

**HARNETT COUNTY
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2021

HARNETT COUNTY, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

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November 29, 2021

Board of County Commissioners
Harnett County, North Carolina

We are pleased to present the Annual Comprehensive Financial Report of Harnett County (the "County") for the fiscal year ended June 30, 2021. The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Martin Starnes & Associates, CPA's, P.A. and that firm's unmodified 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.

HARNETT COUNTY GOVERNMENT PROFILE

The County, formed in 1855, is 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 eleventh fastest growing county in the State based on the US Census Bureau's population estimate for 2020 of 133,568. The county seat, the Town of Lillington, has a population of 4,735 while the City of Dunn, the largest

municipality located in the County, has a population of 8,446. These two municipalities comprise approximately 9.86% of the total County population.

The County contains 601 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, the 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 28 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 in the center of North Carolina, on the Cape Fear River. The County's 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 in the Fayetteville-Sanford-Lumberton MSA. 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 two 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.

Campbell University, located in Buies Creek, is one of the largest private institutions of higher education in North Carolina. The University is home to more than 6,000 students across 4 campuses and online – Harnett County, Raleigh, Camp Lejeune, and Fort Bragg. The Buies Creek Campus located in Harnett County hosts approximately 5,000 undergraduate and graduate students. Known for its high-quality education with a low student-teacher ratio, Campbell offers more than 100 undergraduate tracks along with graduate programs such as Norman Adrian Wiggins School of Law, College of Pharmacy and Health Science (opened August 2016), Lundy-Fetterman School of Business; Catherine W. Wood School of Nursing (opened August 2016), Jerry M. Wallace School of Osteopathic Medicine (opened August 2013), Education, Divinity and Engineering (opened August 2016). In 2018, Campbell's School of Nursing received accreditation and graduated its first class of nurses. The University's School of

Osteopathic Medicine continues to have a significant impact on the residents of Harnett County and southeastern NC, opening a second Health Center in Dunn and creating 350 new residency positions in 18 programs at five affiliate organizations. Additionally, Campbell completed construction of an Engineering Annex, Admissions and Financial Aid building. The Oscar N. Harris Student Union Building, a 100,000 square foot student union that serves as a hub for student activity. The facility includes a banquet hall that will seat up to 800 people for formal events, conferences, and provide much needed multi-purpose event space for the County.

Central Carolina Community College (CCCC), whose main campus is in Lee County offers degree, diploma and certificate opportunities in more than 130 college-level programs of study and over 750 curriculum courses across three campuses in Harnett County, Chatham County and Lee County. CCCC has a current enrollment of nearly 5,000 curriculum students and offers five associates degrees including Arts, Engineering, Science, Fine Arts and Applied Science. CCCC was ranked 1st out of 58 North Carolina public community colleges by Niche, a website that reviews neighborhoods and schools, on their list of “2020 Best Community Colleges”. CCCC Harnett County Campus hosts a variety of programs that include Accounting, Culinary Arts, Laser and Photonics and pre-Associate in Arts, Engineering and Science for transfer to a four year institution. CCCC has developed an innovative partnership with the Harnett County Public Schools to offer an Early College Program. This program is designed to target students that could benefit from accelerated learning opportunities. In addition, the Harnett County Board of Commissioners entered into an agreement with CCCC to begin funding the “Harnett Promise” program in 2020. This program provides eligible students graduating in Harnett County two years of free CCCC tuition.

Harnett County is focused on creating an environment where companies thrive, and residents enjoy an enhanced quality of life that preserves the county’s agricultural heritage. Key focus areas include marketing, business recruitment, existing industry support, and product development. The County’s economic development efforts include an Economic Development Council, comprised of private sector and public partner stakeholders, who guide and direct economic development work, as well as a strong nonprofit partner, Harnett County Properties Corporation (HCPC). The HCPC works to stimulate, encourage and promote the economic development of Harnett County by providing services and aid of nature and kind calculated to encourage and facilitate the locating, establishing, building, operating and maintaining of new, existing and additional businesses and industries in the County. Growth in the County’s local economy and quality of life initiatives included the following:

- Krigen Pharmaceuticals continues improvements to its 55,000 square-foot manufacturing facility in the Town of Lillington, investing nearly \$5 million to date. The project is Krigen’s first U.S. manufacturing facility and is expected to create approximately 117 jobs.
- In July 2020, the City of Dunn joined the Town of Angier in being recognized as one of the latest North Carolina Main Street Communities.
- Harnett Health continues planning for development of a 4.12-acre tract adjacent to Central Harnett Hospital in Brightwater Business Park. Announced expansion plans include a 40,000 s.f. medical office building expected to create 20 new full-time healthcare jobs and a primary care clinic, cardiology services, and a cancer center.

- Harnett County Parks & Recreation opened Patriots Park in the Fall of 2020 including multipurpose fields, a walking trail, and other infrastructure.
- The Cape Fear Shiner river park was completed in the Fall of 202 and includes a large multipurpose field, two baseball/softball fields, walking trails, water access, and a river overlook. Future phases will include an amphitheater, fairgrounds building, and farmers' market.
- In January 2021, the County adopted a County-wide Bicycle, Pedestrian, & Greenway Master Plan to identify priorities for future greenway development to shape the development of future amenities for walking, cycling, and trails in the County.
- The FY 2021 County Budget included \$420,000 of funding for the continuation of Harnett Promise, a program which provides eligible students graduating in Harnett County two years of free CCCC tuition. This program will enhance workforce development efforts to meet the needs of business and industry, both locally and regionally.
- Godwin Manufacturing Co. Inc. a part of the Godwin Group, completed a \$3.5 million expansion and improvement initiative. The project included an 18,000 square foot fabrication expansion, new state-of-the-art equipment, and process improvements allowing the company to expand product lines and materials to keep up with industry demand.
- Previously operated by a contracted FBO, in June 2021, Harnett Regional Jetport transitioned to a County operated facility. Multiple improvement projects underway or recently completed: airfield lighting project, apron expansion, fuel tank replacement, and new terminal construction.
- Harnett County District H Tourism Development Authority (Harnett County Tourism Authority) markets tourism and visitor activities throughout the County.
- In May 2021, the County announced kickoff of the Strong Roots, Smart Growth Strategic Plan effort to review and update recommendations from the 2015 Plan.

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 \$37,143,675 or 28.48% 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 among the fastest growing counties 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 several years Harnett County's growth

is expected to continue 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 is the Harnett County Properties Corporation

Highway 87, a four-lane highway continues to see strong growth from the major presence at Fort Bragg as thousands of new residents have chosen homes along the corridor. The United States Army Forces Command Headquarters and the United States Army Reserve Command began operation at Fort Bragg in October, 2011. These headquarters continue to aid in luring defense related companies into the area so they can have strong relationships with the entities who contract for all defense services and support those in uniform. 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. An annual survey, structured visitation program, newsletters and recognition of contributions to job growth aids in maintaining a strong bond between companies and the Economic Development 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.

During the fiscal year, the County began two projects:

- Northwest Harnett Elementary School which includes the purchase of land for and construction of a new elementary school to accommodate up to 1050 students. The groundbreaking is scheduled for Fall of 2021.
- Emergency Watershed Protection Project for hazardous debris removal from the Upper Little River, Lower Little River, and Anderson Creek caused by Hurricane Florence. This project is intended to improve the flow of flood waters from future heavy rains away from populated areas.

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 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. Several ordinances and planning policies continue to be revised and strengthened to deal with ongoing development issues and challenges. Finally, in regard 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 using 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.

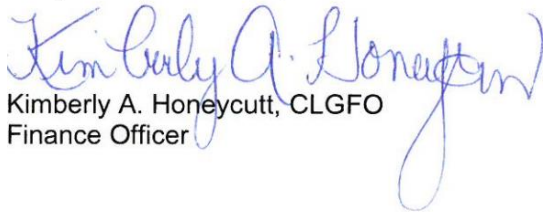
The legal level of control over expenditures is at the department level for the General Fund, Special Revenue funds, and Enterprise funds. The balances in the Capital Reserve Funds will be appropriated when transferred to the General Fund or their respective capital project funds. The County Manager 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 \$1,000,000 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.

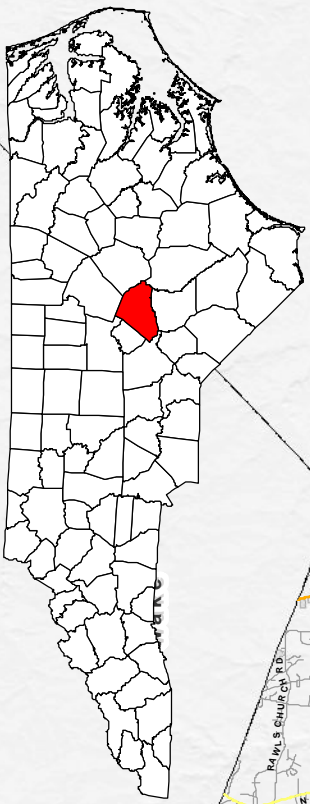
ACKNOWLEDGMENTS

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,



Kimberly A. Honeycutt, CLGFO
Finance Officer



Johnston

Sampson

Cumberland

Chatham

Moore

Harnett COUNTY

NORTH CAROLINA



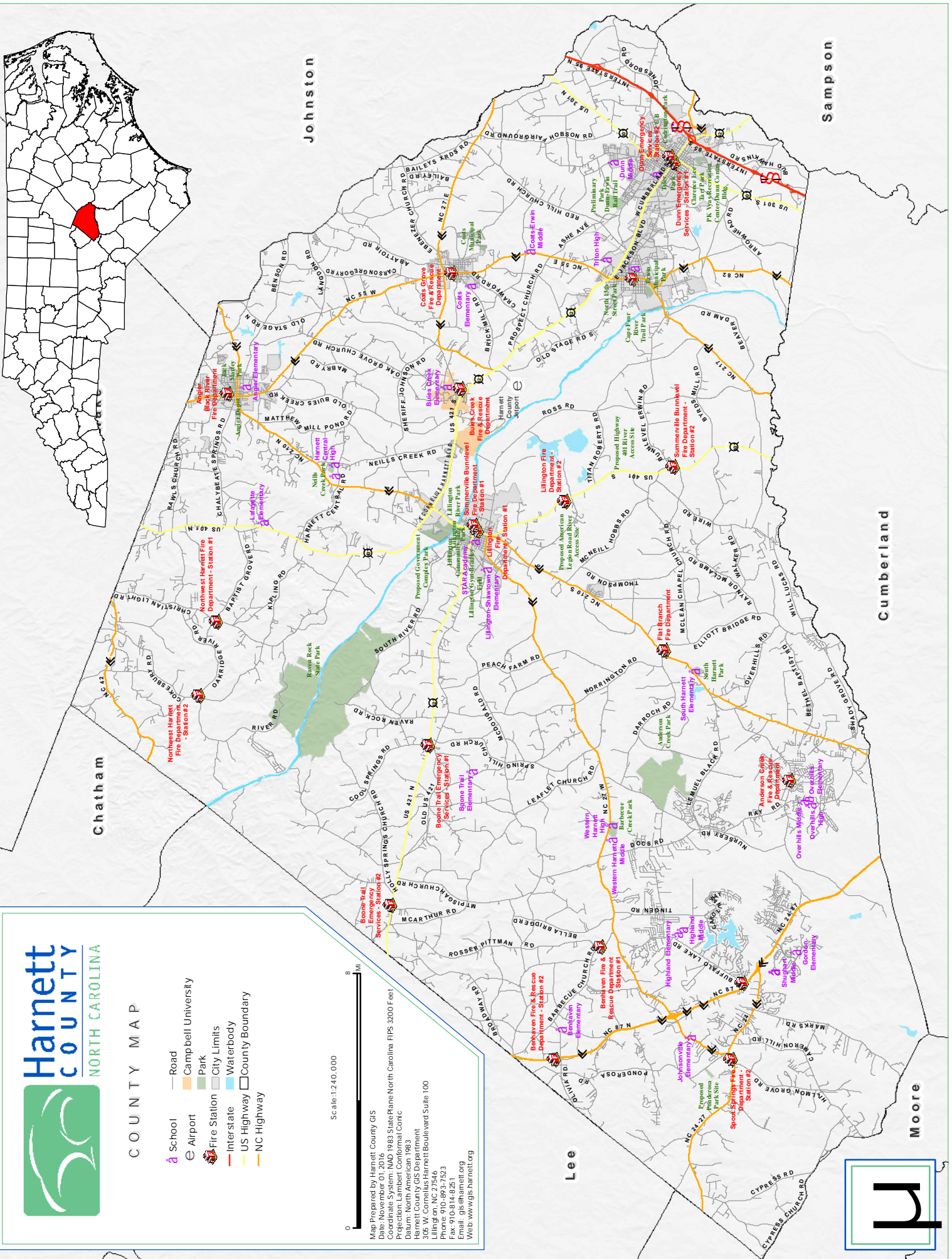
COUNTY MAP

- Road
- Campbell University
- Park
- City Limits
- Fire Station
- Waterbody
- Interstate
- US Highway
- NC Highway
- County Boundary

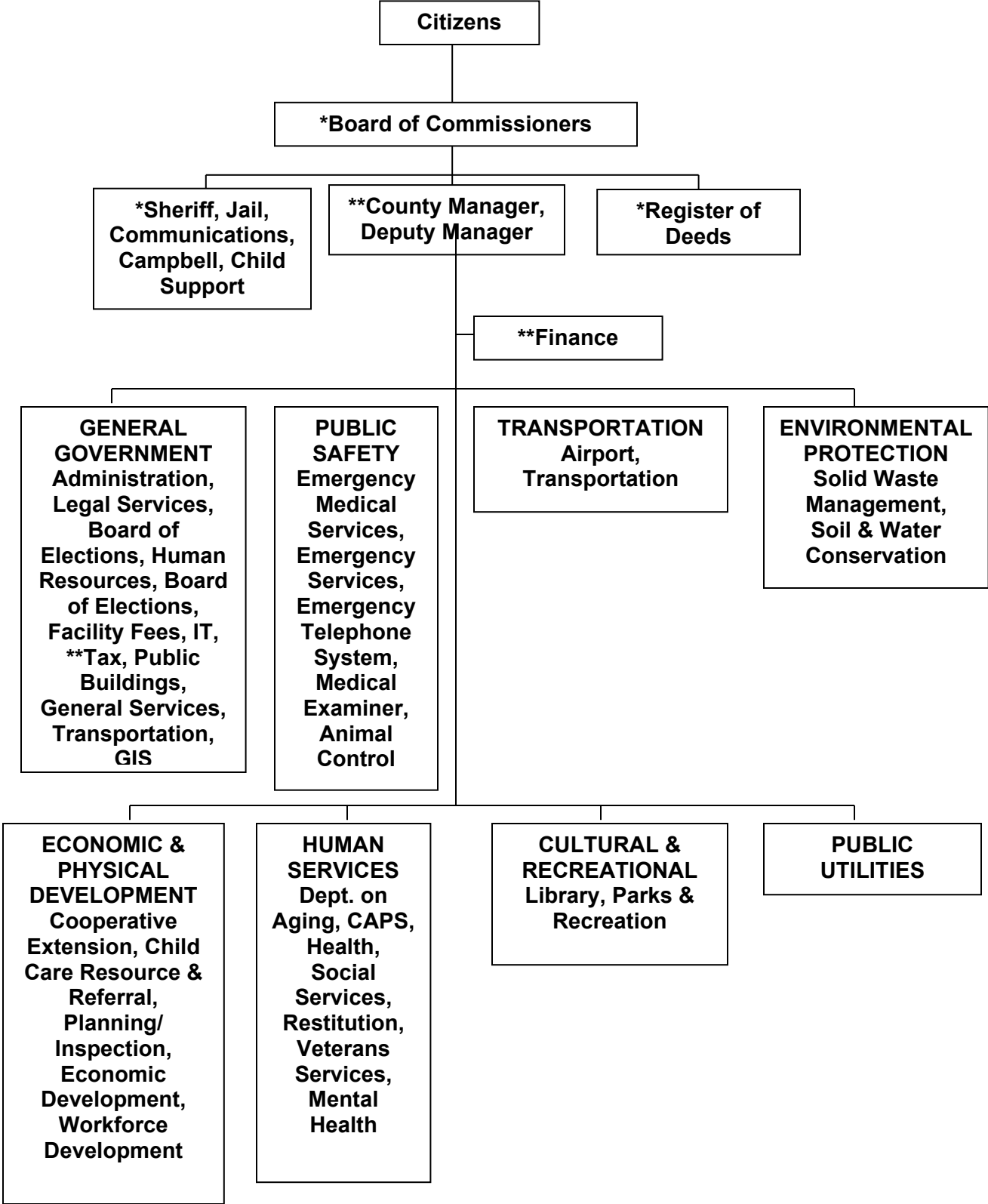
Scale: 1:240,000



Map Prepared by Harnett County GIS
 Date: November 01, 2016
 Coordinate System: NAD 1983 StatePlane North Carolina FIPS 3200 Feet
 Projection: Lambert Conformal Conic
 Datum: North American 1983
 Harnett County GIS Department
 Lillington, NC 27564, Harnett Boulevard Suite 100
 Phone: 910-893-7523
 Fax: 910-814-8251
 Email: gis@harnett.org
 Web: www.gis.harnett.org



**HARNETT COUNTY
ORGANIZATIONAL CHART**



* Elected Positions
** Appointed Positions

HARNETT COUNTY, NORTH CAROLINA

Board of County Commissioners

District 1



Barbara McKoy

District 2



Mark Johnson

District 3



W. Brooks Matthews
Chairman

District 4



Lewis Weatherspoon
Vice-Chairman

District 5



Matthew Nicol

County Officers

Paula K. Stewart, County Manager

Brian Haney, Assistant County Manager

Coley Price, Assistant County Manager

Kimberly A. Honeycutt, CLGFO, Finance Officer

Allen L. Coats, CLGFO, Deputy Finance Officer

Wayne A. Coats, Sheriff

Kimberly S. Hargrove, Register of Deeds

Dwight Snow, County Attorney

Allison Fenderson, Chairman, Board of Elections

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FINANCIAL SECTION

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Independent Auditor's Report

To the Board of Commissioners
Harnett County
Lillington, North Carolina

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 7 to the financial statements, effective July 1, 2020, the entity adopted new accounting guidance promulgated in GASB Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Post-Employment Benefits' Schedule of Changes in the Net OPEB Liability and Related Ratios, County Contributions, and Investment Returns, the Local Governmental Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll 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, economical, 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 any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Harnett County's basic financial statements. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act 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 ad valorem tax schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting

and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021, 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 grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of Harnett County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harnett County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 29, 2021

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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, 2021. 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.

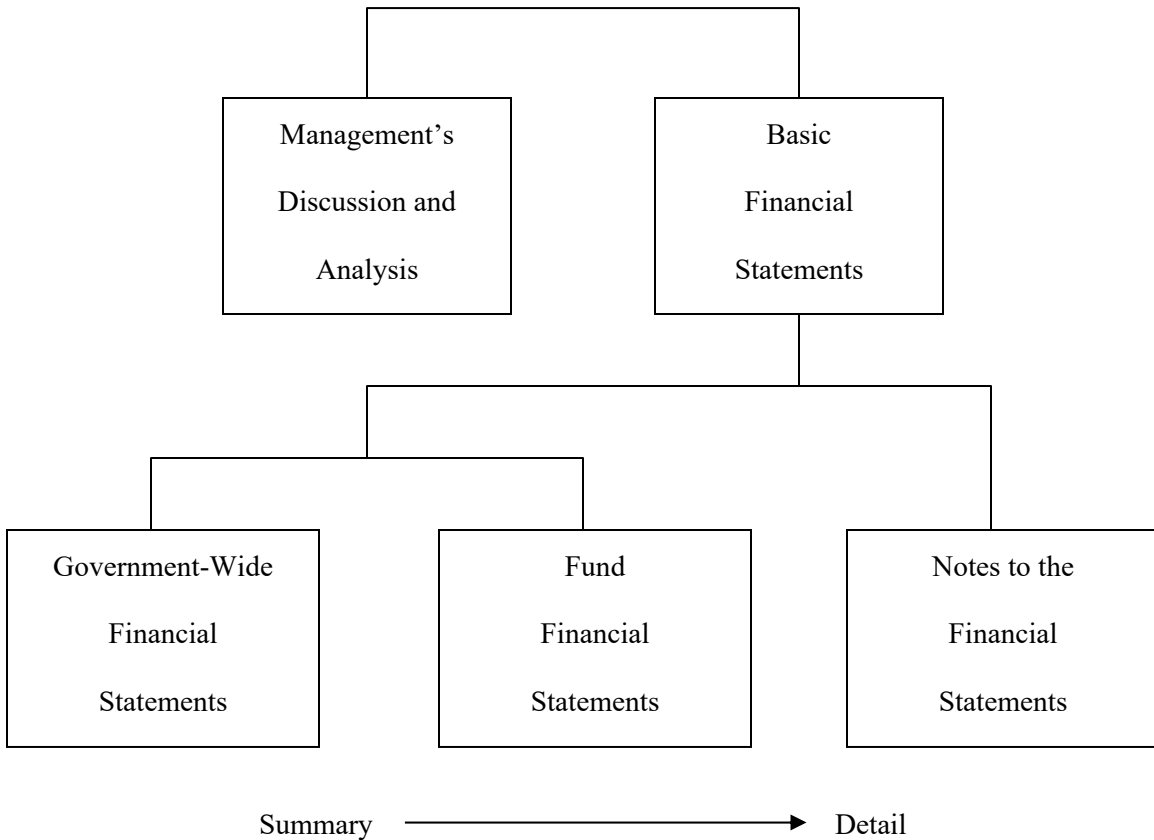
Financial Highlights

- The assets and deferred outflows of resources of Harnett County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$368,826,150 (net position).
- The government's total net position increased by \$21,004,367. This increase was due to an increase in the receipt of charges for services, operating grants and contributions, and local option sales tax for the governmental activities, as well as the implementation of GASB Statement No. 84, *Fiduciary Activities*, which created two new special revenue funds that were once treated as agency funds.
- As of the close of the current fiscal year, Harnett County's governmental funds reported combined ending fund balances of \$110,977,323, an increase of \$20,258,983 in comparison with the prior year. Approximately 31% of this total amount, or \$34,618,086, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$37,143,675, or 28.05%, of total General Fund expenditures and transfers out for the fiscal year.
- Harnett County's long-term obligations increased by \$3,422,510 (1.72%) during the current fiscal year. This increase was due to additional debt proceeds related to the Elementary School Projects and multiple debt refunding's in fiscal year 2021.
- Harnett County has Aa2/AA- General Obligation Bond Ratings and Aa3/A+ Limited Obligation Bond and Certificate of Participation Ratings from Moody's Investors Services and Standard and Poor's, respectively. Additionally, while the County no longer has public Revenue Bond debt outstanding, Moody's Investors Service maintains a Revenue Bond rating of Aa3.

Overview of the Financial Statements

This discussion and analysis is 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
Figure 1**



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 K) 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 statement. The next section of the basic financial statements is the **notes to the financial statements**. The notes 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 position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge 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 part of basic financial statements 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 governmental activities (reported in the Statement of Net Position 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 Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Harnett County has two fiduciary trust funds, one of which is an OPEB trust fund for reporting purposes and a LEOSA trust fund for reporting purposes and two custodial 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 six 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 directly follow the basic financial statements 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 directly following the notes to the financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$368,826,150 as of June 30, 2021. The County's net position increased by \$21,004,367 for the fiscal year ended June 30, 2021.

The largest portion totaling \$333,981,881 reflects the County's net investment in capital assets (e.g., land, buildings, machinery, and equipment). 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. An additional portion of the County's net position totaling \$23,058,395 (6.25%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$11,785,874 is unrestricted.

