percentage Applicable</th>
<th>Estimated share of Overlapping Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harnett County</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt repaid with property taxes</td>
<td>$ 126,224,456</td>
<td>100%</td>
<td>$ 126,224,456</td>
</tr>
<tr>
<td>Total direct debt</td>
<td></td>
<td></td>
<td>126,224,456</td>
</tr>
<tr>
<td>Municipality:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town of Angier</td>
<td>5,031,000</td>
<td>100%</td>
<td>5,031,000</td>
</tr>
<tr>
<td>Town of Coats</td>
<td>-</td>
<td>100%</td>
<td>-</td>
</tr>
<tr>
<td>City of Dunn</td>
<td>4,382,082</td>
<td>100%</td>
<td>4,382,082</td>
</tr>
<tr>
<td>Town of Erwin</td>
<td>189,064</td>
<td>100%</td>
<td>189,064</td>
</tr>
<tr>
<td>Town of Lillington</td>
<td>1,446,955</td>
<td>100%</td>
<td>1,446,955</td>
</tr>
<tr>
<td>Total overlapping debt</td>
<td></td>
<td></td>
<td>11,049,101</td>
</tr>
<tr>
<td>Total direct and overlapping debt</td>
<td></td>
<td></td>
<td>$ 137,273,557</td>
</tr>
</tbody>
</table>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Harnett County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

1 The percentage of overlapping debt applicable is estimated by considering that the residents of the Towns are responsible for not only the debt of the Town, but the County as well.
### Harnett County, North Carolina
#### Pledged Revenue Coverage - Water & Sewer
#### Last Ten Fiscal Years
#### (Unaudited)

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Gross Revenues $^1$</th>
<th>Direct Operating Expenses $^2$</th>
<th>Net Revenue Available for Debt Service</th>
<th>Debt Service Requirements</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30 2002</td>
<td>11,786,651</td>
<td>6,064,523</td>
<td>5,722,128</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2003</td>
<td>11,684,767</td>
<td>7,131,206</td>
<td>4,553,561</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2004</td>
<td>12,222,986</td>
<td>6,884,558</td>
<td>5,338,428</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2005</td>
<td>13,781,929</td>
<td>6,864,141</td>
<td>6,917,788</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2006</td>
<td>15,928,322</td>
<td>8,662,619</td>
<td>7,265,703</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2007</td>
<td>21,974,414</td>
<td>10,246,860</td>
<td>11,727,554</td>
<td>44,091</td>
<td>62,805</td>
</tr>
<tr>
<td>2008</td>
<td>25,918,628</td>
<td>11,521,717</td>
<td>14,396,911</td>
<td>440,909</td>
<td>662,069</td>
</tr>
<tr>
<td>2009</td>
<td>26,969,184</td>
<td>13,363,984</td>
<td>13,605,200</td>
<td>470,000</td>
<td>690,523</td>
</tr>
<tr>
<td>2010</td>
<td>24,828,390</td>
<td>13,539,225</td>
<td>11,289,165</td>
<td>969,040</td>
<td>2,518,252</td>
</tr>
<tr>
<td>2011</td>
<td>28,042,836</td>
<td>14,181,242</td>
<td>13,861,594</td>
<td>985,000</td>
<td>2,465,993</td>
</tr>
</tbody>
</table>

1. Total operating revenues including interest
2. Total operating expenses exclusive of depreciation and amortization

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
Harnett County, North Carolina
Computation of Legal Debt Margin
Last ten fiscal years
(amounts expressed in thousands)
(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Limit</td>
<td>$236,787</td>
<td>$302,123</td>
<td>$365,835</td>
<td>$375,688</td>
<td>$394,282</td>
<td>$413,768</td>
<td>$438,721</td>
<td>$455,850</td>
<td>$545,723</td>
<td>$564,797</td>
</tr>
<tr>
<td>Total net debt applicable to limit</td>
<td>$100,586</td>
<td>$95,919</td>
<td>$92,645</td>
<td>$89,408</td>
<td>$93,927</td>
<td>$133,353</td>
<td>$139,737</td>
<td>$165,746</td>
<td>$157,095</td>
<td>$152,202</td>
</tr>
<tr>
<td>Total net debt applicable to the limit as a percentage of debt limit</td>
<td>42.48%</td>
<td>31.75%</td>
<td>25.33%</td>
<td>23.80%</td>
<td>23.82%</td>
<td>32.31%</td>
<td>31.85%</td>
<td>36.36%</td>
<td>26.29%</td>
<td>26.65%</td>
</tr>
</tbody>
</table>

**Legal Debt Margin Calculation for Fiscal Year 2010**

- **Assessed Value**: $7,059,964,644
- **Debt Limit (8% of total assessed value)**: 564,797,172

**Debt applicable to limit:**
- Certificates of participation: $106,025,000
- Installment Purchase: $27,058,535
- Revolving Loan: $16,254,250
- Issued and outstanding general bonded debt - enterprise funds: $23,013,000
- State Bond Loans: $2,565,000
- Revenue Bonds: $13,350,000
- Obligations under capital lease: $299,773