Harnett County's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Assets						
Cash and cash equivalents	\$ 99,212,926	\$ 81,143,517	\$ 78,374,424	\$ 66,796,878	\$ 177,587,350	\$ 147,940,395
Taxes receivable, net	619,708	551,267	-	-	619,708	551,267
Accounts receivable, net	4,575,162	6,466,982	5,922,641	6,049,334	10,497,803	12,516,316
Due from other governments	12,136,581	8,602,745	-	-	12,136,581	8,602,745
Internal balance	(2,336,249)	(2,023,058)	2,336,249	2,023,058	-	-
Note Receivable	2,175,500	2,525,500	-	-	2,175,500	2,525,500
Inventories	22,997	9,453	640,831	653,196	663,828	662,649
Prepaid items	884	102,807	-	-	884	102,807
Restricted assets:						
Cash and cash equivalents	18,347,498	16,733,042	2,120,050	2,220,349	20,467,548	18,953,391
Net pension asset	279,721	208,671	-	-	279,721	208,671
Capital assets:						
Land and construction						
in progress	32,358,687	20,911,835	32,270,695	23,942,669	64,629,382	44,854,504
Other capital assets, net	73,311,761	75,479,770	301,701,902	310,239,962	375,013,663	385,719,732
Total assets	240,705,176	210,712,531	423,366,792	411,925,446	664,071,968	622,637,977
Deferred Outflows of Resources	27,340,659	24,030,857	3,825,188	3,957,925	31,165,847	27,988,782
Liabilities						
Accounts payable	8,237,405	9,753,858	4,861,956	2,046,573	13,099,361	11,800,431
Customer deposits	-	-	2,120,050	2,220,349	2,120,050	2,220,349
Unearned revenue	-	-	228,601	197,039	228,601	197,039
Current portion of						
compensated absences	1,983,761	1,924,170	455,113	490,867	2,438,874	2,415,037
Claims payable - current	360,000	360,000	-	-	360,000	360,000
Long-term liabilities:						
Non-current portion of						
compensated absences	661,254	641,390	151,704	163,622	812,958	805,012
Claims payable - non-current	67,942	359,196	-	-	67,942	359,196
Due in less than one year	15,024,285	13,451,713	3,690,576	3,682,695	18,714,861	17,134,408
Due in more than one year	230,050,129	207,927,065	55,255,936	57,837,112	285,306,065	265,764,177
Total liabilities	256,384,776	234,417,392	66,763,936	66,638,257	323,148,712	301,055,649
Deferred Inflows of Resources	2,795,897	1,616,363	467,056	263,822	3,262,953	1,880,185
Net Position						
Net investment in capital assets	45,552,237	40,586,139	288,429,644	285,552,395	333,981,881	326,138,534
Restricted for:						
Stabilization by state statute	18,815,387	18,068,403	-	-	18,815,387	18,068,403
Register of Deeds	365,597	309,805	-	-	365,597	309,805
General government	14,398	14,443	-	-	14,398	14,443
Education	163	-	-	-	163	-
Public safety	3,747,500	5,125,866	-	-	3,747,500	5,125,866
Memorials	115,350	-	-	-	115,350	-
Unrestricted	(59,745,470)	(65,395,023)	71,531,344	63,428,897	11,785,874	(1,966,126)
Total net position	\$ 8,865,162	\$ (1,290,367)	\$ 359,960,988	\$ 348,981,292	\$ 368,826,150	\$ 347,690,925

As with many counties in the State of North Carolina, the County's unrestricted net position 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 the 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 \$112.5 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 position:

- Continued diligence in the collection of current year property taxes by achieving a collection percentage of 99.44% for real and personal property.
- An increase in sales tax revenue.
- Continued low cost of debt due to the County's bond rating.

Harnett County's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 29,911,586	\$ 34,116,229	\$ 50,356,322	\$ 47,934,552	\$ 80,267,908	\$ 82,050,781
Operating grants and contributions	12,445,100	14,789,313	-	-	12,445,100	14,789,313
Capital grants and contributions	-	-	4,138,486	2,581,893	4,138,486	2,581,893
General revenues:						
Property taxes	80,167,654	75,867,248	-	-	80,167,654	75,867,248
Local option sales tax	39,711,979	33,693,156	-	-	39,711,979	33,693,156
Other taxes and licenses	3,050,213	2,778,003	299,010	283,640	3,349,223	3,061,643
Unrestricted intergovernmental	43,235	14,153	-	-	43,235	14,153
Investment earnings	66,876	1,676,825	4,634	149,624	71,510	1,826,449
Total revenues	165,396,643	162,934,927	54,798,452	50,949,709	220,195,095	213,884,636
Expenses:						
General government	17,181,824	19,607,411	-	-	17,181,824	19,607,411
Public safety	53,578,893	48,548,276	-	-	53,578,893	48,548,276
Transportation	2,570,391	1,925,372	-	-	2,570,391	1,925,372
Environmental protection	224,948	226,440	-	-	224,948	226,440
Economic and physical development	3,122,757	4,819,635	-	-	3,122,757	4,819,635
Human services	26,123,875	28,276,022	-	-	26,123,875	28,276,022
Cultural and recreation	3,409,512	3,277,094	-	-	3,409,512	3,277,094
Education	44,215,752	33,351,865	-	-	44,215,752	33,351,865
Interest on long-term debt	4,944,020	4,666,259	-	-	4,944,020	4,666,259
Landfill	-	-	5,749,294	5,453,348	5,749,294	5,453,348
Water and sewer	-	-	38,069,462	34,883,209	38,069,462	34,883,209
Total expenses	155,371,972	144,698,374	43,818,756	40,336,557	199,190,728	185,034,931
Change in net position	10,024,671	18,236,553	10,979,696	10,613,152	21,004,367	28,849,705
Net position, July 1	(1,290,367)	(19,526,920)	348,981,292	338,368,140	347,690,925	318,841,220
Restatement	130,858	-	-	-	130,858	-
Net position, July 1	(1,159,509)	(19,526,920)	348,981,292	338,368,140	347,821,783	318,841,220
Net position, June 30	\$ 8,865,162	\$ (1,290,367)	\$ 359,960,988	\$ 348,981,292	\$ 368,826,150	\$ 347,690,925

Governmental Activities. Governmental activities increased the County's net position by \$10,024,671. Key elements of this decrease are as follows:

- Increase in the collection of property taxes over the prior year. Harnett County has historically recognized strong collection percentages for ad valorem taxes. Just prior to the pandemic, the County's collection rate for fiscal year 2019 was 99.61%; once the pandemic hit, it dropped to 99.29% for fiscal year 2020 but is now showing a promising recovery as evidenced by the collection rate of 99.44% for fiscal year ending 2021. In addition, the total property valuation grew from \$9,053,055,275 in fiscal year 2020 to \$9,464,948,786 in fiscal year 2021.
- Collections of local option sales tax remained strong increasing to \$39,711,979 from \$33,693,156 over the prior year. despite the effects of COVID 19 on the state, was due to an increase in sales activity. Economists continue to analyze the impacts of the pandemic on sales tax. During the early months of the pandemic, the increase was driven by consumers stocking up on disposable goods as well as a more pronounced move to online shopping as local sources became limited. As fiscal year 2021 came to a close, steadier collections were recognized as shoppers continued to take advantage of online ordering and pickup services offered by merchants.

Overall expenses for Governmental Activities increased to \$155,371,972 from \$144,698,374 over the prior year. A highlight of these include:

- Expenditures for Public safety increased to \$53,578,893 from \$48,548,276 or 10%. Contributing to this increase was due to full year of grade reclassifications for Detention Officers that were approved to address staffing shortages; an increase in the cost of fuel for patrol vehicles, operating costs for Emergency Services and the Sheriff in response to enhanced COVID protocols. The largest area of increase was due to the purchase of public safety capital.
- The largest increase in Governmental Activities was due to the increase in Education to \$44,215,752 from \$33,351,865 and was due to the activity associated with the construction of the new Erwin Elementary School. This project consists of the demolition and construction of the Erwin Elementary School which will accommodate 700 children.

Property taxes increased by \$4,300,406 to \$80,167,654. The County remains strong in its collection of taxes as evidenced by a collection rate to 99.44%.

Business-Type Activities. Business-type activities increased Harnett County's net position by \$10,979,696. Key elements of this increase are as follows:

- Revenues increased due to the growth of water and sewer connections that Public Utilities provides for its citizens, in residential water sales, as well as neighboring counties in the sale of water to Moore and Johnston County. This activity continues to make Public Utilities one of the largest providers in the state. With that distinction, the number of customers and service connections continue to grow from year to year. Public Utilities' continually monitors the impact of their fee structure each year and its impact on the associated revenue bonds. In response, fees are adjusted to maintain the required debt coverage and to maintain consistency with cost of living impact.
- The increase in the net position of the business-type activities was also due to an increase in the Operating Grants and Contributions associated with system infrastructure.
- The landfill services provided by Solid Waste continue to positively impact the revenue generated. Solid Waste continues to improve their financial position through the collection of accounts receivable and landfill activity.

Capital grants and contributions increased by \$1,556,593 to \$4,138,486 due to an increase increase in the activity associated with various Public Utilities projects.

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, fund balance available for appropriation 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 County's fund balance available in the General Fund was \$62,553,096, while total fund balance reached \$82,303,027. The County currently has an available fund balance of 47.24% of general fund expenditures and transfers out, while total fund balance represents 62.16% of the same amount. The increase in the County's fund balance can be attributed to many areas. The tax collection percentage of the County continues to remain a strong point of its strengthening fund balance. For 2021, the County's Tax Collection Rate was 99.44%.

At June 30, 2021, the governmental funds of Harnett County reported a combined fund balance of \$110,977,323, a 22.36% increase over last year. The primary reason for this increase was due to the large debt proceeds related to Erwin Elementary School Capital Project.

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 position of the Solid Waste Fund at the end of the fiscal year amounted to \$4,087,520, and those for the Water and Sewer Fund equaled \$65,107,575. The total growth in net position for both funds was \$2,453,924 and \$8,212,581, 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 appropriations by \$6,228,194. Following are the main components of this increase:

Capital Asset and Debt Administration

Capital Assets. Harnett County's capital assets for its governmental and business-type activities as of June 30, 2021, totals \$439,643,045 (net of accumulated depreciation). These assets include buildings, land, construction in progress, buildings, land improvements, furniture, computer hardware, computer software, fixtures, machinery and equipment, park facilities, vehicles and plant distribution, and collection systems.

Major capital asset transactions during the year include:

- Purchased vehicles for the Sheriff, Emergency Services, Animal Service, Planning and Social 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's Capital Assets
(net of depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 3,577,178	\$ 3,577,178	\$ 2,760,532	\$ 2,760,532	\$ 6,337,710	\$ 6,337,710
Plant, distribution, and collection systems	-	-	285,007,392	291,785,288	285,007,392	291,785,288
Buildings	63,895,389	66,106,590	14,786,003	15,422,809	78,681,392	81,529,399
Land improvements	4,054,841	5,360,946	-	-	4,054,841	5,360,946
Equipment	2,135,497	856,803	1,145,883	2,228,299	3,281,380	3,085,102
Vehicles	3,226,034	3,155,431	762,624	803,566	3,988,658	3,958,997
Construction in progress	28,781,509	17,334,657	29,510,163	21,182,137	58,291,672	38,516,794
Total	<u>\$ 105,670,448</u>	<u>\$ 96,391,605</u>	<u>\$ 333,972,597</u>	<u>\$ 334,182,631</u>	<u>\$ 439,643,045</u>	<u>\$ 430,574,236</u>

Additional information on Harnett County's capital assets can be found in Note 2 beginning on page 50 of this report.

Long-Term Debt. As of June 30, 2021, Harnett County had total debt outstanding of \$202,385,296. Of this amount, \$62,794,000 represents general obligation bonds issued by the County's governmental funds and 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, 2021, the County's outstanding debt consisted of:

Harnett County's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Installment purchases -						
Direct placement	\$ 27,673,366	\$ 87,509,407	\$ -	\$ 1,297,430	\$ 27,673,366	\$ 88,806,837
General obligation bonds	51,100,000	25,075,000	11,694,000	11,928,000	62,794,000	37,003,000
Capitalized leases	15,902,930	16,700,284	-	-	15,902,930	16,700,284
Limited obligation bonds	65,115,000	21,145,000	15,525,000	14,985,000	80,640,000	36,130,000
Special obligation bonds	-	-	-	571,000	-	571,000
Revenue bonds	-	-	15,375,000	7,854,996	15,375,000	7,854,996
State bond loans -						
Direct borrowing	-	-	-	11,896,669	-	11,896,669
Total	<u>\$ 159,791,296</u>	<u>\$ 150,429,691</u>	<u>\$ 42,594,000</u>	<u>\$ 48,533,095</u>	<u>\$ 202,385,296</u>	<u>\$ 198,962,786</u>

Harnett County's total debt increased by \$3,422,510 (1.72%) during the past fiscal year, primarily due to debt proceeds in the current year.

As mentioned in the financial highlights section of this document, Harnett County held the following ratings:

- General Obligation: Moody's – Aa2
Standard & Poor's - AA-
- Revenue: Moody's – Aa3
- COPS/LOBS: Moody's – Aa3
Standard & Poor's - A+

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Harnett County is approximately \$543,666,719.

Additional information on Harnett County's long-term debt can be found in Note 2 beginning on page 54 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Harnett County for the fiscal year ending June 30, 2021 has been estimated to be 5.2% which is an increase from a rate of 5.0% a year ago. Compared to the State average of 4.4% for the same period, the County is above the State average.
- G.S. 105-287 requires that units of local government reappraise real property at least once every eight years. The County, on the recommendation of the NC Department of Revenue, has adopted a resolution to move to a four-year appraisal cycle. The County's next reappraisal is scheduled for January 1, 2022. The total property valuation for the fiscal year ended 2021 was \$9,464,948,786 up from \$9,053,055,275 for fiscal year ended 2020.
- Total sales tax collections continued to increase during the fiscal year ended June 30, 2021 to \$39,711,979 from \$33,693,156 from the year ended June 30, 2020, an increase of 17.86% over last year's collections.
- Harnett County's population continues to grow. The North Carolina Office of State Budget & Management's population estimate for Harnett County increased 685 from an estimated 137,358 in 2020 to 138,043 in 2021.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities. Collections from property taxes, sales tax 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 \$154,807,232 and include amounts appropriated for interfund transfers for debt service and capital reserve. The budget increased over the fiscal year ended 2021 budget due to the appropriation to the Education Capital Reserve Fund. The County adopts a five-year capital plan for the General Fund in the prior fiscal year and approves capital purchases as part of a defined CIP plan each fall for the upcoming year. This pro-active plan addresses upcoming capital needs and the transfer of funds to meet these needs and contains an appropriation for maintenance of the school's facilities. The 2022-2022 budget has been budgeted very conservatively and contains modest appropriations in forecast estimates for sales tax and growth. With the continued, but cautious, uncertainty of the COVID pandemic, the County began reducing expenditures, with the exception of safety measures and personal protective gear, during the 2021 fiscal year and the 2022 budget continues that philosophy. Departments have been asked to continue to find ways to improve efficiency while managing expenses. In response to the governor's directive to stay home, county offices were closed to

the public and employees were asked to telework where possible; difficult at first, the County was able to find new and innovative ways to continue the level of customer service. Harnett County has been identified by the US Census Bureau as the number one micro area in the country, having gained more new residents in the past 15 months ending July 2011 than any other micro area in the nation. The County is currently the fifth fastest growing County in North Carolina. The County stands poised in terms of job creation and service expansion as evidenced by the Highway 421 medical corridor and its pending and ongoing construction. The Board of Commissioners understands this growth and the potential impact it has upon the County. The 2022 Budget contains an appropriation from fund balance in the amount of \$3,044,869.

Business-Type Activities. The Meter Fees for the ¾” (Electronic/Radio Read/Automatic Read) and 1” increased for all water and sewer districts for the 2021-2022 fiscal year while the rates for Solid Waste remained unchanged for landfill activity. Expenditures for public utilities and solid waste for the fiscal year have been budgeted at \$37,798,561 and \$6,735,000 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, 420 McKinney Parkway, Lillington, North Carolina 27546.

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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 POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 99,212,926	\$ 78,374,424	\$ 177,587,350
Taxes receivable, net	619,708	-	619,708
Accounts receivable, net	4,575,162	5,922,641	10,497,803
Due from other governments	12,136,581	-	12,136,581
Internal balance	(2,336,249)	2,336,249	-
Inventories	22,997	640,831	663,828
Prepaid items	884	-	884
Restricted assets:			
Cash and cash equivalents	18,347,498	2,120,050	20,467,548
Total current assets	132,579,507	89,394,195	221,973,702
Non-current assets:			
Net pension asset	279,721	-	279,721
Note receivable	2,175,500	-	2,175,500
Capital assets:			
Land and construction in progress	32,358,687	32,270,695	64,629,382
Other capital assets, net	73,311,761	301,701,902	375,013,663
Total non-current assets	108,125,669	333,972,597	442,098,266
Total assets	240,705,176	423,366,792	664,071,968
Deferred Outflows of Resources:			
Pension deferrals	11,586,272	1,774,739	13,361,011
OPEB deferrals	8,002,610	1,412,226	9,414,836
Charge on refunding	7,751,777	638,223	8,390,000
Total deferred outflows of resources	27,340,659	3,825,188	31,165,847
Liabilities:			
Current liabilities:			
Accounts payable	6,858,995	4,861,956	11,720,951
Accounts payable from restricted assets	1,378,410	-	1,378,410
Customer deposits payable from restricted assets	-	2,120,050	2,120,050
Unearned revenue	-	228,601	228,601
Current portion of compensated absences	1,983,761	455,113	2,438,874
Claims payable current	360,000	-	360,000
Due within one year	15,024,285	3,690,576	18,714,861
Total current liabilities	25,605,451	11,356,296	36,961,747
Long-term liabilities:			
Non-current portion of compensated absences	661,254	151,704	812,958
Claims payable, non-current	67,942	-	67,942
Net pension liability - LEOSSA	4,440,897	-	4,440,897
Net pension liability - LGERS	18,548,565	3,273,277	21,821,842
Net OPEB liability	46,421,170	8,191,970	54,613,140
Due in more than one year	160,639,497	43,790,689	204,430,186
Total liabilities	256,384,776	66,763,936	323,148,712
Deferred Inflows of Resources:			
Pension deferrals	447,651	54,631	502,282
OPEB deferrals	2,337,077	412,425	2,749,502
Prepaid taxes	11,169	-	11,169
Total deferred inflows of resources	2,795,897	467,056	3,262,953
Net Position:			
Net investment in capital assets	45,552,237	288,429,644	333,981,881
Restricted for:			
Stabilization by state statute	18,815,387	-	18,815,387
Register of Deeds' pension plan	258,958	-	258,958
Register of Deeds	106,639	-	106,639
General government	14,398	-	14,398
Education	163	-	163
Public safety	3,747,500	-	3,747,500
Human services	115,350	-	115,350
Unrestricted	(59,745,470)	71,531,344	11,785,874
Total net position	\$ 8,865,162	\$ 359,960,988	\$ 368,826,150

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 17,181,824	\$ 13,633,676	\$ 2,541,860	\$ -
Public safety	53,578,893	12,644,304	1,772,491	-
Transportation	2,570,391	-	891,079	-
Environmental protection	224,948	-	40,284	-
Economic and physical development	3,122,757	-	30,616	-
Human services	26,123,875	3,633,606	6,846,499	-
Cultural and recreational	3,409,512	-	322,271	-
Education	44,215,752	-	-	-
Interest on long-term debt	4,944,020	-	-	-
Total governmental activities	<u>155,371,972</u>	<u>29,911,586</u>	<u>12,445,100</u>	<u>-</u>
Business-Type Activities:				
Water and sewer	38,069,462	42,406,003	-	4,138,486
Solid waste	5,749,294	7,950,319	-	-
Total business-type activities	<u>43,818,756</u>	<u>50,356,322</u>	<u>-</u>	<u>4,138,486</u>
Total primary government	<u>\$ 199,190,728</u>	<u>\$ 80,267,908</u>	<u>\$ 12,445,100</u>	<u>\$ 4,138,486</u>

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs:			
Primary Government:			
Governmental Activities:			
General government	\$ (1,006,288)	\$ -	\$ (1,006,288)
Public safety	(39,162,098)	-	(39,162,098)
Transportation	(1,679,312)	-	(1,679,312)
Environmental protection	(184,664)	-	(184,664)
Economic and physical development	(3,092,141)	-	(3,092,141)
Human services	(15,643,770)	-	(15,643,770)
Cultural and recreational	(3,087,241)	-	(3,087,241)
Education	(44,215,752)	-	(44,215,752)
Interest on long-term debt	(4,944,020)	-	(4,944,020)
Total governmental activities	<u>(113,015,286)</u>	<u>-</u>	<u>(113,015,286)</u>
Business-Type Activities:			
Water and sewer	-	8,475,027	8,475,027
Solid waste	-	2,201,025	2,201,025
Total business-type activities	<u>-</u>	<u>10,676,052</u>	<u>10,676,052</u>
Total primary government	<u>(113,015,286)</u>	<u>10,676,052</u>	<u>(102,339,234)</u>
General Revenues:			
Ad valorem taxes	80,167,654	-	80,167,654
Local option sales tax	39,711,979	-	39,711,979
Other taxes and licenses	3,050,213	299,010	3,349,223
Unrestricted intergovernmental revenues	43,235	-	43,235
Interest earned on investments, unrestricted	66,876	4,634	71,510
Total general revenues	<u>123,039,957</u>	<u>303,644</u>	<u>123,343,601</u>
Change in net position	<u>10,024,671</u>	<u>10,979,696</u>	<u>21,004,367</u>
Net Position:			
Beginning of year - July 1	(1,290,367)	348,981,292	347,690,925
Restatement	130,858	-	130,858
Beginning of year - restated	<u>(1,159,509)</u>	<u>348,981,292</u>	<u>347,821,783</u>
End of year - June 30	<u>\$ 8,865,162</u>	<u>\$ 359,960,988</u>	<u>\$ 368,826,150</u>

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

HARNETT COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and investments	\$ 66,320,232	\$ 13,868,802	\$ 80,189,034
Taxes receivable, net	509,020	110,688	619,708
Accounts receivable, net	3,310,141	1,264,837	4,574,978
Due from other funds	2,103,828	-	2,103,828
Due from other governments	12,136,581	-	12,136,581
Note receivable	2,175,500	-	2,175,500
Inventories	22,997	-	22,997
Prepaid items	884	-	884
Restricted assets:			
Restricted cash and cash equivalents	-	18,347,498	18,347,498
 Total assets	\$ 86,579,183	\$ 33,591,825	\$ 120,171,008
 Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 3,755,967	\$ 1,324,603	\$ 5,080,570
Accounts payable from restricted assets	-	1,378,410	1,378,410
Due to other funds	-	2,103,828	2,103,828
Total liabilities	3,755,967	4,806,841	8,562,808
 Deferred Inflows of Resources:			
Prepaid taxes	11,169	-	11,169
Property tax receivable	509,020	110,688	619,708
Total deferred inflows of resources	520,189	110,688	630,877
 Fund Balances:			
Non-spendable:			
Inventories	22,997	-	22,997
Prepaid items	884	-	884
Note receivable	2,175,500	-	2,175,500
Restricted:			
Restricted for stabilization by state statute	17,550,550	1,264,837	18,815,387
Restricted for Register of Deeds	-	106,639	106,639
Restricted for general government	-	1,013,420	1,013,420
Restricted for education	-	15,970,229	15,970,229
Restricted for public safety	-	3,747,500	3,747,500
Restricted for health and human services	-	115,350	115,350
Committed:			
Committed for general government	-	506,891	506,891
Committed for economic development	-	735,107	735,107
Committed for culture and recreation	-	68,060	68,060
Committed for education	-	4,261,848	4,261,848
Committed for debt service	12,832,072	-	12,832,072
Assigned	12,577,349	3,410,004	15,987,353
Unassigned	37,143,675	(2,525,589)	34,618,086
Total fund balances	82,303,027	28,674,296	110,977,323
 Total liabilities, deferred inflows of resources, and fund balances	\$ 86,579,183	\$ 33,591,825	\$ 120,171,008

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

HARNETT COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - modified accrual	\$ 110,977,323
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	105,670,448
Net pension asset	279,721
Net pension liability - LGERS	(18,548,565)
Net pension liability - LEOSSA	(4,440,897)
Net OPEB liability	(46,421,170)
Deferred outflows of resources related to pensions are not reported in the funds.	11,586,272
Deferred outflows of resources related to OPEB are not reported in the funds.	8,002,610
Deferred inflows of resources related to pensions are not reported in the funds.	(447,651)
Deferred inflows of resources related to OPEB are not reported in the funds.	(2,337,077)
Deferred outflow related to bond refunding is not available to pay for current-period expenditures and, therefore, are deferred in the funds.	7,751,777
Long-term debt and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	
Long-term liabilities	(175,663,782)
Compensated absences	(2,645,015)
Accrued interest payable	(512,361)
Consolidation of Internal Service Fund	14,993,821
Deferred inflows of resources 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 position in the Statement of Net Position.	<u>619,708</u>
Net position of governmental activities (Exhibit A)	<u>\$ 8,865,162</u>

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, 2021

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Ad valorem taxes	\$ 70,991,210	\$ 9,108,003	\$ 80,099,213
Other taxes and licenses	40,901,662	1,860,530	42,762,192
Unrestricted intergovernmental revenues	43,235	-	43,235
Restricted intergovernmental revenues	20,131,873	3,612,585	23,744,458
Permits and fees	1,245,224	1,344,917	2,590,141
Sales and services	10,203,393	135,373	10,338,766
Investment earnings	72,957	(6,081)	66,876
Other general revenues	3,880,348	-	3,880,348
Total revenues	<u>147,469,902</u>	<u>16,055,327</u>	<u>163,525,229</u>
Expenditures:			
Current:			
General government	17,916,611	10,615,721	28,532,332
Public safety	35,912,108	13,520,553	49,432,661
Transportation	911,473	-	911,473
Environmental protection	224,948	-	224,948
Economic and physical development	2,872,319	1,827,123	4,699,442
Human services	24,767,871	411,636	25,179,507
Cultural and recreation	2,973,293	462,884	3,436,177
Education	26,807,739	17,408,013	44,215,752
Debt service:			
Principal repayments	10,640,825	-	10,640,825
Interest and fees	3,451,713	-	3,451,713
Bond issuance costs	450,583	-	450,583
Advance refunding escrow	1,971,040	-	1,971,040
Total expenditures	<u>128,900,523</u>	<u>44,245,930</u>	<u>173,146,453</u>
Revenues over (under) expenditures	<u>18,569,379</u>	<u>(28,190,603)</u>	<u>(9,621,224)</u>
Other Financing Sources (Uses):			
Long-term debt issued	-	27,500,000	27,500,000
Refunded debt issued	51,410,000	-	51,410,000
Bond premium	7,124,840	3,899,858	11,024,698
Payment to escrow agents	(60,054,491)	-	(60,054,491)
Transfers to other funds	(3,504,671)	(2,228,803)	(5,733,474)
Transfers from other funds	2,228,803	3,504,671	5,733,474
Total other financing sources (uses)	<u>(2,795,519)</u>	<u>32,675,726</u>	<u>29,880,207</u>
Net change in fund balances	<u>15,773,860</u>	<u>4,485,123</u>	<u>20,258,983</u>
Fund Balances:			
Beginning of year - July 1	66,529,167	24,058,315	90,587,482
Restatement	-	130,858	130,858
Beginning of year - restated	<u>66,529,167</u>	<u>24,189,173</u>	<u>90,718,340</u>
End of year - June 30	<u>\$ 82,303,027</u>	<u>\$ 28,674,296</u>	<u>\$ 110,977,323</u>

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, 2021

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)	\$ 20,258,983
<p>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.</p>	
Property taxes	68,441
Expenses related to compensated absences and debt premiums that do not require current financial resources are not reported as expenditures in the governmental funds statement.	1,684,155
Pension expense - LEOSA	(257,380)
Pension expense - LGERS	(2,591,264)
Pension expense - ROD	22,175
OPEB plan expense	(2,225,185)
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.	(114,961)
Deferred charges related to refunded debt that do not require current financial resources are not reported as expenditures in the governmental funds statement.	2,191,198
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.	14,724,750
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(5,445,907)
Principal repayments and refunding of debt are reported as expenditures in the governmental funds statements. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	69,548,395
Consolidation of Internal Service Fund	2,095,969
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.	<u>(89,934,698)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 10,024,671</u>

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, 2021

	Budgeted Amounts		Actual	Variance from Final Budget Over/Under
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 66,850,000	\$ 66,850,000	\$ 70,991,210	\$ 4,141,210
Other taxes and licenses	27,530,000	29,330,000	40,901,662	11,571,662
Unrestricted intergovernmental revenues	22,000	22,000	43,235	21,235
Restricted intergovernmental revenues	19,594,719	22,908,629	20,131,873	(2,776,756)
Permits and fees	800,970	839,770	1,245,224	405,454
Sales and services	11,711,651	11,413,239	10,203,393	(1,209,846)
Investment earnings	313,939	313,939	72,957	(240,982)
Other general revenues	3,210,216	2,965,389	3,880,348	914,959
Total revenues	<u>130,033,495</u>	<u>134,642,966</u>	<u>147,469,902</u>	<u>12,826,936</u>
Expenditures:				
General government	18,082,974	20,748,397	17,916,611	2,831,786
Public safety	37,479,020	39,078,488	35,912,108	3,166,380
Transportation	810,896	1,022,483	911,473	111,010
Environmental protection	235,133	243,233	224,948	18,285
Economic and physical development	3,071,308	3,157,519	2,872,319	285,200
Human services	25,435,942	27,810,098	24,767,871	3,042,227
Cultural and recreation	3,435,499	3,740,276	2,973,293	766,983
Education	28,345,637	27,324,109	26,807,739	516,370
Debt service:				
Principal repayments	12,996,713	11,025,673	10,640,825	384,848
Interest and fees	6,705,116	6,254,533	3,451,713	2,802,820
Bond issuance costs	-	450,583	450,583	-
Advance refunding escrow	-	1,971,040	1,971,040	-
Total expenditures	<u>136,598,238</u>	<u>142,826,432</u>	<u>128,900,523</u>	<u>13,925,909</u>
Revenues over (under) expenditures	<u>(6,564,743)</u>	<u>(8,183,466)</u>	<u>18,569,379</u>	<u>26,752,845</u>
Other Financing Sources (Uses):				
Transfers to other funds	(13,148,893)	(22,208,093)	(3,504,671)	18,703,422
Transfers from other funds	16,443,348	20,348,524	2,228,803	(18,119,721)
Refunded debt issued	-	53,075,000	51,410,000	(1,665,000)
Bond premium	-	7,298,012	7,124,840	(173,172)
Payment to escrow agents	-	(60,373,012)	(60,054,491)	318,521
Appropriated fund balance	3,270,288	10,043,035	-	(10,043,035)
Total other financing sources (uses)	<u>6,564,743</u>	<u>8,183,466</u>	<u>(2,795,519)</u>	<u>(10,978,985)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>15,773,860</u>	<u>\$ 15,773,860</u>
Fund Balance:				
Beginning of year - July 1			<u>66,529,167</u>	
End of year - June 30			<u>\$ 82,303,027</u>	

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
Assets:				
Current assets:				
Cash and cash investments	\$ 71,661,661	\$ 6,712,763	\$ 78,374,424	\$ 19,023,892
Accounts receivable, net	5,593,562	329,079	5,922,641	184
Inventory	640,831	-	640,831	-
Restricted assets:				
Cash and investments, restricted	2,120,050	-	2,120,050	-
Total current assets	80,016,104	7,041,842	87,057,946	19,024,076
Non-current assets:				
Land and construction in progress	30,717,106	1,553,589	32,270,695	-
Other capital assets, net	297,158,187	4,543,715	301,701,902	-
Total non-current assets	327,875,293	6,097,304	333,972,597	-
Total assets	407,891,397	13,139,146	421,030,543	19,024,076
Deferred Outflows of Resources:				
Pension deferrals	1,538,108	236,631	1,774,739	-
OPEB deferrals	1,223,929	188,297	1,412,226	-
Charge on refunding	638,223	-	638,223	-
Total deferred outflows of resources	3,400,260	424,928	3,825,188	-
Liabilities and Net Assets:				
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	4,269,525	387,849	4,657,374	1,266,064
Claims payable	-	-	-	360,000
Accrued interest	200,577	4,005	204,582	-
Prepaid fees	191,572	37,029	228,601	-
Customer deposits payable from restricted assets	2,120,050	-	2,120,050	-
Compensated absences, current	410,635	44,478	455,113	-
Current portion of long-term debt	3,374,540	316,036	3,690,576	-
Total current liabilities	10,566,899	789,397	11,356,296	1,626,064
Non-current liabilities:				
Compensated absences, non-current	136,878	14,826	151,704	-
Claims payable	-	-	-	67,942
Non-current portion of long-term debt	41,472,316	2,318,373	43,790,689	-
Net OPEB liability	7,099,708	1,092,262	8,191,970	-
Net pension liability	2,836,839	436,438	3,273,277	-
Total non-current liabilities	51,545,741	3,861,899	55,407,640	67,942
Total liabilities	62,112,640	4,651,296	66,763,936	1,694,006
Deferred Inflows of Resources:				
OPEB deferrals	357,435	54,990	412,425	-
Pension deferrals	47,347	7,284	54,631	-
Total deferred inflows of resources	404,782	62,274	467,056	-
Net Position:				
Net investment in capital assets	283,666,660	4,762,984	288,429,644	-
Unrestricted	65,107,575	4,087,520	69,195,095	17,330,070
Total net position	\$ 348,774,235	\$ 8,850,504	357,624,739	\$ 17,330,070
Adjustment to reflect consolidation of internal service funds			2,336,249	
Net position			\$ 359,960,988	

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
Operating Revenues:				
Charges for services	\$ 40,263,843	\$ 7,834,512	\$ 48,098,355	\$ -
County contributions	-	-	-	13,869,020
Other operating revenues	1,877,152	67,624	1,944,776	-
Total operating revenues	<u>42,140,995</u>	<u>7,902,136</u>	<u>50,043,131</u>	<u>13,869,020</u>
Operating Expenses:				
Water distribution and sewage treatment	23,281,892	-	23,281,892	-
Solid waste	-	5,248,355	5,248,355	-
Benefits and premiums	-	-	-	11,459,860
Depreciation	12,563,559	448,340	13,011,899	-
Total operating expenses	<u>35,845,451</u>	<u>5,696,695</u>	<u>41,542,146</u>	<u>11,459,860</u>
Operating income (loss)	<u>6,295,544</u>	<u>2,205,441</u>	<u>8,500,985</u>	<u>2,409,160</u>
Non-Operating Revenues (Expenses):				
Solid waste disposal tax	-	299,010	299,010	-
Interest earned on investments	2,562	2,072	4,634	-
Interest and fees	(2,224,011)	(52,599)	(2,276,610)	-
Total non-operating revenues (expenses)	<u>(2,221,449)</u>	<u>248,483</u>	<u>(1,972,966)</u>	<u>-</u>
Income (loss) before capital contributions	4,074,095	2,453,924	6,528,019	2,409,160
Capital contributions	<u>4,138,486</u>	<u>-</u>	<u>4,138,486</u>	<u>-</u>
Change in net position	8,212,581	2,453,924	10,666,505	2,409,160
Net Position:				
Beginning of year - July 1	<u>340,561,654</u>	<u>6,396,580</u>		<u>14,920,910</u>
End of year - June 30	<u>\$ 348,774,235</u>	<u>\$ 8,850,504</u>		<u>\$ 17,330,070</u>
Adjustment to reflect consolidation of internal service funds			<u>313,191</u>	
Change in net position			<u>\$ 10,979,696</u>	

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, 2021

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
Cash Flows from Operating Activities:				
Cash received from customers	\$ 43,054,670	\$ 7,843,503	\$ 50,898,173	\$ 13,869,020
Cash paid for goods and services	(12,670,115)	(4,131,428)	(16,801,543)	(11,523,640)
Cash paid to employees for services	(7,535,696)	(1,091,914)	(8,627,610)	-
Other revenues	-	299,010	299,010	-
Customer deposits paid	(100,299)	-	(100,299)	-
Net cash provided (used) by operating activities	<u>22,748,560</u>	<u>2,919,171</u>	<u>25,667,731</u>	<u>2,345,380</u>
Cash Flows from Capital and Related Financing Activities:				
Long-term debt issued	17,740,000	1,500,000	19,240,000	-
Premium issued	2,930,474	160,356	3,090,830	-
Payment to escrow agent	(20,379,750)	(1,647,209)	(22,026,959)	-
Acquisition and construction of capital assets	(9,101,411)	(400,000)	(9,501,411)	-
Principal paid on long-term debt	(3,249,000)	(310,000)	(3,559,000)	-
Interest and fees	(2,224,011)	(52,599)	(2,276,610)	-
Capital contributions	838,032	-	838,032	-
Net cash provided (used) by capital and related financing activities	<u>(13,445,666)</u>	<u>(749,452)</u>	<u>(14,195,118)</u>	<u>-</u>
Cash Flows from Investing Activities:				
Interest on investments	<u>2,562</u>	<u>2,072</u>	<u>4,634</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	9,305,456	2,171,791	11,477,247	2,345,380
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>64,476,255</u>	<u>4,540,972</u>	<u>69,017,227</u>	<u>16,678,512</u>
End of year - June 30	<u>\$ 73,781,711</u>	<u>\$ 6,712,763</u>	<u>\$ 80,494,474</u>	<u>\$ 19,023,892</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 6,295,544	\$ 2,205,441	\$ 8,500,985	\$ 2,409,160
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	12,563,559	448,340	13,011,899	-
Other revenues	-	299,010	299,010	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	487,702	(131,794)	355,908	-
Increase (decrease) in accounts payable and accrued liabilities	2,757,134	(3,121)	2,754,013	(63,780)
Increase (decrease) in unearned revenues	34,165	(2,603)	31,562	-
(Increase) decrease in inventory	12,365	-	12,365	-
Increase (decrease) in customer deposits	(100,299)	-	(100,299)	-
(Increase) decrease in deferred outflows - pension	(230,324)	(35,435)	(265,759)	-
(Increase) decrease in deferred outflows of resources for OPEB	207,081	31,858	238,939	-
Increase (decrease) in deferred inflows of resources for OPEB	146,200	22,492	168,692	-
Increase (decrease) in net pension liability	596,699	91,800	688,499	-
Increase (decrease) deferred inflows - pension	29,936	4,606	34,542	-
Increase (decrease) in accrued vacation pay	(38,243)	(9,429)	(47,672)	-
Increase (decrease) in OPEB payable	(12,959)	(1,994)	(14,953)	-
Net cash provided (used) by operating activities	<u>\$ 22,748,560</u>	<u>\$ 2,919,171</u>	<u>\$ 25,667,731</u>	<u>\$ 2,345,380</u>
Non-Cash Transactions:				
Contributed capital from developers	<u>\$ 3,300,454</u>	<u>\$ -</u>	<u>\$ 3,300,454</u>	<u>\$ -</u>

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	<u>Custodial Funds</u>	<u>Pension Trust Funds</u>
Assets:		
Cash and investments	\$ 394,041	\$ -
Taxes receivable for other governments, net	149,212	-
Restricted cash and cash equivalents	-	989,730
Total assets	<u>543,253</u>	<u>989,730</u>
Liabilities:		
Due to other governments	338,959	-
Accounts payable	43,755	-
Total liabilities	<u>382,714</u>	<u>-</u>
Net Position:		
Restricted for:		
Individuals, organizations, and other governments	160,539	-
Defined benefit pensions	-	132,579
Post-employment benefits other than pensions	-	857,151
Total net position	<u>\$ 160,539</u>	<u>\$ 989,730</u>

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>	<u>Pension Trust Funds</u>
Additions:		
Employer contributions:	\$ -	\$ 2,002,495
Investment income:	-	75,876
Ad valorem taxes for other governments	10,750,173	-
Collections on behalf of inmates	<u>230,608</u>	<u>-</u>
Total additions	<u>10,980,781</u>	<u>2,078,371</u>
Deductions:		
Benefit payments	-	1,324,104
Tax distributions to other governments	10,740,529	-
Payments on behalf of inmates	<u>231,323</u>	<u>-</u>
Total deductions	<u>10,971,852</u>	<u>1,324,104</u>
Change in net position	<u>8,929</u>	<u>754,267</u>
Net position, beginning, as previously reported	-	235,463
Prior period restatement - change in accounting principle	<u>151,610</u>	<u>-</u>
Net position, beginning, as restated	<u>151,610</u>	<u>235,463</u>
End of year - June 30	<u>\$ 160,539</u>	<u>\$ 989,730</u>

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

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HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Significant Accounting Policies

The accounting principles 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 Statutes (“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 nine water and sewer districts, which are accounted for as enterprise funds:

Northeast Metro Water and Sewer District	Southwest 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 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 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 New Position and the Statement of Activities display information about the primary government (the County). These statements include 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 included (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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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.

The County reports the following major governmental fund:

General Fund. The General 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. The 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 special revenue funds: Disaster Response; Article 44 *524; Special Districts; Emergency Telephone System; Law Enforcement; Public Safety; Emergency Radio System; Automation Enhancement & Preservation; Emergency Response Planning; Sheriff's Execution; Wings over Harnett; WIA Youth Program; Asset Forfeiture; Veterans Park; Veterans Court; Electronics Management; Fines and Forfeitures; Representative Payee.

Capital Project Funds. The 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: Jetport Master Plan; Airfield Lighting Rehabilitation; Broadband Development; Benhaven Elementary School; Government Complex Park; Government Complex South; Oakridge River Rd Tower; Greenway Development Master Plan; Campbell Stadium Sidewalk; Erwin Elementary School; Northwest Harnett Elementary; Johnsonville Elementary Renovations; Former Benhaven Elementary; Brightwater Phase II; Jetport Terminal; QSCB 2016 Capital Project; Former Boone Trail; Emergency Watershed Protection; Old Detention Center Demo; Aircraft Apron and Helipad Design, and 2017 G.O. Bonds Projects.

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

Individual Water and Sewer Funds. The individual water and sewer 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 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

WHIP Transmission Line, South Central Transmission Line Project; North Harnett WW Upgrade Project; Fort Bragg Water & Wastewater Project; School Wastewater Extensions Project; West Central Transmission Project and Advanced Meter Infrastructure Project.

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

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

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 six internal services funds: the Workers' Compensation Fund, the Group Insurance Fund, the Employee Clinic Fund, the Medical Insurance Fund, the Dental Insurance Fund and the Unemployment 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 Employee Clinic Fund is used to account for operations at the clinic that is exclusively for employees of Harnett County. The Medical Insurance Fund is used to account for the claims and payments for self-insured health insurance within the County. The Dental Insurance Fund is used to account for dental insurance premiums and payments for employees of the County. The Unemployment Insurance Fund is used to account for the funds set aside for unemployment claims processed by the North Carolina Department of Commerce, Division of Employment Security. The Group Insurance Fund is used to account for liabilities that have been incurred from prior years when the County was previously fully insured.

Internal services 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.

Trust Funds. Trust funds account for resources that are required to be held in trust for the members and beneficiaries of defined benefit plans, defined contribution plans or other postemployment benefit plans. The Other Postemployment Benefits (OPEB) Trust Fund accounts for the County's contributions for healthcare coverage provided to qualified retirees. The Law Enforcement Officer's Special Separation Allowance Trust Fund accounts for the County's contributions for separation allowance payments provided to qualified law enforcement retirees.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the current financial resources measurement focus and the modified accrual basis of accounting.

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported under the economic resources measurement focus, except for the agency funds, which have no measurement focus. The government-wide, proprietary, 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; 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 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 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because they amount is not susceptible to accrual. As June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year to which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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 position 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.

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 revenues funds and for the enterprise funds. All annual appropriation 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, Employee Clinic Fund, Medical Self-Insurance Fund, Dental Self-Insurance Fund, Unemployment Insurance Fund, and Group Insurance Fund (internal services 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 revenues 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 and up to \$5,000 between departments of the same fund 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The Manager may transfer amounts of up to \$50,000 from contingency to any department with an official report on such transfers at the next regular meeting of the Board of Commissioners. 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.

- March 20 Each department head submits to the budget officer the budget requests and revenue estimates for their department for the budget year.
- May 1 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.
- June 19 The budget ordinance shall be adopted by the governing board.

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").

General Statute 159-30.1 allows the County to establish an Other Postemployment Benefit (OPEB) Trust and a Law Enforcement Officer's Special Separation Allowance (LEOSSA) Trust managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC and G.S. 159-30(g) allows the County to make contributions to the Trust. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short-term fixed income investments as detailed in G.S. 147-69.2(b)(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8).

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The County's investments are carried fair value. Non-participating interest earning investment contracts are accounted for at cost.

- The North Carolina Capital Management Trust (NCCMT) is authorized by G.S. 159-30(c)(8). The Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAA-mf by Moody Investor Services. The Government Portfolio is reported at fair value.
- Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs— other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2021 of 1.3 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.
- The BIF is measured at fair value using Level 2 inputs and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. BIF does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.34 years at June 30, 2021.
- The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2021 the fair value of the funds was \$32.24591 per share. Fair value for this Blackrock Fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Cash and Cash Equivalents

The County pools monies from several funds, except the Other Post-Employment Benefits Trust Fund and Law Enforcement Officers' Special Separation Allowance Trust Fund, 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Restricted Assets

Unexpended bond proceeds for the capital project funds are shown as restricted cash. Such amounts are included in cash and investments and are described in the footnotes. Customer deposits held by the County before any services are supplied are restricted to the services for which the deposit was collected.

Benhaven Elementary School	
Capital outlays - unexpended bond proceeds	\$ 1,630,770
Government Complex South:	
Capital outlays - unexpended bond proceeds	1,015,806
Erwin Elementary School:	
Capital outlays - unexpended bond proceeds	15,457,717
QSCB 2016 Project Fund:	
Capital outlays - unexpended bond proceeds	506
2017 G.O. Bonds Project Fund:	
Capital outlays - unexpended bond proceeds	<u>242,699</u>
Total governmental activities	<u>18,347,498</u>
Business-Type Activities:	
Water and Sewer Fund:	
Customer deposits	<u>2,120,050</u>
Total business-type activities	<u>2,120,050</u>
Total restricted cash	<u>\$ 20,467,548</u>

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, 2020 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 allowance for doubtful accounts. These amounts are estimated by analyzing the percentage of receivables, which are not expected to be collected.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Inventory and Prepaid Items

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 on inventory carried in the County's Enterprise Fund is recorded as an expense when the inventory is consumed.

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

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other 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 \$20,000. 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 the 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 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. Capital assets of the County are depreciated on a straight-line basis under 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

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has three items that meet the criterion for this category – OPEB deferrals, pension deferrals, and charge on debt refunding.

In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criteria for this category – pension related deferrals, OPEB deferrals, prepaid taxes and property tax receivable.

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 Position.

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

Compensated Absences

The vacation policy of the County provides that vacation leave may be accumulated without any applicable maximum until June 30th of each calendar year. On June 30th, all vacation leave exceeding 240 hours per employee is transferred to sick leave. 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 Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, or unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law by state statute.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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.

Note Receivable – portion of fund balance that is not an available resource because it represents the amount not expected to be converted to cash during the subsequent fiscal year.

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 – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by state statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

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

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

Restricted for General Government – portion of fund restricted by revenue source for general government.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

Restricted for Health and Human Services – portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program.

Restricted fund balance/net position on Exhibit A varies from Exhibit C by the amount of unexpended debt proceeds of \$18,347,498, payable from restricted assets of \$1,378,410 and Register of Deeds' Pension Plan of \$258,958 for a net difference of \$16,710,130 at June 30, 2021.

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) that can, by adoption of an ordinance, commit fund balance. Any changes or removal of specific purpose restrictions requires majority action by the governing body (the adoption of another ordinance).

Committed for Economic Development – portion of fund balance that can only be used for economic development. This includes the Brightwater Phase II project, Oakridge River Rd Tower and the Broadband Development project.

Committed for General Government – portion of fund balance that can only be used for general government. This includes the Old Detention Center Demolition project.

Committed for Education – portion of fund balance that can only be used for education. This includes the Fines and Forfeitures Fund, the Johnsonville Elementary Renovations project, and the Former Benhaven Elementary project.

Committed for Culture and Recreation – portion of fund balance that can only be used for culture and recreation. This includes the Former Boone Trail project and Campbell Stadium Sidewalk.

Committed for Debt Service – portion of fund balance that can only be used for debt service requirements.

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.

Subsequent Year's Expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

General Government – portion of fund balance that budgeted by the governing body for general government purposes.

Culture and Recreation – portion of fund balance that is budgeted by the governing body for culture and recreation purposes.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Public Safety – portion of fund balance budgeted by the governing body for the Emergency Response Planning Fund.