**Subtotal**: 188,565,588

**Authorized and unissued debt**: 24,556,000

**Total Gross Debt**: 213,121,588

**Less: Statutory deductions**
- Bonds issued and outstanding for water and sewer purposes: $23,013,000
- Revenue Bonds: $13,350,000
- Authorized and unissued debt: 24,556,000

**Total amount of debt applicable to debt limit**: 152,202,588

**Legal debt margin**: $412,594,583
# Harnett County, North Carolina

Demographic and Economic Statistics

Last Ten Fiscal Years
(Unaudited)

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Population¹</th>
<th>Personal Income²</th>
<th>Per Capita Income²</th>
<th>Median Age¹</th>
<th>School Enrollment³</th>
<th>Unemployment Rate⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>96,153</td>
<td>2,151,615,681</td>
<td>22,377</td>
<td>32.72</td>
<td>16,711</td>
<td>7.7%</td>
</tr>
<tr>
<td>2003</td>
<td>98,908</td>
<td>2,225,232,184</td>
<td>22,498</td>
<td>32.94</td>
<td>16,873</td>
<td>7.4%</td>
</tr>
<tr>
<td>2004</td>
<td>100,271</td>
<td>2,372,311,589</td>
<td>23,659</td>
<td>33.19</td>
<td>17,525</td>
<td>5.9%</td>
</tr>
<tr>
<td>2005</td>
<td>101,737</td>
<td>2,530,097,453</td>
<td>24,869</td>
<td>33.42</td>
<td>17,892</td>
<td>5.6%</td>
</tr>
<tr>
<td>2006</td>
<td>103,884</td>
<td>3,348,596,856</td>
<td>32,234</td>
<td>33.58</td>
<td>18,274</td>
<td>5.2%</td>
</tr>
<tr>
<td>2007</td>
<td>106,283</td>
<td>2,170,298,860</td>
<td>20,420</td>
<td>34</td>
<td>18,876</td>
<td>5.1%</td>
</tr>
<tr>
<td>2008</td>
<td>110,098</td>
<td>2,231,025,872</td>
<td>20,264</td>
<td>35</td>
<td>18,968</td>
<td>6.6%</td>
</tr>
<tr>
<td>2009</td>
<td>112,030</td>
<td>N/A</td>
<td>19,968</td>
<td>35</td>
<td>18,518</td>
<td>11.8%</td>
</tr>
<tr>
<td>2010</td>
<td>115,761</td>
<td>N/A</td>
<td>28,015</td>
<td>35</td>
<td>18,764</td>
<td>10.8%</td>
</tr>
<tr>
<td>2011</td>
<td>114,678</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>19,011</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

Sources:

1. NC State Demographics
2. NC Department of Commerce. Latest figures available are reflected. For the fiscal years ending 2009 and forward, the Personal Income expressed as a total dollar amount for the County is no longer available.
3. Harnett County Board of Education
4. NC Employment Security Commission
## Harnett County, North Carolina
### Principal Employers
#### Current Year and Nine Years Ago
**(Unaudited)**

<table>
<thead>
<tr>
<th>Employer</th>
<th>Employees</th>
<th>Rank</th>
<th>Percentage of Total County Employment</th>
<th>Employees</th>
<th>Rank</th>
<th>Percentage of Total County Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harnett County Public Schools</td>
<td>2,221</td>
<td>1</td>
<td>4.50%</td>
<td>1,982</td>
<td>1</td>
<td>4.58%</td>
</tr>
<tr>
<td>Harnett County Government *</td>
<td>887</td>
<td>2</td>
<td>1.86%</td>
<td>673</td>
<td>5</td>
<td>1.56%</td>
</tr>
<tr>
<td>Food Lion Distribution Center</td>
<td>758</td>
<td>3</td>
<td>1.59%</td>
<td>722</td>
<td>4</td>
<td>1.67%</td>
</tr>
<tr>
<td>Harnett Health System (Betsy Johnson)</td>
<td>709</td>
<td>4</td>
<td>1.48%</td>
<td>426</td>
<td>7</td>
<td>0.99%</td>
</tr>
<tr>
<td>Campbell University</td>
<td>630</td>
<td>5</td>
<td>1.32%</td>
<td>765</td>
<td>3</td>
<td>1.77%</td>
</tr>
<tr>
<td>Harnett Correctional Institute</td>
<td>381</td>
<td>6</td>
<td>0.80%</td>
<td>465</td>
<td>6</td>
<td>1.08%</td>
</tr>
<tr>
<td>Edwards Brothers, Inc.</td>
<td>280</td>
<td>7</td>
<td>0.59%</td>
<td>295</td>
<td>8</td>
<td>0.68%</td>
</tr>
<tr>
<td>Wal Mart</td>
<td>270</td>
<td>8</td>
<td>0.57%</td>
<td>283</td>
<td>9</td>
<td>0.65%</td>
</tr>
<tr>
<td>SAAB Barracuda, LLC</td>
<td>167</td>
<td>9</td>
<td>0.35%</td>
<td>97</td>
<td>13</td>
<td>0.22%</td>
</tr>
<tr>
<td>Grey Metal South</td>
<td>160</td>
<td>10</td>
<td>0.34%</td>
<td>162</td>
<td>11</td>
<td>0.37%</td>
</tr>
<tr>
<td>Champion Homes</td>
<td>108</td>
<td>11</td>
<td>0.23%</td>
<td>159</td>
<td>12</td>
<td>0.37%</td>
</tr>
<tr>
<td>Godwin Manufacturing</td>
<td>70</td>
<td>12</td>
<td>0.15%</td>
<td>202</td>
<td>10</td>
<td>0.47%</td>
</tr>
<tr>
<td>Esterline Defense</td>
<td>49</td>
<td>13</td>
<td>0.08%</td>
<td>66</td>
<td>14</td>
<td>0.18%</td>
</tr>
<tr>
<td>Energy Conversion Systems, Inc. (formerly Morganite)</td>
<td>0</td>
<td>14</td>
<td>0</td>
<td>839</td>
<td>2</td>
<td>1.94%</td>
</tr>
</tbody>
</table>