Education – portion of fund balance budgeted by the governing body for school expenditures related to educational needs.

Assigned fund balance at June 30, 2021 is as follows:

Purpose	General Fund	Other Governmental Funds
Subsequent year's expenditures	\$ 2,551,797	\$ -
General government	8,530,645	-
Culture and recreation	1,007,399	-
Public safety	487,508	66,656
Education Special Revenue Fund	-	3,343,348
Total	\$ 12,577,349	\$ 3,410,004

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. The General Fund is the only fund that reports a positive unassigned fund balance amount.

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 non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted funds 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, to maintain a minimum unassigned fund balance, as defined by the Governmental Accounting Standards Board, at the close of each fiscal year equal to 15% of general fund expenditures with a targeted unassigned fund balance equal to 20% of general fund expenditures.

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

Total fund balance - General Fund	\$ 82,303,027
Less:	
Prepaid items	884
Inventory	22,997
Note receivable	2,175,500
Stabilization by state statute	17,550,550
Total available fund balance	\$ 62,553,096

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Reclassifications

Certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

F. Estimates

The presentation 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.

G. Defined Benefit Pension and OPEB Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the state: the Local Governmental Employees' Retirement System (LERS) and the Register of Deeds' Supplemental Pension Plan (RODSPF) (collectively, the "state-administered defined benefit pension plans"), and one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Detail Notes on All Funds

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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 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. The County has no formal policy regarding custodial credit risk for deposits.

At June 30, 2021, the County's deposits had a carrying amount of \$78,230,353 and a bank balance of \$79,897,678. Of the bank balance, \$1,250,000 was covered by federal depository insurance with the remainder being covered by collateral held under the Pooling Method.

At June 30, 2021, Harnett County has \$5,402 cash on hand.

B. Investments

Investment Type	Valuation Measurement Method	Fair Value at 6/30/2021	Maturity		
			6 months	6-12 months	1-3 years
US Government Agencies	Fair Value Level 2	\$ 1,332,580	\$ 1,332,580	\$ -	\$ -
Commercial Paper	Fair Value Level 2	7,997,686	7,997,686	-	-
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	110,882,918	109,766,741	-	-
Total investments		<u>\$ 120,213,184</u>			

The NCCMT Government Portfolio securities are measured at fair value with Level 1 inputs. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAAMf by Moody's Investor Service.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of Fair Value Hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. *Level Two:* Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAA-mf by Moody's Investors Service at June 30, 2021. The County's investment in U.S. Governmental Agencies carried a credit rating of Aaa by Moodys and a credit rating of AA+ by Standard and Poor's at June 30, 2021. The County's investment in Commercial Paper carried a credit rating of P1 by Moody's and a credit rating of A1+ by Standard and Poor's at June 30, 2021.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk.

OPEB Trust Fund

At June 30, 2021, the County's Health Care Plan had \$857,151 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer's OPEB Fund was invested as follows: State Treasurer's Short-Term Investment Fund (STIF) 0.03%, State Treasurer's Fixed Income Fund (FIF) 46.63%, and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund (EIF) 53.35%.

Level of the Fair Value Hierarchy: Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2021 of 1.3 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. On June 30, 2021 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.34 years at June 30, 2021.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2021 the fair value of the funds was \$32.2459 per share. Fair value for this Blackrock Fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Valuation Technique: North Carolina Department of State Treasurer OPEB Trust investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Interest Rate Risk – The County does not have a formal investment interest rate policy for the OPEB Trust Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer’s STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2021. The State Treasurer’s BIF is unrated and had a weighted average maturity of 8.34 years at June 30, 2021.

Credit Risk – The County does not have a formal investment policy regarding credit risk for the HCB Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer’s STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer’s BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

LEOSSA Trust Fund

At June 30, 2021, the County’s Law Enforcement Officers’ Special Separation Allowance (LEOSSA) Plan Fund had \$132,579 invested in the State Treasurer’s Law Enforcement Officer’s Special Separation Allowance (LEOSSA) Trust pursuant to G.S. 159-30.1. The State Treasurer’s LEOSSA Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer’s LEOSSA Fund was invested as follows: State Treasurer’s Short-Term Investment Fund (STIF) 0.05%, State Treasurer’s Fixed Income Fund (FIF) 45.05%, and BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund (EIF) 54.90%.

Level of the Fair Value Hierarchy: Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2021 of 1.3 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. On June 30, 2021 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.34 years at June 30, 2021.

The BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The fund’s fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2021 the fair value of the funds was \$32.2459 per share. Fair value for this Blackrock Fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Valuation Technique: North Carolina Department of State Treasurer LEOSSA Trust investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Interest Rate Risk: The County does not have a formal investment interest rate policy for the OPEB Trust Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2021. The State Treasurer's BIF is unrated and had a weighted average maturity of 8.34 years at June 30, 2021.

Credit Risk: The County does not have a formal investment policy regarding credit risk for the LEOSSA Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments.

C. 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.

Year Levied	Tax	Interest	Total
2018	\$ 4,850,029	\$ 1,660,650	\$ 6,510,679
2019	5,776,966	1,458,684	7,235,650
2020	5,446,881	885,118	6,331,999
2021	<u>5,304,836</u>	<u>384,601</u>	<u>5,689,437</u>
Total	<u>\$ 21,378,712</u>	<u>\$ 4,389,053</u>	<u>\$ 25,767,765</u>

HARNETT COUNTY, NORTH CAROLINA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

D. Allowance for Doubtful Accounts

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

<u>Fund</u>	<u>Allowance for Doubtful Accounts</u>
General	\$ 629,378
Nonmajor governmental	<u>73,702</u>
Governmental activities	<u>703,080</u>
 Custodial funds	 <u>106,182</u>
 Public utility	 990,869
Solid waste	<u>155,160</u>
Business-type activities	<u>1,146,029</u>
 Total	 <u><u>\$ 1,955,291</u></u>

Due from Other Governments – Disaggregate Information

Due from other governments at the government-wide level at June 30, 2021:

<u>Governmental Activities</u>	
Local option sales tax	\$ 9,600,334
Other taxes and licenses	923,706
DSS receivable	897,289
Sales tax refund receivable	<u>715,252</u>
Total	<u><u>\$ 12,136,581</u></u>

Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year-end are comprised of the following:

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 13,361,011
OPEB deferrals	9,414,836
Charge on refunding	<u>8,390,000</u>
Total	<u><u>\$ 31,165,847</u></u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Deferred inflows of resources at year-end are comprised of the following:

Source	Amount
Prepaid taxes not yet earned (General)	\$ 11,169
Pension deferrals	502,282
OPEB deferrals	2,749,502
Taxes receivable, net (General)	509,020
Taxes receivable, net (Other governmental funds)	110,688
Total	\$ 3,882,661

E. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	\$ 3,577,178	\$ -	\$ -	\$ 3,577,178
Construction in progress	17,334,657	11,446,852	-	28,781,509
Total non-depreciable capital assets	20,911,835	11,446,852	-	32,358,687
Depreciable Capital Assets:				
Buildings	89,032,635	179,563	(57,841)	89,154,357
Land improvements	18,971,294	-	-	18,971,294
Equipment	10,852,785	2,047,708	-	12,900,493
Vehicles	13,178,994	1,050,627	-	14,229,621
Total depreciable capital assets	132,035,708	3,277,898	(57,841)	135,255,765
Less Accumulated Depreciation:				
Buildings	23,540,211	1,776,598	(57,841)	25,258,968
Land improvements	13,115,448	1,801,005	-	14,916,453
Equipment	9,940,890	824,106	-	10,764,996
Vehicles	9,959,389	1,044,198	-	11,003,587
Total accumulated depreciation	56,555,938	5,445,907	\$ (57,841)	61,944,004
Total depreciable capital assets, net	75,479,770			73,311,761
Governmental activities capital assets, net	\$ 96,391,605			\$ 105,670,448

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

Depreciation Expense by Function	
General government	\$ 1,706,331
Public safety	1,817,001
Transportation	1,691,518
Economic and physical development	92,088
Human services	42,017
Cultural and recreational	96,952
Total	\$ 5,445,907

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Business-Type Capital Assets:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-Type Activities:				
Public Utilities:				
Non-Depreciable Capital Assets:				
Land	\$ 1,206,943	\$ -	\$ -	\$ 1,206,943
Construction in progress	21,182,137	8,328,026	-	29,510,163
Total non-depreciable capital assets	22,389,080	8,328,026	-	30,717,106
Depreciable Capital Assets:				
Plant, distribution, and collection systems	403,007,951	3,300,454	-	406,308,405
Buildings and building improvements	16,118,978	-	-	16,118,978
Furniture, fixtures, and equipment	3,067,022	292,482	-	3,359,504
Vehicles	2,606,168	480,903	-	3,087,071
Total depreciable capital assets	424,800,119	4,073,839	-	428,873,958
Less Accumulated Depreciation:				
Plant, distribution, and collection systems	111,395,988	9,905,025	-	121,301,013
Buildings and building improvements	4,461,256	713,322	-	5,174,578
Furniture, fixtures, and equipment	1,146,229	1,638,846	-	2,785,075
Vehicles	2,148,739	306,366	-	2,455,105
Total accumulated depreciation	119,152,212	\$ 12,563,559	\$ -	131,715,771
Total depreciable capital assets, net	305,647,907			297,158,187
Public utilities capital assets, net	328,036,987			327,875,293
Solid Waste Management:				
Non-Depreciable Capital Assets:				
Land	1,553,589	\$ -	\$ -	1,553,589
Total non-depreciable capital assets	1,553,589	-	-	1,553,589
Depreciable Capital Assets:				
Buildings and building improvements	4,972,065	-	-	4,972,065
Furniture, fixtures, and equipment	2,725,154	400,000	-	3,125,154
Vehicles	555,024	-	-	555,024
Total depreciable capital assets	8,252,243	400,000	-	8,652,243
Less Accumulated Depreciation:				
Buildings and building improvements	1,062,441	68,021	-	1,130,462
Furniture, fixtures, and equipment	2,241,812	311,888	-	2,553,700
Vehicles	355,935	68,431	-	424,366
Total accumulated depreciation	3,660,188	\$ 448,340	\$ -	4,108,528
Total depreciable capital assets, net	4,592,055			4,543,715
Solid waste management capital assets, net	6,145,644			6,097,304
Business-type activities capital assets, net	\$ 334,182,631			\$ 333,972,597

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

At June 30, 2021, commitments for the governmental and business-type activities consists of the following projects:

	Project Authorization	Expended To Date
Advanced Meter Infrastructure	\$ 14,982,043	\$ 6,495,814
West Central Transmission	8,509,216	7,980,134
Erwin Elementary School	31,399,857	16,631,035
Northwest Harnett Elementary	29,634,397	2,304,180
WHIP Transmission Line	1,215,650	1,086,784
South Central Transmission	1,027,900	764,533
Fort Bragg Water & WW	880,000	361,460
School Wastewater Extensions	2,754,205	2,419,782
North Harnett WW Upgrade	11,170,903	10,401,656
Total	\$ 101,574,171	\$ 48,445,378

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2021 is composed of the following elements:

	Governmental	Business-Type		Total
		Water/Sewer	Solid Waste	Business-Type
Capital assets	\$ 105,670,448	\$ 327,875,293	\$ 6,097,304	\$ 333,972,597
Total debt	175,663,782	44,846,856	1,334,320	46,181,176
Capital related deferred charge on refunding	1,983,899	638,223	-	638,223
Debt not related to capital assets	112,545,866	-	-	-
Capital related unspent debt proceeds	1,015,806	-	-	-
Total capital debt	60,118,211	44,208,633	1,334,320	45,542,953
Net investment in capital assets	\$ 45,552,237	\$ 283,666,660	\$ 4,762,984	\$ 288,429,644

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

F. Payables

Payables at the government-wide level at June 30, 2021 were as follows:

	Accounts Payable Note Disclosure				
	Governmental Activities		Business-Type Activities		Total
	General Fund	Nonmajor	Public Utilities	Solid Waste	
Payables:					
Accounts and vouchers					
Accounts and vouchers	\$ 2,178,579	\$ 2,681,805	\$ 3,974,016	\$ 347,945	\$ 9,182,345
Accrued payroll and related liabilities	1,577,388	21,208	295,509	39,904	1,934,009
Accrued interest payable	-	-	200,577	4,005	204,582
Total accounts payable and accrued liabilities	\$ 3,755,967	\$ 2,703,013	\$ 4,470,102	\$ 391,854	\$ 11,320,936

Adjustments to full-accrual include \$512,361 related to recording accrued interest on general long-term debt and accounts and vouchers related to the internal service funds of \$1,266,064. Finally, the fiduciary fund financial statements include \$287,644 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.

G. 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 NCACC (Sedgwick Claims Management) Insurance and VFIS. VFIS insures only Emergency Services for general liability and auto lines. NCACC Insurance insures County property under a blanket limit of \$379,762,185. Replacement cost coverage is provided for any property losses. General Liability limits are \$2,000,000 per occurrence. Cyber Liability limits are \$1,000,000. NCACC Insurance covers the County for property, auto (excluding Emergency Services), general liability (excluding Emergency Services), inland marine, crime, employment practices liability, public officials' liability, and law enforcement liability. Auto losses are paid under actual cash value (ACV). Crime coverage limit is \$250,000. VFIS ensures Emergency Services which includes EMS, Emergency Management and Fire Marshall Divisions. General Liability limits are \$1,000,000 per occurrence and \$10,000,000 general aggregate (the total payable in any policy term). A \$5,000,000 excess liability coverage is in place. Auto losses are paid under an agreed value plain. There have been no significant reductions in insurance coverage from previous years and settled claims have not exceeded coverage in any of the past three fiscal years. The amount of any settlements has not exceeded insurance coverage in any of the past three years.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The County carries flood insurance through NCACC Insurance. The County is in an area of the State that has been mapped and has designated areas with an “A”, “B”, “X” and “X-500” flood zones. The County has taken additional flood insurance through Assurant (American Bankers Insurance Company of Florida) to cover property located at 840 Shady Grove Road, Spring Lake that was not insurable with NCACC Insurance.

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, the Tax Administrator and the Public Utilities Director are individually bonded for \$200,000. The Register of Deeds is bonded for \$10,000. The Tax Collections Supervisor is bonded under a blanket bond for \$150,000. 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 \$1,000,000 per loss. Excess coverage is through Safety National Insurance Company with limits in accordance with current North Carolina workers’ compensation statutes. NCACC Insurance also provides employers liability with limits of \$1,000,000.

The County uses a third-party administrator to process workers’ compensation. At June 30, 2021, a liability for claims of \$427,942 included on the accompanying Statement of Net Position for governmental activities. An analysis for the County is presented below:

	June 30,	
	2021	2020
Liability as of beginning of the year	\$ 719,196	\$ 729,810
Current year claims and changes in estimates	(45,590)	27,962
Actual claim payments	(245,664)	(38,576)
Liability as of end of the year	\$ 427,942	\$ 719,196

H. Capital Lease Obligations

The County has entered into agreements to lease certain equipment. At June 30, 2021, the original cost of equipment under the leases is approximately \$21,910,705. Title passes to the County at the end of the lease term. These agreements are in substance lease purchases.

	Original Issue	Interest Rate	Final Maturity	Amount Outstanding Governmental
Capitalized Lease Obligations:				
Red Rock Science Center	\$ 21,910,705	6.84%	June 2038	\$ 15,902,930
Total	\$ 21,910,705			\$ 15,902,930

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

Year Ending	Future Payments
2022	\$ 869,850
2023	885,073
2024	900,563
2025	916,322
2026	933,455
2027-2031	4,918,103
2032-2036	5,333,764
2037-2039	2,279,218
Total minimum lease payments	17,036,348
Less amount representing interest	(1,133,418)
Present value of the minimum lease payments	\$ 15,902,930

At June 30, 2021, the net book value of capital assets (cost and accumulated depreciation) associated with leases is \$17,973,497.

I. Long-Term Obligations

Installment purchases from direct placements financed by the governmental funds are repaid from the resources of the General Fund. The installment purchases from direct placement, general obligation bonds, state bonds from direct borrowing, 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.

	Issue Date	Original Issue	Interest Rate	Final Maturity	Amount Outstanding Governmental
Installment Purchases -					
Direct Placement:					
Qualified Zone Academy Bonds Qualified School	October 2005	\$ 789,500	0.00%	October 2021	\$ 181,414
Construction Bonds (Taxable)	November 2012	29,435,000	4.638%	November 2035	26,391,952
Qualified Zone Academy Bonds	May 2016	2,200,000	0.00%	May 2026	1,100,000
Total		\$ 32,424,500			\$ 27,673,366

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The County’s outstanding installment purchase from direct placement related to 2005 Qualified Zone Academy Bonds in the amount of \$181,414 is secured by the Boone Trail Elementary School (the mortgaged property) conveyed by the Board of Education to the County pursuant to a general warranty deed to assist the County in financing the cost of the project for the Board of Education. The loan agreement contains a provision that in an event of default, the bank will exercise or direct the deed of trust trustee to exercise all rights and remedies of a secured party or creditor under the Uniform Commercial Code of the state and the general laws of the state, the right to re-enter and take possession of the mortgaged property without any court order or process of law.

The County’s outstanding installment purchase from direct placement related to the 2012 Qualified School Construction Bonds in the amount of \$26,391,952 is secured by a deed of trust for the benefit of the bank and its successors and assigns, creating a lien in and to the mortgaged property. The loan agreement contains a provision that in an event of default, the bank will exercise or direct the deed of trust trustee to exercise all rights and remedies of a secured party or creditor under the Uniform Commercial Code of the state and the general laws of the state.

The County’s outstanding installment purchase from direct placement related to the 2016 Qualified Zone Academy Bonds in the amount of \$1,100,000 is secured by a deed of trust for the benefit of the bank and its successors and assigns, creating a lien in and to the mortgaged property. The loan agreement contains a provision that in an event of default, the bank will exercise or direct the deed of trust trustee to exercise all rights and remedies of a secured party or creditor under the Uniform Commercial Code of the state and the general laws of the state.

General obligation bonds for the governmental activities are as follows:

	Governmental - General Obligation Bonds				Amount
	Issue Date	Original Issue	Interest Rate	Final Maturity	Outstanding Governmental
General Obligation Bonds:					
Benhaven Elementary School	May 2017	\$ 29,500,000	3.000%	May 2037	\$ 23,600,000
Erwin Elementary School	July 2020	27,500,000	3.000%	Oct 2040	27,500,000
Total Governmental Activities		\$ 57,000,000			\$ 51,100,000

Limited obligation bonds for the governmental activities are as follows:

	Governmental - Limited Obligation Bonds				Amount
	Issue Date	Original Issue	Interest Rate	Final Maturity	Outstanding Governmental
Limited Obligation Bonds:					
Government Services Complex	Oct 2019	\$ 21,145,000	2.600%	Oct 2039	\$ 20,085,000
Governmental Activities - 2020 LOBS	Sept 2020	51,410,000	2.520%	Dec 2028	45,030,000
Total Governmental Activities		\$ 72,555,000			\$ 65,115,000

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Limited obligation bonds for the business-type activities are as follows:

	Business-Type - Limited Obligation Bonds				Amount
	Issue Date	Original Issue	Interest Rate	Final Maturity	Outstanding Business-Type
Limited Obligation Bonds:					
Water and Sewer Fund	Sept 2020	\$ 165,000	2.520%	Dec 2028	\$ 165,000
Solid Waste Fund	Sept 2020	1,500,000	2.520%	Dec 2028	1,190,000
Total Business-type		<u>\$ 1,665,000</u>			<u>\$ 1,355,000</u>

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.

	Enterprise - General Obligation Bonds				Amount
	Issue Date	Original Issue	Interest Rate	Final Maturity	Outstanding Business-Type
General Obligation Bonds:					
South Central Water & Sewer 2013 Series A	January 2013	\$ 3,449,000	3.125%	June 2052	\$ 3,070,000
South Central Water & Sewer 2013 Series B	January 2013	3,937,000	3.125%	June 2052	3,509,000
South Central Water & Sewer 2013 Series C	January 2013	3,239,000	2.50%	June 2052	2,845,000
South Central Water & Sewer 2013 Series D	January 2013	2,586,000	2.50%	June 2052	2,270,000
South Central Refunding Series 2013	April 2013	10,395,000	2.5%-5.00%	June 2043	8,405,000
Bunnlevel Riverside Refunding Series 2004	May 2004	-	2.5%-5.25%	June 2028	-
West Central Refunding Series 2013	April 2013	1,485,000	3.00%-5.00%	June 2028	795,000
Northwest Refunding Series 2013	April 2013	1,085,000	2.00%-5.00%	June 2028	405,000
Southwest Refunding Series 2013	April 2013	2,315,000	3.00%-5.00%	June 2028	1,180,000
Southeast Refunding Series 2013	April 2013	1,000,000	2.00%-5.00%	June 2033	640,000
East Central Refunding Series 2013	April 2013	2,765,000	2.00%-5.00%	June 2035	1,920,000
Riverside Refunding Series 2013	April 2013	1,020,000	2.00%-5.00%	June 2041	825,000
Total		<u>\$ 33,276,000</u>			<u>\$ 25,864,000</u>

The Water Districts (a blended component unit of the County) issue GO debt (30-year), the proceeds of which are used to refund existing USDA District debt. The County then issues limited obligation bonds in an amount sufficient enough to purchase all the District's GO debt. Both the District and the County assign their rights to a third-party trustee that received the debt payments from the District and uses those funds to make the debt service payments on the LOBs.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Revenue Bond Loans:

	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Amount Outstanding Business-Type</u>
Enterprise System Revenue Bond Loans:					
Series 2020 (Tax Exempt)	Oct 2020	\$ 17,575,000	2.20%	June 2033	\$ 15,375,000
Total business-type activities revenue bond loans		<u>\$ 17,575,000</u>			<u>\$ 15,375,000</u>
Limited Obligation Bonds Enterprise Fund Limited					
Public Utilities Fund Series 2013	April 2013	\$ 20,065,000	2.00%-5.00%	June 2043	\$ 14,170,000
Total business-type activities special obligation bond loans		<u>\$ 20,065,000</u>			<u>\$ 14,170,000</u>

The following is a summary of changes in long-term obligations for the year ended June 30, 2021:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Decreases</u>	<u>Defeased Refunded</u>	<u>June 30, 2021</u>	<u>Due in Less Than One Year</u>
Governmental Activities:						
Capitalized leases	\$ 16,700,284	\$ -	\$ 797,354	\$ -	\$ 15,902,930	\$ 811,307
Installment purchases -						
Direct placement	87,509,407	-	928,471	58,907,570	27,673,366	1,024,368
Limited obligation bonds	21,145,000	51,410,000	7,440,000		65,115,000	8,575,000
General obligations	25,075,000	27,500,000	1,475,000	-	51,100,000	2,850,000
Premium	6,611,398	11,024,698	1,763,610	-	15,872,486	1,763,610
Gross debt	<u>157,041,089</u>	<u>89,934,698</u>	<u>12,404,435</u>	<u>58,907,570</u>	<u>175,663,782</u>	<u>15,024,285</u>
Total debt	157,041,089	89,934,698	12,404,435	58,907,570	175,663,782	15,024,285
Other long-term liabilities:						
Compensated absences	2,565,560	125,465	46,010	-	2,645,015	1,983,761
Net Law Enforcement Officers'						
Special Separation Allowance	3,184,718	1,421,834	165,655	-	4,440,897	-
Net pension (LGERS)	14,647,068	3,901,497	-	-	18,548,565	-
Net other post-employment benefits	46,505,903	-	84,733	-	46,421,170	-
Total	<u>\$ 223,944,338</u>	<u>\$ 95,383,494</u>	<u>\$ 12,700,833</u>	<u>\$ 58,907,570</u>	<u>\$ 247,719,429</u>	<u>\$ 17,008,046</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Decreases</u>	<u>Defeased Refunded</u>	<u>June 30, 2021</u>	<u>Due in Less Than One Year</u>
Water and Sewer Fund:						
Installment purchases -						
Direct placement	\$ 235,591	\$ -	\$ -	\$ 235,591	\$ -	\$ -
Limited obligation bonds	14,985,000	165,000	815,000	-	14,335,000	895,000
Premium	894,922	2,930,474	382,540	-	3,442,856	382,540
General obligations	11,928,000	-	234,000	-	11,694,000	242,000
Revenue bonds	7,854,996	17,575,000	2,200,000	7,854,996	15,375,000	1,855,000
State bond loans -						
Direct borrowing	11,896,669	-	-	11,896,669	-	-
Gross debt	<u>47,795,178</u>	<u>20,670,474</u>	<u>3,631,540</u>	<u>19,987,256</u>	<u>44,846,856</u>	<u>3,374,540</u>
Total debt	47,795,178	20,670,474	3,631,540	19,987,256	44,846,856	3,374,540
Other long-term liabilities:						
Compensated absences	585,756	102,478	140,721	-	547,513	410,635
Net pension (LGERS)	2,240,140	596,699	-	-	2,836,839	-
Net other post-employment benefits	7,112,667	-	12,959	-	7,099,708	-
Total	<u>\$ 57,733,741</u>	<u>\$21,369,651</u>	<u>\$ 3,785,220</u>	<u>\$ 19,987,256</u>	<u>\$ 55,330,916</u>	<u>\$ 3,785,175</u>

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Decreases</u>	<u>Defeased Refunded</u>	<u>June 30, 2021</u>	<u>Due in Less Than One Year</u>
Solid Waste Fund:						
Limited obligation bonds	\$ -	\$ 1,500,000	\$ 310,000	\$ -	\$ 1,190,000	\$ 300,000
Installment purchases -						
Direct placement	1,061,839	-	-	1,061,839	-	-
Premium	-	160,356	16,036	-	144,320	16,036
Special obligation bonds	571,000	-	-	571,000	-	-
Gross debt	<u>1,632,839</u>	<u>1,660,356</u>	<u>326,036</u>	<u>1,632,839</u>	<u>1,334,320</u>	<u>316,036</u>
Total debt	1,632,839	1,660,356	326,036	1,632,839	1,334,320	316,036
Other long-term liabilities:						
Accrued landfill closure and post-closure care costs	1,300,089	-	-	-	1,300,089	-
Compensated absences	68,733	15,698	25,127	-	59,304	44,478
Net pension (LGERS)	344,638	91,800	-	-	436,438	-
Net other post-employment benefits	1,094,256	-	1,994	-	1,092,262	-
Total	<u>\$ 4,440,555</u>	<u>\$ 1,767,854</u>	<u>\$ 353,157</u>	<u>\$ 1,632,839</u>	<u>\$ 4,222,413</u>	<u>\$ 360,514</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The following is a summary of the future maturities for the long-term obligations as of June 30, 2021:

	<u>Installment Purchases</u>		<u>General Obligation Bonds</u>		<u>Capitalized Leases</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Governmental Activities :								
2022	\$ 1,024,368	\$ 1,365,195	\$ 2,850,000	\$ 1,896,656	\$ 811,307	\$ 58,543	\$ -	\$ -
2023	1,012,648	1,365,195	2,850,000	1,754,156	825,505	59,568	-	-
2024	1,034,629	1,365,195	2,850,000	1,611,656	839,952	60,611	-	-
2025	1,404,107	1,365,195	2,850,000	1,469,156	854,651	61,671	-	-
2026	1,423,629	1,365,195	2,850,000	1,326,656	869,607	63,848	-	-
2027-2031	9,154,430	6,825,977	14,250,000	4,599,031	4,581,705	336,398	-	-
2032-2036	12,619,555	6,143,379	14,250,000	1,996,044	4,996,883	336,881	-	-
2037-2041	-	-	8,350,000	399,422	2,123,320	155,898	-	-
Total governmental activities	<u>27,673,366</u>	<u>19,795,331</u>	<u>51,100,000</u>	<u>15,052,777</u>	<u>15,902,930</u>	<u>1,133,418</u>	-	-
Business-Type Activities :								
2022	-	-	242,000	-	-	-	1,855,000	652,250
2023	-	-	249,000	-	-	-	1,880,000	596,600
2024	-	-	255,000	-	-	-	1,930,000	521,400
2025	-	-	263,000	-	-	-	1,970,000	444,200
2026	-	-	270,000	-	-	-	2,020,000	365,400
2027-2031	-	-	1,471,000	-	-	-	4,960,000	627,600
2032-2036	-	-	1,692,000	-	-	-	760,000	41,600
2037-2041	-	-	1,948,000	-	-	-	-	-
2042-2046	-	-	2,241,000	-	-	-	-	-
2047-2051	-	-	2,582,000	-	-	-	-	-
2052	-	-	481,000	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>11,694,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,375,000</u>	<u>3,249,050</u>
Total government	<u>\$ 27,673,366</u>	<u>\$ 19,795,331</u>	<u>\$ 62,794,000</u>	<u>\$ 15,052,777</u>	<u>\$ 15,902,930</u>	<u>\$ 1,133,418</u>	<u>\$ 15,375,000</u>	<u>\$ 3,249,050</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	Limited Obligation Bonds		Total Debt Due	
	Principal	Interest	Principal	Interest
Governmental Activities :				
2022	\$ 8,575,000	\$ 2,664,075	\$ 13,260,675	\$ 5,984,469
2023	8,480,000	2,360,550	13,168,153	5,539,469
2024	8,420,000	2,017,250	13,144,581	5,054,712
2025	6,615,000	1,705,950	11,723,758	4,601,972
2026	6,140,000	1,414,850	11,283,236	4,170,549
2027-2031	17,390,000	3,420,500	45,376,135	15,181,906
2032-2036	5,275,000	1,418,975	37,141,438	9,895,279
2037-2039	4,220,000	337,600	14,693,320	892,920
Total governmental activities	65,115,000	15,339,750	159,791,296	51,321,276
	Limited Obligation Bonds		Total Debt Due	
	Principal	Interest	Principal	Interest
Business-Type Activities :				
2022	1,195,000	586,725	3,292,000	1,238,975
2023	1,170,000	533,700	3,299,000	1,130,300
2024	1,015,000	483,000	3,200,000	1,004,400
2025	1,045,000	438,950	3,278,000	883,150
2026	1,090,000	394,025	3,380,000	759,425
2027-2031	4,875,000	1,425,850	11,306,000	2,053,450
2032-2036	2,840,000	897,088	5,292,000	938,688
2037-2041	1,600,000	453,125	3,548,000	453,125
2042-2046	695,000	54,375	2,936,000	54,375
2047-2051	-	-	2,582,000	-
2052	-	-	481,000	-
Total business-type activities	15,525,000	5,266,838	42,594,000	8,515,888
Total government	\$ 80,640,000	\$ 20,606,588	\$ 202,385,296	\$ 59,837,164

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% of the appraised value of property subject to taxation. At June 30, 2021, such statutory limit for the County was \$752,681,716 providing a legal debt margin of approximately \$543,666,719.

As of June 30, 2021, 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 time as it is earned.

In prior years, the County has defeased various bonds 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, 2021, the amount of prior year defeased debt outstanding and removed from the County's liabilities amounted to \$58,743,999.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

On September 17, 2020, the County issued \$53,075,000 of limited obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for to be used for all future debt service payments of \$60,776,000 of various obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$3,195,542. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$3,001,794 and resulted in an economic gain of \$2,870,212.

On October 29, 2020, the County issued \$17,575,000 of revenue advance refunding bonds to provide resources to refund the County's revenue refunding bond, Series 2015 and three state revolving loans of \$21,471,558 of various obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business-type activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$390,237. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 8 years by \$330,197 and resulted in an economic gain of \$979,411.

The County has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$17,575,000 in enterprise system revenue bonds issued October 2020. 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 2033. Annual principal and interest payments on the bonds are expected to require less than 6% of net revenues. The total principal and interest remaining to be paid on the bonds is \$18,624,050. Principal and interest paid for the current year and total customer revenues were \$2,563,115 and \$42,140,995, 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:

\$17,575,000 Public Utilities Revenue Bonds, Series 2020, payments ranging from \$280,000 to \$2,200,000 due May 1 each year, with interest at 3.00% with maturity in May 2033 (refunded 2015 Revenue bonds)	<u>\$ 15,375,000</u>
Total	<u><u>\$ 15,375,000</u></u>

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 2020 (Tax Exempt), 2020 (Taxable) since their adoption.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Section 6.6 of the Bond Order requires the 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 a 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, 2021 is as follows:

Operating revenues	\$ 42,140,995
Operations and maintenance expenses	(23,281,892)
Operating income before depreciation & amortization	<u>18,859,103</u>
Less:	
Depreciation and amortization expense	(12,563,559)
Operating income	<u>6,295,544</u>
Non-operating revenues	2,562
Non-operating expenses	(2,224,011)
Net income	<u><u>\$ 4,074,095</u></u>
Determination of income available for debt service	
Net income	\$ 4,074,095
Adjustments:	
Bond interest expense	2,224,011
Bond service expense	<u>3,249,000</u>
Income available for debt service	<u>9,547,106</u>
20% of unrestricted net assets	<u>13,021,515</u>
Income available for debt service plus 20% of unrestricted net assets	<u><u>\$ 22,568,621</u></u>
Debt service requirements and coverage	
Parity debt service:	
Revenue bonds	\$ 2,563,115
Debt service coverage - parity indebtedness	8.805
Revenue bond covenant requirement	1.200
Other indebtedness:	
Installment purchases	60,960
GO bonds, LOBS	<u>1,660,950</u>
Sum of parity and GO debt service	<u><u>\$ 4,285,025</u></u>
Debt service coverage - sum of parity and system GO indebtedness	5.267
Revenue bond covenant requirement	1.000

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

J. Pension Plan Obligations

a. Multiple-Employer Plans

Plan Description

Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the state-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The state's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021 was 10.84% of compensation for law enforcement officers and 10.21% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$4,359,543 for the year ended June 30, 2021.

Refunds of Contributions. County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the County reported a liability of \$21,821,842 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was 0.61067% (measured as of June 30, 2020), which was a decrease of 0.020320% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

For the year ended June 30, 2021, the County recognized pension expense of \$7,408,090. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,755,716	\$ -
Changes of assumptions	1,623,973	-
Net difference between projected and actual earnings on pension plan investments	3,070,840	-
Changes in proportion and differences between County contributions and proportionate share of contributions	21,527	364,203
County contributions subsequent to the measurement date	4,359,543	-
Total	\$ 11,831,599	\$ 364,203

\$4,359,543 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ 2,000,888
2023	2,677,001
2024	1,521,155
2025	908,809
2026	-
Thereafter	-
Total	\$ 7,107,853

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The plan actuary currently uses mortality tables based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation, with the exception of the discount rate, were based on the results of an actuarial experience study as of December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	<u>6.0%</u>	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contribution from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 44,274,137	\$ 21,821,842	\$ 3,162,403

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

b. Single-Employer Plan

Law Enforcement Officers’ Special Separation Allowance

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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases 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. A separate report was not issued for the plan.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

All full-time County law enforcement officers are covered by the Separation Allowance. At June 30, 2020, the Separation Allowance's membership consisted of:

Retirees receiving benefits	12
Active plan members	<u>154</u>
Total	<u><u>166</u></u>

Summary of Significant Accounting Policies

Basis of Accounting. The County has chosen to fund the Separation Allowance through contributions to the County's Law Enforcement Officers' Special Separation Allowance (LEOSSA) Trust Fund. Contributions to the LEOSSA trust fund are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Actuarial Assumptions

The entry age normal actuarial cost method was used in the June 30, 2020 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.50 percent
Discount rate	2.12 percent

The discount rate used to measure the total pension liability as of December 31, 2020 (measurement date) was 2.12%. Since the Separation Allowance assets are not invested, the discount rate used is equal to the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating AA/Aa or higher. The index used for this purpose is the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2020.

The projection of cash flows used to determine the discount rate assumed that the employer would contribute the actuarially determined contribution in the future.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

Deaths After Retirement (Healthy): RP-2014 Total Data Set for Healthy Annuitant Mortality Table projected generationally using MP-2015. Rates are adjusted by 104% for both males and females for ages 50 and older. The RP-2014 Total Data Set Employee Mortality Table is used for ages less than 50 (with no adjustments).

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Deaths Before Retirement: RP-2014 Total Data Set Employee Mortality Table projected generationally using MP-2015.

Deaths After Retirement (Disabled): RP-2014 Total Data Set for Disabled Annuitants Mortality Table projected generationally using MP-2015. Rates are adjusted by 103% (male) and 99% (female) for all ages.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned through contributions to the LEOSSA trust through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this Plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$151,068 as benefits came due for the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the County reported a net pension liability of \$4,440,897. The total pension liability was measured as of December 31, 2020 based on June 30, 2020 actuarial valuation. The net pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$479,975.

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 848,573	\$ -
Changes of assumptions	500,256	70,951
Net difference between projected and actual earnings on pension plan investments	-	16,786
County benefit payments and plan administrative expense made subsequent to the measurement date	151,004	-
Total	<u>\$ 1,499,833</u>	<u>\$ 87,737</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

\$151,004 reported as deferred outflows of resources related to pensions resulting from County benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2022	\$ 210,325
2023	212,115
2024	178,512
2025	187,168
2026	135,132
Thereafter	337,840
Total	<u>\$ 1,261,092</u>

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's net pension liability calculated using the discount rate of 2.12%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.12%) or one percentage point higher (3.12%) than the current rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Net pension liability	<u>\$ 4,842,005</u>	<u>\$ 4,440,897</u>	<u>\$ 4,070,583</u>

Schedule of Changes in Net Pension Liability Law Enforcement Officers' Special Separation Allowance

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance as of December 31, 2019	\$ 3,302,710	\$ 117,992	\$ 3,184,718
Service cost	167,984	-	167,984
Interest on the total pension liability	105,206	-	105,206
Differences between expected and actual experience in the measurement of the total pension liability	732,965	-	732,965
Changes of assumptions or other inputs	415,679	-	415,679
Contributions - employer	-	151,068	(151,068)
Net investment income	-	14,587	(14,587)
Benefit payments	(151,068)	(151,068)	-
Balance as of December 31, 2020	<u>\$ 4,573,476</u>	<u>\$ 132,579</u>	<u>\$ 4,440,897</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Changes of Assumptions. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 3.26% at December 31, 2019 to 2.12% at December 31, 2020.

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Following is information related to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 21,821,842	\$ -	\$ (279,721)	\$ 21,542,121
Proportion of the net pension liability (asset)	0.61067%	NA	-1.22053%	-
Net pension liability	-	4,440,897	-	4,440,897
Pension expense	7,408,090	479,975	(6,438)	7,881,627

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Deferred Outflows of Resources:				
Differences between expected and actual experience	\$ 2,755,716	\$ 848,573	\$ -	\$ 3,604,289
Changes of assumptions	1,623,973	500,256	-	2,124,229
Net difference between projected and actual earnings on pension plan investments	3,070,840	-	-	3,070,840
Changes in proportion and differences between County contributions and proportionate share of contributions	21,527	-	13,847	35,374
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>4,359,543</u>	<u>151,004</u>	<u>15,732</u>	<u>4,526,279</u>
Total	<u>\$ 11,831,599</u>	<u>\$ 1,499,833</u>	<u>\$ 29,579</u>	<u>\$ 13,361,011</u>
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ -	\$ -	\$ 5,700	\$ 5,700
Changes of assumptions	-	70,951	-	70,951
Net difference between projected and actual earnings on pension plan investments	-	16,786	23,935	40,721
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>364,203</u>	<u>-</u>	<u>20,707</u>	<u>384,910</u>
Total	<u>\$ 364,203</u>	<u>\$ 87,737</u>	<u>\$ 50,342</u>	<u>\$ 502,282</u>

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 Annual Comprehensive Financial Report for the State of North Carolina. The state’s Annual Comprehensive Financial Report 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021 were \$561,058, which consisted of \$361,390 from the County and \$199,668 from the law enforcement officers. No amounts were forfeited.

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 contributes 2% to all full-time general employees. 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. Contributions for the year ended June 30, 2021 were \$1,672,366, which consisted of \$684,550 from the County and \$987,816 from employee contributions. No amounts were forfeited.

e. Register of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government 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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The state's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary’s required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$15,732 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the County reported an asset of \$279,721 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension asset was based on the County’s share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2020, the County’s proportion was 1.22053%, which was an increase of 0.163540% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$(6,438). At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,700
Net difference between projected and actual earnings on pension plan investments	-	23,935
Changes in proportion and differences between County contributions and proportionate share of contributions	13,847	20,707
County contributions subsequent to the measurement date	15,732	-
Total	\$ 29,579	\$ 50,342

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

\$15,732 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2022	\$ (7,591)
2023	(12,073)
2024	(10,802)
2025	(6,029)
2026	-
Thereafter	-
Total	<u>\$ (36,495)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation was based on the results of an actuarial experience study as of December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2020 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.0%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 3.75%, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension asset	\$ 237,588	\$ 279,721	\$ 315,373

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

K. Other Post-Employment Benefits

Plan Description

Plan Administration. 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 Healthcare Benefits Plan (the “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 15 years of creditable service with the County, and are actively employed with the County at the time of retirement. The County is self-insured for health insurance. The entire cost for individual only coverage 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. The plan, which has a June 30, 2021 year end, does not issue a stand-alone report. Management of the HCB Plan is vested in the Harnett County Board of Commissioners.

Plan Membership. Membership of the HCB Plan consisted of the following as of June 30, 2020, the date of the latest actuarial valuation:

Inactive employees or beneficiaries	
Currently receiving benefits	210
Firefighters	-
Active employees	<u>976</u>
Total	<u><u>1,186</u></u>

Benefits Provided. The HCB Plan provides healthcare benefits for retirees. The County’s payment for the coverage is based on the number of years of service with the County of the retired employee on a prorated basis. Shown below is the prorated basis:

30	100%
29	96%
28	94%
27	91%
26	88%
25	85%
24	83%
23	81%
22	79%
21	77%
20	75%
19	70%
18	65%
17	60%
16	55%
15	50%

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Contributions. The Board of Commissioners established the contribution requirements of plan members which may be amended by the Board. The Board establishes rates based on an actuarially determined rate. Currently, the County pays the individual portion of the Healthcare Benefits Plan on active employees. 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 may amend the benefit provisions.

Per a County resolution, the County is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board. For the current year, the County contributed \$1,851,427. The Fund is accounted for as a trust fund.

Investments

Investment Policy. The HCB Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The HCB Plan discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. Investments are valued at fair value. The following was the Board’s adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021:

Asset Class	Anticipated Target Allocation 2021	Anticipated Target Allocation 2020	Long-Term Expected Real Rate of Return 2021	Long-Term Expected Real Rate of Return 2020
Fixed income	24.00%	28.00%	1.40%	1.40%
Global equity	<u>76.00%</u>	<u>72.00%</u>	5.30%	5.30%
	<u>100.00%</u>	<u>100.00%</u>		

Rate of Return. For the year ended June 30, 2021, the annual money weighted rate of return on investments, net of investment expense, was 13.42 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Net OPEB Liability

The components of the net OPEB liability of the County at June 30, 2021 were as follows:

Total OPEB liability	\$ 55,470,291
Plan fiduciary net position	<u>857,151</u>
Net OPEB liability	<u>\$ 54,613,140</u>

Plan fiduciary net position as a percentage of the total OPEB liability	1.55%
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Actuarial Assumptions. The total OPEB liability was determined by actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.50 percent
Discount rate	2.16 percent
Healthcare cost trend rates	Pre-Medicare - 7.5% for 2020 decreasing to an ultimate rate of 4.5% by 2026

Total OPEB liability was rolled forward to June 30, 2021, utilizing update procedures incorporating the actuarial assumptions.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on those used for the December 31, 2019 Actuarial Valuation of the N.C. Local Government Employees' System.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are presented above.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Discount Rate. The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.16 percent, which was a change from the discount rate of 2.21% at June 30, 2020. However, because the OPEB plan's fiduciary net position was not projected to be sufficient to make all future benefit payments, the discount rate incorporates a municipal bond rate which was 2.16 percent at June 30, 2020 per the S&P Municipal Bond 20-Year High Grade Rate Index.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. At June 30, 2021, the following represents the net OPEB liability of the County as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB liability	\$ 61,316,337	\$ 54,613,140	\$ 48,824,095

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the County at June 30, 2021, as well as what the County's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 49,729,869	\$ 54,613,140	\$ 60,423,876

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2021, the County reported a net OPEB liability of \$54,613,140. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

At June 30, 2021, the components of the net OPEB liability of the County, measured as of June 30, 2021, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2020	\$ 54,830,297	\$ 117,471	\$ 54,712,826
Changes for the year:			
Service cost	2,268,814	-	2,268,814
Interest	1,198,788	-	1,198,788
Differences between expected and actual experience	(1,163,536)	-	(1,163,536)
Changes of assumptions	(491,036)	-	(491,036)
Contributions	-	1,851,427	(1,851,427)
Net investment income	-	61,289	(61,289)
Benefit payments	(1,173,036)	(1,173,036)	-
Net changes	639,994	739,680	(99,686)
Balances at June 30, 2021	\$ 55,470,291	\$ 857,151	\$ 54,613,140

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021.

For the year ended June 30, 2021, the County recognized OPEB expense of \$4,469,290. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,262,587	\$ 1,395,095
Changes of assumptions	8,152,249	1,310,740
Net difference between projected and actual earnings on pension plan investments	-	43,667
Total	\$ 9,414,836	\$ 2,749,502

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	
June 30	Total
2022	\$ 1,015,388
2023	1,015,386
2024	1,017,375
2025	1,274,334
2026	1,352,008
Thereafter	990,843
Total	\$ 6,665,334

L. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government Employees' Retirement System (the "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 no liability beyond 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. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. 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. The County considers these contributions to be immaterial.

M. Closure and Post-Closure Care Costs – Dunn-Erwin Solid Waste Landfill

State and federal 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 of the 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

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

have been closed as of each financial statement date. Post-closure care costs begin immediately upon each phase closure and per state and federal regulations; post-closure care must be maintained for a minimum of a 30-year timeframe after closure. No expenditures have been applied to the liability during the current fiscal year. The \$1,300,089 post-closure care liability at June 30, 2021 represents a cumulative amount reported to date based on the use of 100 percent 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 2021. Actual costs may be higher due to inflation, changes in technology, changes in regulations, or changes in landfill capacity.

N. Commitment and Contingencies

The County had commitments under uncompleted construction contracts in the governmental and enterprise funds totaling \$53,128,793 at June 30, 2021.

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19), a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 may continue to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

O. 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 will be payable.

P. Claims and Judgments

At June 30, 2021, 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.

Q. 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

R. Interfund Balances and Activities

Transfers in (out) for the year ended June 30, 2021, are summarized below:

From the General Fund to:

The Oakridge River Rd Fund for the County's local contribution	\$ 825,000
The Veteran Court Fund for the County's local contribution	57,484
The Old Detention Center Demo Fund for the County's local contribution	508,891
The Government Complex Park South for the County's local contribution	53,332
The Government Complex Park for the County's local contribution	50,000
The Jetport Terminal Project for the County's local contribution	9,964
The Broadband Development Fund for capital costs	<u>2,000,000</u>
Total transfers out from the General Fund	<u>3,504,671</u>

From nonmajor governmental funds to:

The General Fund from the Disaster Response Fund for public safety expenditures	2,000,000
The General Fund from Asset Forfeiture fund for public safety expenditures	<u>228,803</u>
Total transfer out from nonmajor governmental funds	<u>2,228,803</u>

Total	<u><u>\$ 5,733,474</u></u>
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Interfund balances at June 30, 2021 consist of the following:

Due to the General Fund from:

Nonmajor Governmental Funds:

WIA Youth Program Fund	\$ 95,472
Veterans Court Fund	179,498
Public Safety Fund	140,309
Government Complex Park	68,572
Airfield Lighting Rehabilitation	9,020
Emergency Watershed	22,663
Jetport Master Plan	16,014
Northwest Elementary School	<u>1,572,280</u>

Total due to the General Fund	<u><u>\$ 2,103,828</u></u>
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The balances above are advances from the General Fund. Grant funds and debt proceeds have been requested to repay the General Fund.

The internal balance on Exhibit A is the result of the consolidation of the County's internal services funds.