---

| Total                                              | 6,690     | 13.86%                             | 7,136     | 16.50%                             |

* denotes full-time equivalent

Source: Harnett County Economic Development Commission
<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002</td>
</tr>
<tr>
<td>General Government</td>
<td>103</td>
</tr>
<tr>
<td>Public Safety</td>
<td>156</td>
</tr>
<tr>
<td>Environmental Protection</td>
<td>2</td>
</tr>
<tr>
<td>Economic and Physical</td>
<td>44</td>
</tr>
<tr>
<td>Development</td>
<td></td>
</tr>
<tr>
<td>Human Services</td>
<td>212</td>
</tr>
<tr>
<td>Cultural &amp; Recreation</td>
<td>14</td>
</tr>
<tr>
<td>Water and Wastewater</td>
<td>58</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>599</td>
</tr>
</tbody>
</table>

Source: Harnett County Finance Office
# Harnett County, North Carolina
## Operating Indicators by Function
### Last Ten Fiscal Years
(unaudited)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fire</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of calls answered</td>
<td>4,615</td>
<td>4,200</td>
<td>4,300</td>
<td>4,628</td>
<td>4,975</td>
<td>5,277</td>
<td>4,719</td>
<td>5,426</td>
<td>5,641</td>
<td>6,110</td>
</tr>
<tr>
<td><strong>Sheriff</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of law violations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrests</td>
<td>6,265</td>
<td>6,582</td>
<td>7,019</td>
<td>7,372</td>
<td>8,566</td>
<td>5,082</td>
<td>5,734</td>
<td>8,166</td>
<td>9,348</td>
<td>10,656</td>
</tr>
<tr>
<td>Traffic violations</td>
<td>446</td>
<td>406</td>
<td>1,433</td>
<td>1,535</td>
<td>2,035</td>
<td>2,900</td>
<td>2,492</td>
<td>2,274</td>
<td>2,333</td>
<td>2,394</td>
</tr>
<tr>
<td><strong>Inspections</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of permits issued</td>
<td>4,048</td>
<td>5,304</td>
<td>2,228</td>
<td>2,850</td>
<td>2,638</td>
<td>2,543</td>
<td>2,359</td>
<td>2,413</td>
<td>2,900</td>
<td>3,085</td>
</tr>
<tr>
<td><strong>Culture and Recreation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Circulation</td>
<td>343,814</td>
<td>323,490</td>
<td>341,655</td>
<td>337,527</td>
<td>373,052</td>
<td>393,693</td>
<td>399,271</td>
<td>413,756</td>
<td>405,757</td>
<td>411,437</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water System:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily average treatment in gallons</td>
<td>7,200,000</td>
<td>7,500,000</td>
<td>7,500,000</td>
<td>7,500,000</td>
<td>8,200,209</td>
<td>8,742,905</td>
<td>9,870,257</td>
<td>9,938,972</td>
<td>10,998,199</td>
<td>13,293,948</td>
</tr>
<tr>
<td>Sewer System:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily average treatment in gallons</td>
<td>1,100,000</td>
<td>1,230,000</td>
<td>1,230,000</td>
<td>1,280,000</td>
<td>1,585,653</td>
<td>1,845,865</td>
<td>2,352,271</td>
<td>2,501,383</td>
<td>2,824,172</td>
<td>3,266,397</td>
</tr>
</tbody>
</table>

Source: Information provided by various county departments
<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fire</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Stations</td>
<td>18</td>
<td>18</td>
<td>18</td>
<td>15</td>
<td>18</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td><strong>Sheriff</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of stations</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Number of patrol units</td>
<td>46</td>
<td>84</td>
<td>98</td>
<td>98</td>
<td>104</td>
<td>107</td>
<td>152</td>
<td>139</td>
<td>156</td>
<td>138</td>
</tr>
<tr>
<td><strong>Culture and Recreation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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Harnett County, North Carolina  
Capital Assets Statistics by Function  
Last Ten Fiscal Years  
(Unaudited)

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Source: Information provided by various county departments and local hospital administration department.
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