The Water Districts (a blended component unit of the County) issue GO debt (30-year), the proceeds of which are used to refund existing USDA District debt. The County then issues limited obligation bonds in an amount sufficient enough to purchase all the District's GO debt. Both the District and the County assign their rights to a third-party trustee that received the debt payments from the District and uses those funds to make the debt service payments on the LOBs.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

3. Joint Ventures

The County, in conjunction with seven other counties, participates in the Sandhills Center for Mental Health, Development Disabilities & 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 continued funding. The County contributed \$199,679 to the Authority during the fiscal year ended June 30, 2021. 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, 2021. Complete financial statements for the Sandhills Center can be obtained from their administrative offices 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 \$1,359,842 to the community college for operating purposes during the fiscal year ended June 30, 2021. 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, 2021. 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 Averagesboro 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 Averagesboro Township in Harnett County. The Authority may spend these proceeds to develop, promote, and advertise travel and tourism in Averagesboro Township, to sponsor tourist-oriented events and activities for Averagesboro Township, to operate and maintain museums and historic sites throughout Averagesboro Township, and to purchase, operate, and maintain a convention facility for Averagesboro Township. The County appoints two members to the seven-member Board.

The County remitted \$528,941 to the Authority during the fiscal year ended June 30, 2021.

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, 2021. 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, Dunn, North Carolina 28335.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

4. Jointly Governed Organization

The County, in conjunction with two other counties and 20 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 \$30,964 to the Council during fiscal year ended June 30, 2021.

5. Subsequent Events

Harnett County was awarded \$26,411,744 from the Federal American Rescue Plan (ARP). The County received \$13,205,872 in August 2021. The remaining amount of \$13,205,872 is expected to be received within the next 12 months.

On August 3, 2021, Harnett County issued \$43,000,000 in general obligation bonds for school related projects.

6. Stewardship, Compliance, and Accountability

A. Deficit Fund Balance of Individual Funds

Capital Project Funds:

Northwest Harnett Elementary	\$ 1,572,280
Jetport Master Plan	16,360
Airfield Lighting Rehabilitation	9,354
Government Complex Park	68,572

The County plans to fully fund these projects in the subsequent year. The Northwest Harnett Elementary School will be funded by transfers from the General Fund, the Jetport Master Plan and Airfield Lighting Rehabilitation will be funded by transfers and grant revenue and the Government Complex Park will be funded by a transfer from the General Fund in the subsequent year.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

7. Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84 *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position was restated as of the beginning of the fiscal year as follows:

Governmental Activities Net Position - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)	
\$ 125,908	\$ 125,908	\$ -	Cash related to funds held on behalf of DSS was reclassified from the DSS Trust Custodial Fund into a Special Revenue Fund as a restatement of Fund Balance.
-	-	12,042	Cash related to funds held on behalf of incarcerated inmates was reclassified from the Agency Fund into fiduciary net position in a newly created Jail Inmate Pay Custodial Fund.
-	-	139,568	Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund.
4,950	4,950	-	Cash and liabilities from Fines and Forfeitures was reclassified out of the Agency Fund into a Special Revenue Fund as a restatement of Fund Balance.
\$ 130,858	\$ 130,858	\$ 151,610	

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REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- **Law Enforcement Officers' Special Separation Allowance – Schedule of Changes in Total Pension Liability**
- **Law Enforcement Officers' Special Separation Allowance – Schedule of Total Pension Liability as a Percentage of Covered Payroll**
- **Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions**
- **Other Post-Employment Benefits –**
 - **Schedule of Changes in the Net OPEB Liability and Related Ratios**
 - **Schedule of County Contributions**
 - **Schedule of Investment Returns**
- **Local Governmental Employees' Retirement System – Proportionate Share of Net Pension Liability (Asset)**
- **Local Governmental Employees' Retirement System – Contributions**
- **Register of Deeds' Supplemental Pension Fund – Proportionate Share of Net Pension Liability (Asset)**
- **Register of Deeds' Supplemental Pension Fund – Contributions**

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HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
 LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
 LAST FIVE FISCAL YEARS

Law Enforcement Officers' Special Separation Allowance					
Total Pension Liability:	2021	2020	2019	2018	2017
Service cost	\$ 167,984	\$ 162,303	\$ 162,961	\$ 142,756	\$ 136,917
Interest on the total pension liability	105,206	100,633	86,560	91,776	83,758
Difference between expected and actual experience	732,965	251,811	37,464	53,115	-
Changes in assumptions or other inputs	415,679	103,797	(118,173)	201,437	(61,731)
Benefit payments	<u>(151,068)</u>	<u>(160,938)</u>	<u>(125,872)</u>	<u>(129,094)</u>	<u>(125,866)</u>
Net change in total pension liability	1,270,766	457,606	42,940	359,990	33,078
Total pension liability - beginning	<u>3,302,710</u>	<u>2,845,104</u>	<u>2,802,164</u>	<u>2,442,174</u>	<u>2,409,096</u>
Total pension liability - ending	<u>\$ 4,573,476</u>	<u>\$ 3,302,710</u>	<u>\$ 2,845,104</u>	<u>\$ 2,802,164</u>	<u>\$ 2,442,174</u>
Plan Net Position:					
Contributions - employer	\$ 151,068	\$ 160,938	\$ 225,872	\$ -	\$ -
Net investment income	14,587	17,859	133	-	-
Benefit payments	<u>(151,068)</u>	<u>(160,938)</u>	<u>(125,872)</u>	<u>-</u>	<u>-</u>
Net change in plan net position	14,587	17,859	100,133	-	-
Plan net position - beginning	<u>117,992</u>	<u>100,133</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan net position - ending	<u>\$ 132,579</u>	<u>\$ 117,992</u>	<u>\$ 100,133</u>	<u>\$ -</u>	<u>\$ -</u>
Net pension liability - ending	<u>\$ 4,440,897</u>	<u>\$ 3,184,718</u>	<u>\$ 2,744,971</u>	<u>\$ 2,802,164</u>	<u>\$ 2,442,174</u>

The amounts presented for each fiscal year were determined as of the prior December 31.

HARNETT COUNTY, NORTH CAROLINA**SCHEDULE OF NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST FIVE FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance				
	2021	2020	2019	2018	2017
Total pension liability	\$ 4,573,476	\$ 3,302,710	\$ 2,845,104	\$ 359,990	\$ 33,078
Plan net position	132,579	117,992	100,133	-	-
Net pension liability	<u>\$ 4,440,897</u>	<u>\$ 3,184,718</u>	<u>\$ 2,744,971</u>	<u>\$ 359,990</u>	<u>\$ 33,078</u>
Ratio of plan net position to total pension liability	2.90%	3.57%	3.52%	0.00%	0.00%
Covered payroll	\$ 7,369,562	\$ 6,861,542	\$ 6,388,148	\$ 6,106,799	\$ 5,599,863
Net pension liability as a percentage of covered payroll	60.26%	46.41%	42.97%	5.89%	0.59%

The amounts presented for each fiscal year were determined as of the prior December 31.

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

HARNETT COUNTY, NORTH CAROLINA**SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST THREE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined employer contribution	\$ 678,843	\$ 437,750	\$ 382,129
Actual employer contributions	<u>358,069</u>	<u>158,954</u>	<u>228,205</u>
Annual contribution deficiency (excess)	<u>\$ 320,774</u>	<u>\$ 278,796</u>	<u>\$ 153,924</u>
Covered payroll	\$ 7,369,562	\$ 6,861,542	\$ 6,388,148
Actual contributions as a percentage of covered payroll	4.86%	2.32%	3.57%

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

HARNETT COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS**

Other Post-Employment Benefits				
	2021	2020	2019	2018
Service cost	\$ 2,268,814	\$ 2,219,756	\$ 1,586,770	\$ 1,784,904
Interest	1,198,788	1,546,413	1,398,120	1,015,623
Differences between expected and actual experience	(1,163,537)	(284,407)	1,971,907	(411,268)
Changes of assumptions or other inputs	(491,036)	7,577,536	3,735,612	(2,253,489)
Benefit payments	<u>(1,173,035)</u>	<u>(817,408)</u>	<u>(89,940)</u>	<u>(387,869)</u>
Net change in total OPEB liability	639,994	10,241,890	8,602,469	(252,099)
Total OPEB liability - beginning	<u>54,830,297</u>	<u>44,588,407</u>	<u>35,985,938</u>	<u>33,934,132</u>
Total OPEB liability - ending	<u>\$ 55,470,291</u>	<u>\$ 54,830,297</u>	<u>\$ 44,588,407</u>	<u>\$ 33,682,033</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,851,427	\$ 817,408	\$ 189,940	\$ -
Net investment income	61,289	6,035	11,436	-
Benefit payments	<u>(1,173,036)</u>	<u>(817,408)</u>	<u>(89,940)</u>	<u>-</u>
Net change in plan fiduciary net position	739,680	6,035	111,436	-
Plan fiduciary net position - beginning	<u>117,471</u>	<u>111,436</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending	<u>\$ 857,151</u>	<u>\$ 117,471</u>	<u>\$ 111,436</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 54,613,140</u>	<u>\$ 54,712,826</u>	<u>\$ 44,476,971</u>	<u>\$ 33,682,033</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.55%	0.21%	0.25%	

HARNETT COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
LAST THREE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 4,904,828	\$ 4,521,445	\$ 4,521,445
Contributions in relation to the actuarially determined contribution	1,851,427	817,408	189,940
Contribution deficiency (excess)	<u>\$ 3,053,401</u>	<u>\$ 3,704,037</u>	<u>\$ 4,331,505</u>

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Amortization period	25 years
Asset valuation method	Market value
Inflation	2.50%
Healthcare cost trend rates:	
Pre-Medicare Medical and Prescription Drug	7.5% for 2020 decreasing to an ultimate rate of 4.5% by 2026
Dental	4.00%
Salary increases	General
	Employees 3.50% - 7.80%
	Firefighters 3.50% - 7.80%
	Enforcement
	Enforcement
	Officers 3.50% - 7.40%
Investment rate of return	3.00%

Mortality:

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

HARNETT COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
LAST THREE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	13.42%	5.42%	22.87%

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HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS***

	Local Government Employees' Retirement System			
	2021	2020	2019	2018
Harnett County's proportion of the net pension liability (asset) (%)	0.61067%	0.63099%	0.63552%	0.62989%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ 21,821,842	\$ 17,231,846	\$ 15,076,709	\$ 9,622,975
Harnett County's covered payroll	\$ 42,145,553	\$ 41,328,095	\$ 40,417,021	\$ 38,174,729
Harnett County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.78%	41.70%	37.30%	25.21%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**This will be the same percentage for all participant employers in the LGERS plan.

This schedule is intended to show information for ten years.
Additional years' information will be displayed as it becomes available.

HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS***

	Local Government Employees' Retirement System			
	2017	2016	2015	2014
Harnett County's proportion of the net pension liability (asset) (%)	0.60747%	0.60626%	0.61359%	0.60720%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ 12,892,549	\$ 2,720,859	\$ (3,618,622)	\$ 7,319,092
Harnett County's covered payroll	\$ 35,357,790	\$ 33,805,772	\$ 33,682,244	\$ 31,375,274
Harnett County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.46%	8.05%	(10.74%)	23.33%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS**

Local Government Employees' Retirement System				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 4,359,543	\$ 3,838,668	\$ 3,272,702	\$ 3,098,299
Contributions in relation to the contractually required contribution	<u>4,359,543</u>	<u>3,838,668</u>	<u>3,272,702</u>	<u>3,098,299</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Harnett County's covered payroll	\$ 42,254,273	\$ 42,145,553	\$ 41,328,095	\$ 40,417,021
Contributions as a percentage of covered payroll	10.32%	9.11%	7.92%	7.67%

This schedule is intended to show information for ten years.
Additional years' information will be displayed as it becomes available.

HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS**

Local Government Employees' Retirement System				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,837,412	\$ 2,405,538	\$ 2,408,212	\$ 2,392,465
Contributions in relation to the contractually required contribution	<u>2,837,412</u>	<u>2,405,538</u>	<u>2,408,212</u>	<u>2,392,465</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Harnett County's covered payroll	\$ 38,174,729	\$ 35,357,790	\$ 33,805,772	\$ 33,682,244
Contributions as a percentage of covered payroll	7.43%	6.80%	7.12%	7.10%

HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS***

	Register of Deeds' Supplemental Pension Fund			
	2021	2020	2019	2018
Harnett County's proportion of the net pension liability (asset) (%)	1.22053%	1.05699%	1.19995%	1.24961%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ (279,721)	\$ (208,671)	\$ (198,748)	\$ (213,296)
Harnett County's covered payroll	\$ 79,000	\$ 79,000	\$ 79,000	\$ 79,000
Harnett County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-354.08%	-264.14%	-251.58%	-269.99%
Plan fiduciary net position as a percentage of the total pension liability**	173.62%	164.11%	153.31%	153.77%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**This will be the same percentage for all participant employers in the LGERS plan.

This schedule is intended to show information for ten years.
Additional years' information will be displayed as it becomes available.

HARNETT COUNTY, NORTH CAROLINA

**HARNETT COUNTY'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS***

	Register of Deeds' Supplemental Pension Fund			
	2017	2016	2015	2014
Harnett County's proportion of the net pension liability (asset) (%)	1.21436%	1.24646%	1.21801%	1.27830%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ (227,037)	\$ (288,855)	\$ (276,087)	\$ (273,045)
Harnett County's covered payroll	\$ 79,000	\$ 79,000	\$ 79,000	\$ 79,000
Harnett County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-287.39%	-365.64%	-349.48%	-345.63%
Plan fiduciary net position as a percentage of the total pension liability**	160.17%	197.29%	193.88%	190.50%

HARNETT COUNTY, NORTH CAROLINA**HARNETT COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS**

Register of Deeds' Supplemental Pension Fund				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 15,732	\$ 11,687	\$ 9,726	\$ 10,269
Contributions in relation to the contractually required contribution	<u>15,732</u>	<u>11,687</u>	<u>9,726</u>	<u>10,269</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Harnett County's covered payroll	\$ 77,464	\$ 79,000	\$ 79,000	\$ 79,000
Contributions as a percentage of covered payroll	20.31%	14.79%	12.31%	13.00%

This schedule is intended to show information for ten years.
Additional years' information will be displayed as it becomes available.

HARNETT COUNTY, NORTH CAROLINA

HARNETT COUNTY'S CONTRIBUTIONS
 REQUIRED SUPPLEMENTARY INFORMATION
 LAST EIGHT FISCAL YEARS

Register of Deeds' Supplemental Pension Fund				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 10,053	\$ 9,920	\$ 9,974	\$ 9,945
Contributions in relation to the contractually required contribution	<u>10,053</u>	<u>9,920</u>	<u>9,974</u>	<u>9,945</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Harnett County's covered payroll	\$ 79,000	\$ 79,000	\$ 79,000	\$ 79,000
Contributions as a percentage of covered payroll	12.73%	12.56%	12.63%	12.59%

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MAJOR FUNDS - GOVERNMENTAL

The General Fund accounts for resources traditionally associated with the government that are not required legally or by sound fiscal management to be accounted for in other funds.

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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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over /Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 66,650,000	\$ 70,693,176	\$ 4,043,176	\$ 67,167,712
Penalties and interest	200,000	298,034	98,034	284,624
Total	66,850,000	70,991,210	4,141,210	67,452,336
Other Taxes and Licenses:				
Local option sales tax	28,620,000	39,711,979	11,091,979	33,693,156
Cable franchise license	180,000	177,156	(2,844)	181,015
Excise stamp - real property	530,000	1,012,527	482,527	736,458
Total	29,330,000	40,901,662	11,571,662	34,610,629
Unrestricted Intergovernmental:				
Controlled substance	14,000	43,235	29,235	14,153
Civil license revenue	8,000	-	(8,000)	-
Total	22,000	43,235	21,235	14,153
Restricted Intergovernmental:				
Federal and State grants	22,043,629	19,447,549	(2,596,080)	21,494,634
Court facility fees	865,000	684,324	(180,676)	979,493
Total	22,908,629	20,131,873	(2,776,756)	22,474,127
Permits and Fees:				
Filing and registration fees	-	-	-	178
Dog warden fees	74,000	85,497	11,497	68,189
Register of Deeds' fees	480,000	788,649	308,649	533,338
Inspection fees	282,500	369,478	86,978	290,076
Other fees	3,270	1,600	(1,670)	160,979
Total	839,770	1,245,224	405,454	1,052,760
Sales and Services:				
Rents, concessions, and fees	1,795,351	2,241,043	445,692	2,093,756
Court costs and fees	189,000	154,571	(34,429)	181,721
Jail fees	-	28,893	28,893	35,847
Ambulance fees	7,785,861	4,933,295	(2,852,566)	5,349,325
Library fees	20,000	5,493	(14,507)	16,034
Health fees	1,623,027	2,840,098	1,217,071	1,819,985
Total	11,413,239	10,203,393	(1,209,846)	9,496,668

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over /Under	2020
	Budget	Actual		Actual
Investment Earnings	<u>313,939</u>	<u>72,957</u>	<u>(240,982)</u>	<u>1,191,519</u>
Other General Revenues:				
Sale of assets	12,000	124,980	112,980	2,966,486
Miscellaneous revenues	2,845,794	3,658,787	812,993	3,477,921
Donations	<u>107,595</u>	<u>96,581</u>	<u>(11,014)</u>	<u>124,331</u>
Total	<u>2,965,389</u>	<u>3,880,348</u>	<u>914,959</u>	<u>6,568,738</u>
Total revenues	<u>134,642,966</u>	<u>147,469,902</u>	<u>12,826,936</u>	<u>142,860,930</u>
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	985,281	940,905		680,656
Other operating expenditures	<u>544,847</u>	<u>531,975</u>		<u>110,919</u>
Total	<u>1,530,128</u>	<u>1,472,880</u>	<u>57,248</u>	<u>791,575</u>
Administration:				
Salaries and employee benefits	733,856	694,952		594,504
Other operating expenditures	<u>605,918</u>	<u>110,583</u>		<u>122,439</u>
Total	<u>1,339,774</u>	<u>805,535</u>	<u>534,239</u>	<u>716,943</u>
Legal Services:				
Salaries and employee benefits	147,378	121,897		110,180
Other operating expenditures	<u>48,913</u>	<u>27,956</u>		<u>26,060</u>
Total	<u>196,291</u>	<u>149,853</u>	<u>46,438</u>	<u>136,240</u>
Human Resources:				
Salaries and employee benefits	326,403	331,936		286,510
Other operating expenditures	<u>81,267</u>	<u>60,187</u>		<u>45,078</u>
Total	<u>407,670</u>	<u>392,123</u>	<u>15,547</u>	<u>331,588</u>
Board of Elections:				
Salaries and employee benefits	466,992	398,557		374,409
Other operating expenditures	<u>345,282</u>	<u>333,861</u>		<u>84,217</u>
Total	<u>812,274</u>	<u>732,418</u>	<u>79,856</u>	<u>458,626</u>

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over /Under	2020
	Budget	Actual		Actual
Finance:				
Salaries and employee benefits	799,104	787,039		809,628
Other operating expenditures	221,215	229,480		278,878
Total	1,020,319	1,016,519	3,800	1,088,506
Facility Fees:				
Other operating expenditures	2,000	-		13,172
Total	2,000	-	2,000	13,172
IT:				
Salaries and employee benefits	1,257,653	1,247,313		1,189,059
Other operating expenditures	2,899,240	2,563,981		2,023,765
Capital outlay	1,256,753	696,592		166,438
Total	5,413,646	4,507,886	905,760	3,379,262
Tax:				
Salaries and employee benefits	1,460,456	1,330,678		555,223
Other operating expenditures	1,100,644	1,013,029		1,279,764
Total	2,561,100	2,343,707	217,393	1,834,987
Register of Deeds:				
Salaries and employee benefits	646,632	605,670		622,935
Other operating expenditures	242,439	125,676		198,817
Total	889,071	731,346	157,725	821,752
Public Buildings:				
Salaries and employee benefits	706,123	655,886		665,209
Other operating expenditures	2,818,499	2,621,867		2,318,905
Total	3,524,622	3,277,753	246,869	2,984,114
General Services:				
Salaries and employee benefits	177,704	173,381		166,486
Other operating expenditures	9,153	9,053		13,202
Total	186,857	182,434	4,423	179,688
Transportation:				
Salaries and employee benefits	1,414,133	1,018,070		1,055,987
Other operating expenditures	660,212	530,928		680,504
Capital outlay	160,000	158,047		-
Total	2,234,345	1,707,045	527,300	1,736,491

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over /Under	2020
	Budget	Actual		Actual
GIS:				
Salaries and employee benefits	573,234	569,348		635,020
Other operating expenditures	57,066	27,764		24,889
Total	630,300	597,112	33,188	659,909
Total general government	20,748,397	17,916,611	2,831,786	15,132,853
Public Safety:				
Sheriff:				
Salaries and employee benefits	11,547,732	11,374,206		11,019,131
Other operating expenditures	3,069,050	1,968,433		1,618,450
Capital outlay	997,731	825,037		323,658
Total	15,614,513	14,167,676	1,446,837	12,961,239
Campbell Campus Deputies:				
Salaries and employee benefits	454,204	441,893		456,144
Other operating expenditures	23,000	20,288		20,165
Total	477,204	462,181	15,023	476,309
Communications:				
Salaries and employee benefits	1,565,475	1,499,743		1,615,873
Other operating expenditures	196,773	178,792		252,896
Total	1,762,248	1,678,535	83,713	1,868,769
Jail:				
Salaries and employee benefits	3,859,367	3,778,564		3,761,217
Other operating expenditures	1,954,810	1,919,034		1,831,245
Total	5,814,177	5,697,598	116,579	5,592,462
Child Support Enforcement:				
Salaries and employee benefits	67,716	66,883		59,805
Other operating expenditures	3,840	2,500		146
Total	71,556	69,383	2,173	59,951
Emergency Services:				
Salaries and employee benefits	798,293	742,064		791,102
Other operating expenditures	206,561	175,300		215,282
Total	1,004,854	917,364	87,490	1,006,384

HARNETT COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2021</u>		<u>Variance Over /Under</u>	<u>2020</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Emergency Medical Services:				
Salaries and employee benefits	7,302,699	6,900,349		6,912,208
Other operating expenditures	1,774,754	1,357,783		703,267
Capital outlay	597,839	134,166		247,089
Total	<u>9,675,292</u>	<u>8,392,298</u>	<u>1,282,994</u>	<u>7,862,564</u>
Rescue Districts:				
Other operating expenditures	<u>3,673,427</u>	<u>3,673,427</u>	<u>-</u>	<u>3,673,427</u>
Medical Examiner:				
Other operating expenditures	<u>95,000</u>	<u>88,680</u>	<u>6,320</u>	<u>123,202</u>
Emergency Services Grant:				
Other operating expenditures	<u>208,975</u>	<u>206,851</u>		<u>565,394</u>
Total	<u>208,975</u>	<u>206,851</u>	<u>2,124</u>	<u>565,394</u>
Animal Control:				
Salaries and employee benefits	503,192	433,984		375,463
Other operating expenditures	<u>178,050</u>	<u>124,131</u>		<u>125,972</u>
Total	<u>681,242</u>	<u>558,115</u>	<u>123,127</u>	<u>501,435</u>
Total public safety	<u>39,078,488</u>	<u>35,912,108</u>	<u>3,166,380</u>	<u>34,691,136</u>
Transportation Administration:				
Airport:				
Other operating expenditures	<u>740,927</u>	<u>706,269</u>	<u>34,658</u>	<u>492,513</u>
Transportation:				
Airport:				
Other operating expenditures	<u>281,556</u>	<u>205,204</u>	<u>76,352</u>	<u>198,853</u>
Total transportation	<u>1,022,483</u>	<u>911,473</u>	<u>111,010</u>	<u>691,366</u>
Environmental Protection:				
Soil and Water:				
Salaries and employee benefits	217,138	210,525		206,660
Other operating expenditures	<u>20,095</u>	<u>8,423</u>		<u>15,780</u>
Total	<u>237,233</u>	<u>218,948</u>	<u>18,285</u>	<u>222,440</u>

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over /Under	2020
	Budget	Actual		Actual
Environmental Protection Allocation:				
Salaries and employee benefits				
Other operating expenditures	6,000	6,000		4,000
Total	6,000	6,000	-	4,000
Total environmental protection	243,233	224,948	18,285	226,440
Economic and Physical Development:				
Economic Development:				
Salaries and employee benefits	1,689,756	1,633,431		1,568,038
Other operating expenditures	754,440	688,032		713,142
Total	2,444,196	2,321,463	122,733	2,281,180
Cooperative Extension:				
Salaries and employee benefits	451,576	387,641		430,672
Other operating expenditures	123,721	20,742		111,988
Capital outlay	-	7,152		7,046
Total	575,297	415,535	159,762	549,706
Abandoned Manufactured Homes:				
Salaries and employee benefits	-	-		24,000
Other operating expenditures	-	-		2,952
Total	-	-	-	26,952
Forestry Program:				
Operating expenditures	138,026	135,321	2,705	124,123
Total economic and physical development	3,157,519	2,872,319	285,200	2,981,961
Human Services:				
Health:				
Salaries and employee benefits	6,424,696	5,482,061		5,463,043
Other operating expenditures	2,625,750	1,775,486		1,453,916
Total	9,050,446	7,257,547	1,792,899	6,916,959
Social Services:				
Salaries and employee benefits	12,760,323	12,399,477		11,405,627
Other operating expenditures	1,103,191	888,331		774,049
Total	13,863,514	13,287,808	575,706	12,179,676

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over /Under	2020
	Budget	Actual		Actual
Restitution:				
Salaries and employee benefits	69,214	69,106		85,966
Operating expenditures	13,498	10,062		7,510
Total	82,712	79,168	3,544	93,476
Veterans Services:				
Salaries and employee benefits	279,543	260,317		255,446
Other operating expenditures	25,454	13,611		14,726
Total	304,997	273,928	31,069	270,172
Mental Health:				
Other operating expenditures	605,679	605,679		605,679
Total	605,679	605,679	-	605,679
Human Services Appropriations:				
Other operating expenditures	32,000	-		31,118
Total	32,000	-	32,000	31,118
Public Assistance:				
TANF	-	305		983
Aid to the aged and blind	725,000	608,394		690,789
Medicaid	7,000	4,146		5,765
Aid to the blind	5,000	5,228		-
County assistance	35,000	13,810		13,406
Crisis intervention	523,449	523,669		543,831
Adoption Assistance - IV-B	100,000	71,113		81,089
Adoption IV-B vendor	8,354	3,541		6,304
Adoption IV-E vendor	9,000	9,662		10,277
Adoption assistance -IV- E	170,000	116,994		150,952
Foster care - other	1,800	1,909		2,162
Title IV-E - foster care	720,000	663,535		897,394
Foster care County payments	20,000	37,959		50,014
State foster home care	670,000	611,771		565,710
Special services - foster care	14,000	4,186		8,136
Vendor transportation	70,000	50,857		53,884
Day care	678	-		80
All County clothing allowance	15,000	14,525		20,350
Professional services	6,000	3,757		4,815

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over /Under	2020
	Budget	Actual		Actual
WorkFirst - emergency cash	26,000	5,841		4,975
Contracted services	55,000	40,130		46,275
Child support enforcement	73,532	42,690		53,186
LIEAP	523,449	398,997		571,693
Donations	36,488	5,629		8,859
Food stamp issuance	50,000	22,845		38,671
Special needs adoption	6,000	2,248		3,876
Total	<u>3,870,750</u>	<u>3,263,741</u>	<u>607,009</u>	<u>3,833,476</u>
Total human services	<u>27,810,098</u>	<u>24,767,871</u>	<u>3,042,227</u>	<u>23,930,556</u>
Cultural and Recreation:				
Parks and Recreation:				
Salaries and employee benefits	808,214	710,454		699,757
Other operating expenditures	929,272	630,116		874,559
Capital outlay	227,730	122,837		96,016
Total	<u>1,965,216</u>	<u>1,463,407</u>	<u>501,809</u>	<u>1,670,332</u>
Libraries:				
Salaries and benefits	1,133,901	968,178		825,440
Other operating expenditures	343,194	291,836		232,854
Capital outlay	113,367	99,872		-
Total	<u>1,590,462</u>	<u>1,359,886</u>	<u>230,576</u>	<u>1,058,294</u>
Culture and Recreation Appropriations:				
Other operating expenditures	<u>184,598</u>	<u>150,000</u>	<u>34,598</u>	<u>172,360</u>
Total cultural and recreation	<u>3,740,276</u>	<u>2,973,293</u>	<u>766,983</u>	<u>2,900,986</u>
Education:				
CCCC campus	1,576,978	1,359,842		1,301,885
CCCC campus capital outlay	45,000	-		249,263
Public schools - current expenses	24,680,603	24,680,603		24,680,603
Public schools - capital outlay	1,021,528	767,294		2,547,463
Total education	<u>27,324,109</u>	<u>26,807,739</u>	<u>516,370</u>	<u>28,779,214</u>

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over /Under	Actual
Debt Service:				
Principal retirement	11,025,673	10,640,825		13,810,496
Interest and fees	6,254,533	3,451,713		4,518,023
Bond issuance costs	450,583	450,583		-
Advance refunding escrow	1,971,040	1,971,040		-
Total debt service	19,701,829	16,514,161	3,187,668	18,328,519
Total expenditures	142,826,432	128,900,523	13,925,909	127,663,031
Revenues over (under) expenditures	(8,183,466)	18,569,379	26,752,845	15,197,899
Other Financing Sources (Uses):				
Transfer out	(22,208,093)	(3,504,671)	18,703,422	(913,816)
Transfer in	20,348,524	2,228,803	(18,119,721)	7,789,510
Refunding debt issued	53,075,000	51,410,000	(1,665,000)	-
Bond premium	7,298,012	7,124,840	(173,172)	-
Payment from escrow agent	(60,373,012)	(60,054,491)	318,521	835,360
Appropriated fund balance	10,043,035	-	(10,043,035)	-
Total other financing sources (uses)	8,183,466	(2,795,519)	(10,978,985)	7,711,054
Net change in fund balance	\$ -	15,773,860	\$ 15,773,860	22,908,953
Fund Balance:				
Beginning of year - July 1		66,529,167		43,620,214
End of year - June 30		\$ 82,303,027		\$ 66,529,167

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Assets:			
Cash and investments	\$ 8,005,994	\$ 5,862,808	\$ 13,868,802
Taxes receivable, net	110,688	-	110,688
Accounts receivable, net	1,145,381	119,456	1,264,837
Cash and cash equivalents, restricted	-	18,347,498	18,347,498
Total assets	<u>\$ 9,262,063</u>	<u>\$ 24,329,762</u>	<u>\$ 33,591,825</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 943,204	\$ 381,399	\$ 1,324,603
Accounts payable from restricted assets	-	1,378,410	1,378,410
Due to other funds	415,279	1,688,549	2,103,828
Total liabilities	<u>1,358,483</u>	<u>3,448,358</u>	<u>4,806,841</u>
Deferred Inflows of Resources:			
Property tax receivable	110,688	-	110,688
Total deferred inflows of resources	<u>110,688</u>	<u>-</u>	<u>110,688</u>
Fund Balances:			
Restricted for stabilization by state statute	1,145,381	119,456	1,264,837
Restricted for Register of Deeds	106,639	-	106,639
Restricted for general government	14,398	999,022	1,013,420
Restricted for education	163	15,970,066	15,970,229
Restricted for public safety	3,747,500	-	3,747,500
Restricted for health and human services	115,350	-	115,350
Committed for general government	-	506,891	506,891
Committed for economic development	-	735,107	735,107
Committed for culture and recreation	-	68,060	68,060
Committed for education	-	4,261,848	4,261,848
Assigned	3,410,004	-	3,410,004
Unassigned	(746,543)	(1,779,046)	(2,525,589)
Total fund balances	<u>7,792,892</u>	<u>20,881,404</u>	<u>28,674,296</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,262,063</u>	<u>\$ 24,329,762</u>	<u>\$ 33,591,825</u>

HARNETT COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021**

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 9,108,003	\$ -	\$ 9,108,003
Other taxes and licenses	1,860,530	-	1,860,530
Restricted intergovernmental	3,121,102	491,483	3,612,585
Permits and fees	1,344,917	-	1,344,917
Sales and services	135,373	-	135,373
Investment earnings	-	(6,081)	(6,081)
Total revenues	<u>15,569,925</u>	<u>485,402</u>	<u>16,055,327</u>
Expenditures:			
Current:			
General government	718,513	9,897,208	10,615,721
Public safety	12,943,961	576,592	13,520,553
Economic and physical development	-	1,827,123	1,827,123
Human services	411,636	-	411,636
Cultural and recreation	-	462,884	462,884
Education	<u>378,228</u>	<u>17,029,785</u>	<u>17,408,013</u>
Total expenditures	<u>14,452,338</u>	<u>29,793,592</u>	<u>44,245,930</u>
Revenues over (under) expenditures	<u>1,117,587</u>	<u>(29,308,190)</u>	<u>(28,190,603)</u>
Other Financing Sources (Uses):			
Long-term debt issued	-	27,500,000	27,500,000
Premium issued	-	3,899,858	3,899,858
Transfers in	57,484	3,447,187	3,504,671
Transfers (out)	<u>(2,228,803)</u>	<u>-</u>	<u>(2,228,803)</u>
Total other financing sources (uses)	<u>(2,171,319)</u>	<u>34,847,045</u>	<u>32,675,726</u>
Net change in fund balances	<u>(1,053,732)</u>	<u>5,538,855</u>	<u>4,485,123</u>
Fund Balances:			
Beginning of year - July 1	8,715,766	15,342,549	24,058,315
Restatement	<u>130,858</u>	<u>-</u>	<u>130,858</u>
Beginning of year - restated	<u>8,846,624</u>	<u>15,342,549</u>	<u>24,189,173</u>
End of year - June 30	<u>\$ 7,792,892</u>	<u>\$ 20,881,404</u>	<u>\$ 28,674,296</u>

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NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted for expenditure for particular purposes.

Disaster Response Fund – accounts for the expenditures and revenues for the response to natural and manmade disasters.

Article 44 *524 – accounts for the expanded sales tax article 44 *524

Special Districts Fund – accounts for revenues of 18 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.

Emergency Radio System Fund – accounts for revenues charged to towns and emergency units for the air time/radio use of Harnett County's system.

Automation Enhancement and Preservation Fund – accounts for 10 percent 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.

Fines and Forfeitures Fund – accounts for the collection of fines and forfeitures that are collected by the County and remitted to Harnett County Schools.

Representative Payee Fund – accounts for monies held by the Social Services Department for the benefit of certain individuals within the County.

Public Safety Fund – accounts for the expenditures associated with the public safety function.

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

Veterans Park Fund – accounts for the expenditures and revenues for the park for veterans.

Veterans Court Fund – accounts for the expenditures and revenues for the veterans treatment court program.

Asset Forfeiture Fund – accounts for the revenues of assets seized as a result of criminal activity. These funds are forwarded to the County by the State. Pursuant to 21 U.S.C. § 881(e)(1) and nbsp;U.S.C. § 1616a, as made applicable by 21 U.S.C. § 881(d) and other statutes, the Attorney General has the authority to equitably transfer forfeited property and cash to State and local agencies that directly participate in the law enforcement effort leading to the seizure and forfeiture of the property.

Sheriff Execution Fund – accounts for the execution revenue collected by the Sheriff's office specifically for public safety expenditures.

Wings Over Harnett Fund – accounts for revenues that are derived from the airport event held each fiscal year.

Electronics Management Fund – accounts for activity related to the processing of electronic recycling.

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HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	<u>Disaster Response Fund</u>	<u>Article 44 *524</u>	<u>Special Districts Fund</u>	<u>Law Enforcement Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Emergency Radio System Fund</u>	<u>Automation Enhancement and Preservation Fund</u>	<u>Emergency Response Planning Fund</u>	<u>Fines and Forfeitures Fund</u>
Assets:									
Cash and investments	\$ 552,225	\$3,343,348	\$ 339,364	\$ 56,835	\$ 435,154	\$ 715,309	\$ 106,639	\$ 40,969	\$ 163
Taxes receivable, net	-	-	110,688	-	-	-	-	-	-
Accounts receivable, net	15,822	-	620,442	8,940	157,835	10,983	385	826	-
Total assets	<u>\$ 568,047</u>	<u>\$ 3,343,348</u>	<u>\$ 1,070,494</u>	<u>\$ 65,775</u>	<u>\$ 592,989</u>	<u>\$ 726,292</u>	<u>\$ 107,024</u>	<u>\$ 41,795</u>	<u>\$ 163</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:									
Liabilities:									
Accounts payable	\$ 51,731	\$ -	\$ 811,360	\$ 28,160	\$ 5,980	\$ 4,946	\$ -	\$ 2,988	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	<u>51,731</u>	<u>-</u>	<u>811,360</u>	<u>28,160</u>	<u>5,980</u>	<u>4,946</u>	<u>-</u>	<u>2,988</u>	<u>-</u>
Deferred Inflows of Resources:									
Property tax receivable	-	-	110,688	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>110,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Restricted for stabilization by state statute	15,822	-	620,442	8,940	157,835	10,983	385	826	-
Restricted for Register of Deeds	-	-	-	-	-	-	106,639	-	-
Restricted for general government	-	-	-	-	-	-	-	-	-
Restricted for education	-	-	-	-	-	-	-	-	163
Restricted for public safety	500,494	-	-	-	429,174	710,363	-	-	-
Restricted for human services	-	-	-	-	-	-	-	-	-
Assigned	-	3,343,348	-	28,675	-	-	-	37,981	-
Unassigned	-	-	(471,996)	-	-	-	-	-	-
Total fund balances	<u>516,316</u>	<u>3,343,348</u>	<u>148,446</u>	<u>37,615</u>	<u>587,009</u>	<u>721,346</u>	<u>107,024</u>	<u>38,807</u>	<u>163</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 568,047</u>	<u>\$ 3,343,348</u>	<u>\$ 1,070,494</u>	<u>\$ 65,775</u>	<u>\$ 592,989</u>	<u>\$ 726,292</u>	<u>\$ 107,024</u>	<u>\$ 41,795</u>	<u>\$ 163</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Representative Payee Fund	Public Safety Fund	WIA Youth Program Fund	Veterans Park Fund	Veterans Court Fund	Asset Forfeiture Fund	Sheriff Execution Fund	Wings Over Harnett Fund	Electronics Management Fund	Total
Assets:										
Cash and investments	\$ 115,350	\$ 98,328	\$ 43,486	\$ -	\$ 36,571	\$ 2,079,002	\$ 28,853	\$ 5,982	\$ 8,416	\$ 8,005,994
Taxes receivable, net	-	-	-	-	-	-	-	-	-	110,688
Accounts receivable, net	-	57,090	92,657	-	179,971	430	-	-	-	1,145,381
Total assets	<u>\$ 115,350</u>	<u>\$ 155,418</u>	<u>\$ 136,143</u>	<u>\$ -</u>	<u>\$ 216,542</u>	<u>\$ 2,079,432</u>	<u>\$ 28,853</u>	<u>\$ 5,982</u>	<u>\$ 8,416</u>	<u>\$ 9,262,063</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:										
Liabilities:										
Accounts payable	\$ -	\$ 735	\$ 15,455	\$ -	\$ 21,463	\$ -	\$ 386	\$ -	\$ -	\$ 943,204
Due to other funds	-	140,309	95,472	-	179,498	-	-	-	-	415,279
Total liabilities	<u>-</u>	<u>141,044</u>	<u>110,927</u>	<u>-</u>	<u>200,961</u>	<u>-</u>	<u>386</u>	<u>-</u>	<u>-</u>	<u>1,358,483</u>
Deferred Inflows of Resources:										
Property tax receivable	-	-	-	-	-	-	-	-	-	110,688
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,688</u>
Fund Balances:										
Restricted for stabilization										
by state statute	-	57,090	92,657	-	179,971	430	-	-	-	1,145,381
Restricted for Register of Deeds	-	-	-	-	-	-	-	-	-	106,639
Restricted for general government	-	-	-	-	-	-	-	5,982	8,416	14,398
Restricted for education	-	-	-	-	-	-	-	-	-	163
Restricted for public safety	-	-	-	-	-	2,079,002	28,467	-	-	3,747,500
Restricted for human services	115,350	-	-	-	-	-	-	-	-	115,350
Assigned	-	-	-	-	-	-	-	-	-	3,410,004
Unassigned	-	(42,716)	(67,441)	-	(164,390)	-	-	-	-	(746,543)
Total fund balances	<u>115,350</u>	<u>14,374</u>	<u>25,216</u>	<u>-</u>	<u>15,581</u>	<u>2,079,432</u>	<u>28,467</u>	<u>5,982</u>	<u>8,416</u>	<u>7,792,892</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 115,350</u>	<u>\$ 155,418</u>	<u>\$ 136,143</u>	<u>\$ -</u>	<u>\$ 216,542</u>	<u>\$ 2,079,432</u>	<u>\$ 28,853</u>	<u>\$ 5,982</u>	<u>\$ 8,416</u>	<u>\$ 9,262,063</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Disaster Response Fund</u>	<u>Article 44 *524</u>	<u>Special Districts Fund</u>	<u>Law Enforcement Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Emergency Radio System Fund</u>	<u>Automation Enhancement and Preservation Fund</u>	<u>Emergency Response Planning Fund</u>	<u>Fines and Forfeitures Fund</u>
Revenues:									
Ad valorem taxes	\$ -	\$ -	\$ 9,108,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	1,860,530	-	-	-	-	-	-
Restricted intergovernmental	1,749,566	-	-	-	-	-	-	-	-
Permits and fees	-	-	-	-	893,534	376,853	74,530	-	-
Sales and services	-	-	-	-	-	-	-	75,000	60,373
Total revenues	<u>1,749,566</u>	<u>-</u>	<u>10,968,533</u>	<u>-</u>	<u>893,534</u>	<u>376,853</u>	<u>74,530</u>	<u>75,000</u>	<u>60,373</u>
Expenditures:									
General government	-	-	-	-	-	-	40,877	-	-
Public safety	956,910	-	10,656,665	-	796,742	197,155	-	70,903	-
Health and human services	-	-	-	-	-	-	-	-	-
Education	-	-	313,068	-	-	-	-	-	65,160
Total expenditures	<u>956,910</u>	<u>-</u>	<u>10,969,733</u>	<u>-</u>	<u>796,742</u>	<u>197,155</u>	<u>40,877</u>	<u>70,903</u>	<u>65,160</u>
Revenues over (under) expenditures	<u>792,656</u>	<u>-</u>	<u>(1,200)</u>	<u>-</u>	<u>96,792</u>	<u>179,698</u>	<u>33,653</u>	<u>4,097</u>	<u>(4,787)</u>
Other Financing Sources (Uses):									
Transfers (out)	(2,000,000)	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(1,207,344)</u>	<u>-</u>	<u>(1,200)</u>	<u>-</u>	<u>96,792</u>	<u>179,698</u>	<u>33,653</u>	<u>4,097</u>	<u>(4,787)</u>
Fund Balances:									
Beginning of year - July 1	1,723,660	3,343,348	149,646	37,615	490,217	541,648	73,371	34,710	-
Restatement	-	-	-	-	-	-	-	-	4,950
Beginning of year - restated	<u>1,723,660</u>	<u>3,343,348</u>	<u>149,646</u>	<u>37,615</u>	<u>490,217</u>	<u>541,648</u>	<u>73,371</u>	<u>34,710</u>	<u>4,950</u>
End of year - June 30	<u>\$ 516,316</u>	<u>\$ 3,343,348</u>	<u>\$ 148,446</u>	<u>\$ 37,615</u>	<u>\$ 587,009</u>	<u>\$ 721,346</u>	<u>\$ 107,024</u>	<u>\$ 38,807</u>	<u>\$ 163</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Representative Payee Fund	Public Safety Fund	WIA Youth Program Fund	Veterans Park Fund	Veterans Court Fund	Asset Forfeiture Fund	Sheriff Execution Fund	Wings Over Harnett Fund	Electronics Management Fund	Total
Revenues:										
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,108,003
Other taxes and licenses	-	-	-	-	-	-	-	-	-	1,860,530
Restricted intergovernmental	401,078	267,547	407,020	-	216,668	79,223	-	-	-	3,121,102
Permits and fees	-	-	-	-	-	-	-	-	-	1,344,917
Sales and services	-	-	-	-	-	-	-	-	-	135,373
Total revenues	<u>401,078</u>	<u>267,547</u>	<u>407,020</u>	<u>-</u>	<u>216,668</u>	<u>79,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,569,925</u>
Expenditures:										
General government	-	-	407,980	45	269,611	-	-	-	-	718,513
Public safety	-	259,436	-	-	-	6,150	-	-	-	12,943,961
Health and human services	411,636	-	-	-	-	-	-	-	-	411,636
Education	-	-	-	-	-	-	-	-	-	378,228
Total expenditures	<u>411,636</u>	<u>259,436</u>	<u>407,980</u>	<u>45</u>	<u>269,611</u>	<u>6,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,452,338</u>
Revenues over (under) expenditures	(10,558)	8,111	(960)	(45)	(52,943)	73,073	-	-	-	1,117,587
Other Financing Sources (Uses):										
Transfers (out)	-	-	-	-	-	(228,803)	-	-	-	(2,228,803)
Transfers in	-	-	-	-	57,484	-	-	-	-	57,484
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,484</u>	<u>(228,803)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,171,319)</u>
Net change in fund balances	<u>(10,558)</u>	<u>8,111</u>	<u>(960)</u>	<u>(45)</u>	<u>4,541</u>	<u>(155,730)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,053,732)</u>
Fund Balances:										
Beginning of year - July 1	-	6,263	26,176	45	11,040	2,235,162	28,467	5,982	8,416	8,715,766
Restatement	125,908	-	-	-	-	-	-	-	-	130,858
Beginning of year - restated	<u>125,908</u>	<u>6,263</u>	<u>26,176</u>	<u>45</u>	<u>11,040</u>	<u>2,235,162</u>	<u>28,467</u>	<u>5,982</u>	<u>8,416</u>	<u>8,846,624</u>
End of year - June 30	<u>\$ 115,350</u>	<u>\$ 14,374</u>	<u>\$ 25,216</u>	<u>\$ -</u>	<u>\$ 15,581</u>	<u>\$ 2,079,432</u>	<u>\$ 28,467</u>	<u>\$ 5,982</u>	<u>\$ 8,416</u>	<u>\$ 7,792,892</u>

HARNETT COUNTY, NORTH CAROLINA

DISASTER RESPONSE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 1,251,299	\$ 1,749,566	\$ 498,267	\$ 3,583,509
Total revenues	<u>1,251,299</u>	<u>1,749,566</u>	<u>498,267</u>	<u>3,583,509</u>
Expenditures:				
Public safety:				
Operating expenditures	974,959	956,910	18,049	1,215,167
Total expenditures	<u>974,959</u>	<u>956,910</u>	<u>18,049</u>	<u>1,215,167</u>
Revenues over (under) expenditures	<u>276,340</u>	<u>792,656</u>	<u>516,316</u>	<u>2,368,342</u>
Other Financing Sources (Uses):				
Transfer in (out)	(2,000,000)	(2,000,000)	-	(644,682)
Appropriated fund balance	<u>1,723,660</u>	<u>-</u>	<u>(1,723,660)</u>	<u>-</u>
Total other financing sources (uses)	<u>(276,340)</u>	<u>(2,000,000)</u>	<u>(1,723,660)</u>	<u>(644,682)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,207,344)</u>	<u>\$ (1,207,344)</u>	1,723,660
Fund Balance:				
Beginning of year - July 1		<u>1,723,660</u>		<u>-</u>
End of year - June 30		<u>\$ 516,316</u>		<u>\$ 1,723,660</u>

HARNETT COUNTY, NORTH CAROLINA

ARTICLE 44 *524

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Other Financing Sources (Uses):				
Transfers (out)	(3,343,348)	-	3,343,348	-
Appropriated fund balance	<u>3,343,348</u>	<u>-</u>	<u>(3,343,348)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>3,343,348</u>		<u>3,343,348</u>
End of year - June 30		<u>\$ 3,343,348</u>		<u>\$ 3,343,348</u>

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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 9,702,338	\$ 9,108,003	\$ (594,335)	\$ 8,305,981
Other taxes and licenses	2,022,258	1,860,530	(161,728)	1,860,530
Total revenues	<u>11,724,596</u>	<u>10,968,533</u>	<u>(756,063)</u>	<u>10,166,511</u>
Expenditures:				
Public safety	11,409,596	10,656,665	752,931	10,041,097
Education	315,000	313,068	1,932	313,068
Total expenditures	<u>11,724,596</u>	<u>10,969,733</u>	<u>754,863</u>	<u>10,354,165</u>
Net change in fund balance	<u>\$ -</u>	(1,200)	<u>\$ (1,200)</u>	(187,654)
Fund Balance:				
Beginning of year - July 1		<u>149,646</u>		<u>337,300</u>
End of year - June 30		<u>\$ 148,446</u>		<u>\$ 149,646</u>

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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 150,000	\$ -	\$ (150,000)	\$ 78,795
Total revenues	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>	<u>78,795</u>
Expenditures:				
Public safety:				
Other expenditures	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>84,635</u>
Total expenditures	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>84,635</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(5,840)</u>
Fund Balance:				
Beginning of year - July 1		<u>37,615</u>		<u>43,455</u>
End of year - June 30		<u>\$ 37,615</u>		<u>\$ 37,615</u>

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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Permits and fees	\$ 893,534	\$ 893,534	\$ -	\$ 863,119
Total revenues	<u>893,534</u>	<u>893,534</u>	<u>-</u>	<u>863,119</u>
Expenditures:				
Public safety:				
Operating expenditures	<u>939,545</u>	<u>796,742</u>	<u>142,803</u>	<u>900,813</u>
Total expenditures	<u>939,545</u>	<u>796,742</u>	<u>142,803</u>	<u>900,813</u>
Revenues over (under) expenditures	<u>(46,011)</u>	<u>96,792</u>	<u>142,803</u>	<u>(37,694)</u>
Other Financing Sources (Uses):				
Appropriated fund balance	<u>46,011</u>	<u>-</u>	<u>(46,011)</u>	<u>-</u>
Total other financing sources (uses)	<u>46,011</u>	<u>-</u>	<u>(46,011)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>96,792</u>	<u>\$ 96,792</u>	<u>(37,694)</u>
Fund Balance:				
Beginning of year - July 1		<u>490,217</u>		<u>527,911</u>
End of year - June 30		<u>\$ 587,009</u>		<u>\$ 490,217</u>

HARNETT COUNTY, NORTH CAROLINA

EMERGENCY RADIO SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Permits and fees	\$ 369,000	\$ 376,853	\$ 7,853	\$ 369,000
Total revenues	<u>369,000</u>	<u>376,853</u>	<u>7,853</u>	<u>369,000</u>
Expenditures:				
Public safety:				
Operating expenditures	<u>369,000</u>	<u>197,155</u>	<u>171,845</u>	<u>321,141</u>
Total expenditures	<u>369,000</u>	<u>197,155</u>	<u>171,845</u>	<u>321,141</u>
Net change in fund balance	<u>\$ -</u>	<u>179,698</u>	<u>\$ 179,698</u>	<u>47,859</u>
Fund Balance:				
Beginning of year - July 1		<u>541,648</u>		<u>493,789</u>
End of year - June 30		<u>\$ 721,346</u>		<u>\$ 541,648</u>

HARNETT COUNTY, NORTH CAROLINA

**AUTOMATION ENHANCEMENT AND PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ -	\$ -	\$ 198
Permits and fees	75,000	74,530	(470)	58,342
Total revenues	75,000	74,530	(470)	58,540
Expenditures:				
General government:				
Operating expenditures	148,000	40,877	107,123	88,070
Total expenditures	148,000	40,877	107,123	88,070
Revenues over (under) expenditures	(73,000)	33,653	106,653	(29,530)
Other Financing Sources (Uses):				
Appropriated fund balance	73,000	-	(73,000)	-
Total other financing sources (uses)	73,000	-	(73,000)	-
Net change in fund balance	\$ -	33,653	\$ 33,653	(29,530)
Fund Balance:				
Beginning of year - July 1		73,371		102,901
End of year - June 30		\$ 107,024		\$ 73,371

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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Other general revenues	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Expenditures:				
Public safety:				
Salaries and fringe benefits	41,530	36,915	4,615	19,205
Other operating expenditures	<u>68,180</u>	<u>33,988</u>	<u>34,192</u>	<u>33,922</u>
Total expenditures	<u>109,710</u>	<u>70,903</u>	<u>38,807</u>	<u>53,127</u>
Revenues over (under) expenditures	<u>(34,710)</u>	<u>4,097</u>	<u>38,807</u>	<u>21,873</u>
Other Financing Sources (Uses):				
Appropriated fund balance	<u>34,710</u>	<u>-</u>	<u>(34,710)</u>	<u>-</u>
Total other financing sources (uses)	<u>34,710</u>	<u>-</u>	<u>(34,710)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>4,097</u>	<u>\$ 4,097</u>	<u>21,873</u>
Fund Balance:				
Beginning of year - July 1		<u>34,710</u>		<u>12,837</u>
End of year - June 30		<u>\$ 38,807</u>		<u>\$ 34,710</u>

HARNETT COUNTY, NORTH CAROLINA

FINES AND FORFEITURES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Penalties, fines and forfeitures	\$ 75,000	\$ 60,373	\$ (14,627)
Total revenues	<u>75,000</u>	<u>60,373</u>	<u>(14,627)</u>
Expenditures:			
General government:			
Payments of penalties, fines and forfeitures to the Harnett County Board of Education	<u>75,000</u>	<u>65,160</u>	<u>9,840</u>
Total expenditures	<u>75,000</u>	<u>65,160</u>	<u>9,840</u>
Net change in fund balance	<u>\$ -</u>	<u>(4,787)</u>	<u>\$ (4,787)</u>
Fund Balance:			
Net position, beginning, as previously reported		-	
Prior period restatement - change in accounting principle		<u>4,950</u>	
Net position, beginning, as restated		<u>4,950</u>	
End of year - June 30		<u>\$ 163</u>	

HARNETT COUNTY, NORTH CAROLINA

**REPRESENTATIVE PAYEE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ -	\$ 401,078	\$ 401,078
Total revenues	<u>-</u>	<u>401,078</u>	<u>401,078</u>
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	-	411,636	(411,636)
Total expenditures	<u>-</u>	<u>411,636</u>	<u>(411,636)</u>
Net change in fund balance	<u>\$ -</u>	<u>(10,558)</u>	<u>\$ (10,558)</u>
Fund Balance:			
Net position, beginning, as previously reported		-	
Prior period restatement - change in accounting principle		<u>125,908</u>	
Net position, beginning, as restated		<u>125,908</u>	
End of year - June 30		<u>\$ 115,350</u>	

HARNETT COUNTY, NORTH CAROLINA

PUBLIC SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 267,353	\$ 267,547	\$ 194	\$ 224,739
Total revenues	<u>267,353</u>	<u>267,547</u>	<u>194</u>	<u>224,739</u>
Expenditures:				
Public safety:				
Other expenditures	<u>267,353</u>	<u>259,436</u>	<u>7,917</u>	<u>226,558</u>
Total expenditures	<u>267,353</u>	<u>259,436</u>	<u>7,917</u>	<u>226,558</u>
Revenues over (under) expenditures	<u>-</u>	<u>8,111</u>	<u>8,111</u>	<u>(1,819)</u>
Other Financing Sources (Uses):				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,563</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,563</u>
Net change in fund balance	<u>\$ -</u>	<u>8,111</u>	<u>\$ 8,111</u>	<u>36,744</u>
Fund Balance:				
Beginning of year - July 1		<u>6,263</u>		<u>(30,481)</u>
End of year - June 30		<u>\$ 14,374</u>		<u>\$ 6,263</u>

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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 660,043	\$ 407,020	\$ (253,023)	\$ 566,855
Total revenues	<u>660,043</u>	<u>407,020</u>	<u>(253,023)</u>	<u>566,855</u>
Expenditures:				
General government:				
Operating expenditures	660,043	407,980	252,063	574,235
Total expenditures	<u>660,043</u>	<u>407,980</u>	<u>252,063</u>	<u>574,235</u>
Net change in fund balance	<u>\$ -</u>	(960)	<u>\$ (960)</u>	(7,380)
Fund Balance:				
Beginning of year - July 1		<u>26,176</u>		<u>33,556</u>
End of year - June 30		<u>\$ 25,216</u>		<u>\$ 26,176</u>

HARNETT COUNTY, NORTH CAROLINA

VETERANS PARK FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Expenditures:					
General government:					
Operating expenditures	<u>50,000</u>	<u>49,955</u>	<u>45</u>	<u>50,000</u>	<u>-</u>
Total expenditures	<u>50,000</u>	<u>49,955</u>	<u>45</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 45</u>	(45)	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>45</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

**VETERANS COURT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	Project Authorization	Actual			Variance Over/Under
	Prior Years	Current Year	Total to Date	Variance Over/Under	
Revenues:					
Restricted intergovernmental	\$ 1,950,000	\$ 1,447,525	\$ 216,668	\$ 1,664,193	\$ (285,807)
Total revenues	<u>1,950,000</u>	<u>1,447,525</u>	<u>216,668</u>	<u>1,664,193</u>	<u>(285,807)</u>
Expenditures:					
General government:					
Operating expenditures	2,000,000	1,486,485	269,611	1,756,096	243,904
Total expenditures	<u>2,000,000</u>	<u>1,486,485</u>	<u>269,611</u>	<u>1,756,096</u>	<u>243,904</u>
Revenues over (under) expenditures	<u>(50,000)</u>	<u>(38,960)</u>	<u>(52,943)</u>	<u>(91,903)</u>	<u>(41,903)</u>
Other Financing Sources (Uses):					
Transfer in (out)	50,000	50,000	57,484	107,484	57,484
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>57,484</u>	<u>107,484</u>	<u>57,484</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,040</u>	4,541	<u>\$ 15,581</u>	<u>\$ 15,581</u>
Fund Balance:					
Beginning of year - July 1			<u>11,040</u>		
End of year - June 30			<u>\$ 15,581</u>		

HARNETT COUNTY, NORTH CAROLINA

ASSET FORFEITURE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ -	\$ 79,223	\$ 79,223	\$ 125,218
Total revenues	-	79,223	79,223	125,218
Expenditures:				
General government:				
Operating expenditures	6,150	6,150	-	-
Total expenditures	6,150	6,150	-	-
Revenues over (under) expenditures	(6,150)	73,073	79,223	125,218
Other Financing Sources (Uses):				
Transfer (out)	(368,607)	(228,803)	139,804	(203,232)
Appropriated fund balance	374,757	-	(374,757)	-
Total other financing sources (uses)	6,150	(228,803)	(234,953)	(203,232)
Net change in fund balance	\$ -	(155,730)	\$ (155,730)	(78,014)
Fund Balance:				
Beginning of year - July 1		2,235,162		2,313,176
End of year - June 30		\$ 2,079,432		\$ 2,235,162

HARNETT COUNTY, NORTH CAROLINA

SHERIFF EXECUTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>28,467</u>		<u>28,467</u>
End of year - June 30		<u>\$ 28,467</u>		<u>\$ 28,467</u>

HARNETT COUNTY, NORTH CAROLINA

WINGS OVER HARNETT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund Balance:				
Beginning of year - July 1		<u>5,982</u>		<u>5,982</u>
End of year - June 30		<u>\$ 5,982</u>		<u>\$ 5,982</u>

HARNETT COUNTY, NORTH CAROLINA

**ELECTRONIC MANAGEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Net change in fund balance	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
Fund Balance:				
Beginning of year - July 1		<u> 8,416</u>		<u> 8,416</u>
End of year - June 30		\$ <u> 8,416</u>		\$ <u> 8,416</u>

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NONMAJOR CAPITAL PROJECT FUNDS

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

INDIVIDUAL FUND DESCRIPTIONS:

Jetport Master Plan – Consists of the coordination, design and grant administration service for the Master Plan and Airport Layout Plan Update for the Harnett Regional Jetport.

Government Complex Park – accounts for the expenditures associated with the construction of Phase I for the Government Complex Park located at 350 Alexander Drive in Lillington. Amenities under construction include two multiuse fields, two baseball/softball fields, 1.75 miles of walking trails, canoe/kayak water access, river observation deck and park infrastructure.

Government Complex South – accounts for the expenditures associated with the construction of a 57,000 square foot government resource center and library located at 455 McKinney Parkway in Lillington and the 10,000 square foot addition to the existing social services building to house the child support enforcement division that is currently located in rental space in Erwin.

Airfield Lighting Rehabilitation – Consists of rehabilitating the airfield lights and the relocation and replacement of the all-weather observation station at the Harnett Regional Jetport.

Benhaven Elementary School – accounts for the expenditures and revenues for the construction of the new Benhaven Elementary School.

Jetport Terminal - accounts for the design of the terminal site improvements and related work to replace the existing terminal at the Harnett Regional Jetport.

Former Boone Trail – accounts for the expenditures associated with the renovation of the former Benhaven Elementary School, located at 2815 Olivia Road in Sanford, in three phases to provide space for county functions, an early college and community partner organizations.

Shawtown Area Community Center – accounts for the preparation of a conceptual plan for costs associated for a community center to be located behind the former Shawtown School. The center will be constructed by the Shawtown Alumni Association on property the Association acquired from Harnett County.

Broadband Development - Consists of the County partnering with a qualified service provider to install internet supporting infrastructure and to provide service to underserved and unserved areas of the County. During the pandemic, access to reliable internet services was critical for the citizens who teleworked and for student who practiced virtual learning.

Emergency Watershed Protection – Consists of the removal of hazardous debris from the Upper Little River, Lower Little River and Anderson Creek caused by Hurricane Florence.

Campbell Stadium Sidewalk – accounts for the expenditures associated with the construction of a sidewalk that will connect the Osteopathic Center with the football stadium at Campbell University

Oakridge River Road Tower – accounts for the construction and equipping of a new communications tower on County-owned land. This tower will replace one that was previously on leased land.

Greenway Development Master Plan – accounts for the development and implementation of a bicycle, Pedestrian and Greenway Plan for Harnett County.

Old Detention Center – Consists of the separation and demolition of the former detention center from the Harnett County Emergency Services department and the rerouting of utilities as necessary. As the detention center continues to deteriorate, it is creating a health and safety hazard for the rest of the facility.

Erwin Elementary School – accounts for the demolition of the old school and the Construction of a new school to accommodate 700 students.

Northwest Elementary School – accounts for the construction of a new elementary school which will have the capacity to accommodate up to 1,050 students.

Johnsonville Elementary Renovations – accounts for the renovations to the existing Johnsonville School to include the cafeteria, gymnasium and existing playground.

Former Benhaven Elementary School - accounts for the demolition of the cafeteria and certain classrooms of the former Benhaven Elementary School. This project will also consist of renovations to the campus to include an early college.

QSCB 2016 Capital Project - accounts for the expenditures associated with schools located throughout the County that are funded by interest-free Qualified Zone Academy Bond (QZAB) funds from the State.

Aircraft Apron and Helipad Design – accounts for the expansion of the aircraft apron to create a parking area for larger turbo-prop and jet aircraft and the creation of a helipad.

2017 G.O. Bonds Projects – accounts for the construction of six new tennis courts at Harnett Central Middle/High School, tennis court lighting of three courts at Harnett Central Middle/High School and ballfield lighting at Western Harnett Middle School baseball and softball fields.

Brightwater Phase II – accounts for the expenditures associated with infrastructure improvement at the Brightwater Technology Park. These expenditures consist of the construction of approximately 540 linear feet of roadway to extend Brightwater Drive to include associated storm drainage and gravity sewer.

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HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	<u>Jetport Master Plan</u>	<u>Government Complex Park</u>	<u>Government Complex South</u>	<u>Airfield Lighting Rehabilitation</u>	<u>Benhaven Elementary School</u>	<u>Jetport Terminal</u>	<u>Former Boone Trail</u>	<u>Broadband Development</u>
Assets:								
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,605	\$ 800,000
Accounts receivable, net	35,551	-	-	51,876	-	5,326	-	-
Restricted assets:								
Cash and cash equivalents	-	-	1,015,806	-	1,630,770	-	-	-
Total assets	\$ 35,551	\$ -	\$ 1,015,806	\$ 51,876	\$ 1,630,770	\$ 5,326	\$ 7,605	\$ 800,000
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable and accrued liabilities	\$ 35,897	\$ -	\$ -	\$ 52,210	\$ -	\$ 1,205	\$ -	\$ 200,000
Accounts payable from restricted assets	-	-	16,784	-	677,358	-	-	-
Due to other funds	16,014	68,572	-	9,020	-	-	-	-
Total liabilities	51,911	68,572	16,784	61,230	677,358	1,205	-	200,000
Fund Balances:								
Restricted for stabilization by state statute	35,551	-	-	51,876	-	5,326	-	-
Restricted for education	-	-	-	-	953,412	-	-	-
Restricted for general government	-	-	999,022	-	-	-	-	-
Committed for general government	-	-	-	-	-	-	-	-
Committed for culture and recreation	-	-	-	-	-	-	7,605	-
Committed for education	-	-	-	-	-	-	-	-
Committed for economic development	-	-	-	-	-	-	-	600,000
Unassigned	(51,911)	(68,572)	-	(61,230)	-	(1,205)	-	-
Total fund balances	(16,360)	(68,572)	999,022	(9,354)	953,412	4,121	7,605	600,000
Total liabilities and fund balances	\$ 35,551	\$ -	\$ 1,015,806	\$ 51,876	\$ 1,630,770	\$ 5,326	\$ 7,605	\$ 800,000

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Emergency Watershed Protection	Campbell Stadium Sidewalk	Oakridge River Rd Tower	Greenway Development Master Plan	Old Detention Center Demo	Erwin Elementary School	Northwest Elementary School
Assets:							
Cash and investments	\$ -	\$ 112,718	\$ 104,618	\$ 6,500	\$ 506,891	\$ -	\$ -
Accounts receivable, net	22,663	-	-	-	-	-	-
Restricted assets:							
Cash and cash equivalents	-	-	-	-	-	15,457,717	-
Total assets	\$ 22,663	\$ 112,718	\$ 104,618	\$ 6,500	\$ 506,891	\$ 15,457,717	\$ -
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 58,763	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable from restricted assets	-	-	-	-	-	684,268	-
Due to other funds	22,663	-	-	-	-	-	1,572,280
Total liabilities	22,663	58,763	-	-	-	684,268	1,572,280
Fund Balances:							
Restricted for stabilization by state statute	22,663	-	-	-	-	-	-
Restricted for education	-	-	-	-	-	14,773,449	-
Restricted for general government	-	-	-	-	-	-	-
Committed for general government	-	-	-	-	506,891	-	-
Committed for culture and recreation	-	53,955	-	6,500	-	-	-
Committed for education	-	-	-	-	-	-	-
Committed for economic development	-	-	104,618	-	-	-	-
Unassigned	(22,663)	-	-	-	-	-	(1,572,280)
Total fund balances	-	53,955	104,618	6,500	506,891	14,773,449	(1,572,280)
Total liabilities and fund balances	\$ 22,663	\$ 112,718	\$ 104,618	\$ 6,500	\$ 506,891	\$ 15,457,717	\$ -

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Johnsonville Elementary Renovations	Former Benhaven Elementary	QSCB 2016 Capital Project Fund	Aircraft Apron and Helipad Design	2017 G.O Bonds Projects	Brightwater Phase II	Total
Assets:							
Cash and investments	\$ 2,940,475	\$ 1,353,512	\$ -	\$ -	\$ -	\$ 30,489	\$ 5,862,808
Accounts receivable, net	-	-	-	4,040	-	-	119,456
Restricted assets:							
Cash and cash equivalents	-	-	506	-	242,699	-	18,347,498
Total assets	\$ 2,940,475	\$ 1,353,512	\$ 506	\$ 4,040	\$ 242,699	\$ 30,489	\$ 24,329,762
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ 29,599	\$ 2,540	\$ -	\$ 1,185	\$ -	\$ -	\$ 381,399
Accounts payable from restricted assets	-	-	-	-	-	-	1,378,410
Due to other funds	-	-	-	-	-	-	1,688,549
Total liabilities	29,599	2,540	-	1,185	-	-	3,448,358
Fund Balances:							
Restricted for stabilization by state statute	-	-	-	4,040	-	-	119,456
Restricted for education	-	-	506	-	242,699	-	15,970,066
Restricted for general government	-	-	-	-	-	-	999,022
Committed for general government	-	-	-	-	-	-	506,891
Committed for culture and recreation	-	-	-	-	-	-	68,060
Committed for education	2,910,876	1,350,972	-	-	-	-	4,261,848
Committed for economic development	-	-	-	-	-	30,489	735,107
Unassigned	-	-	-	(1,185)	-	-	(1,779,046)
Total fund balances	2,910,876	1,350,972	506	2,855	242,699	30,489	20,881,404
Total liabilities and fund balances	\$ 2,940,475	\$ 1,353,512	\$ 506	\$ 4,040	\$ 242,699	\$ 30,489	\$ 24,329,762

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Jetport Master Plan	Government Complex Park	Government Complex South	Airfield Lighting Rehabilitation	Benhaven Elementary School	Jetport Terminal	Former Boone Trail	Broadband Development
Revenues:								
Restricted intergovernmental	\$ 147,243	\$ 133,127	\$ -	\$ 51,876	\$ -	\$ 122,510	\$ -	\$ -
Investment earnings	-	-	(13,017)	-	2,310	-	-	-
Total revenues	<u>147,243</u>	<u>133,127</u>	<u>(13,017)</u>	<u>51,876</u>	<u>2,310</u>	<u>122,510</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current:								
General government	-	-	9,874,545	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Economic and physical development	163,603	-	-	61,230	-	136,124	-	1,400,000
Cultural and recreation	-	340,084	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Total expenditures	<u>163,603</u>	<u>340,084</u>	<u>9,874,545</u>	<u>61,230</u>	<u>-</u>	<u>136,124</u>	<u>-</u>	<u>1,400,000</u>
Revenues over (under) expenditures	<u>(16,360)</u>	<u>(206,957)</u>	<u>(9,887,562)</u>	<u>(9,354)</u>	<u>2,310</u>	<u>(13,614)</u>	<u>-</u>	<u>(1,400,000)</u>
Other Financing Sources (Uses):								
Long-term debt issued	-	-	-	-	-	-	-	-
Premium issued	-	-	-	-	-	-	-	-
Transfers in	-	50,000	53,332	-	-	9,964	-	2,000,000
Total other financing sources (uses)	<u>-</u>	<u>50,000</u>	<u>53,332</u>	<u>-</u>	<u>-</u>	<u>9,964</u>	<u>-</u>	<u>2,000,000</u>
Net change in fund balances	(16,360)	(156,957)	(9,834,230)	(9,354)	2,310	(3,650)	-	600,000
Fund Balances:								
Beginning of year - July 1	-	88,385	10,833,252	-	951,102	7,771	7,605	-
End of year - June 30	<u>\$ (16,360)</u>	<u>\$ (68,572)</u>	<u>\$ 999,022</u>	<u>\$ (9,354)</u>	<u>\$ 953,412</u>	<u>\$ 4,121</u>	<u>\$ 7,605</u>	<u>\$ 600,000</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Emergency Watershed Protection	Campbell Stadium Sidewalk	Oakridge River Rd Tower	Greenway Development Master Plan	Old Detention Center Demo	Erwin Elementary School	Northwest Harnett Elementary
Revenues:							
Restricted intergovernmental	\$ 22,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	-	4,626	-
Total revenues	<u>22,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,626</u>	<u>-</u>
Expenditures:							
Current:							
General government	22,663	-	-	-	-	-	-
Public safety	-	-	574,592	-	2,000	-	-
Economic and physical development	-	-	-	-	-	-	-
Cultural and recreation	-	60,000	-	62,800	-	-	-
Education	-	-	-	-	-	14,670,329	1,572,500
Total expenditures	<u>22,663</u>	<u>60,000</u>	<u>574,592</u>	<u>62,800</u>	<u>2,000</u>	<u>14,670,329</u>	<u>1,572,500</u>
Revenues over (under) expenditures	<u>-</u>	<u>(60,000)</u>	<u>(574,592)</u>	<u>(62,800)</u>	<u>(2,000)</u>	<u>(14,665,703)</u>	<u>(1,572,500)</u>
Other Financing Sources (Uses):							
Long-term debt issued	-	-	-	-	-	27,500,000	-
Premium issued	-	-	-	-	-	3,899,858	-
Transfers in	-	-	825,000	-	508,891	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>825,000</u>	<u>-</u>	<u>508,891</u>	<u>31,399,858</u>	<u>-</u>
Net change in fund balances	-	(60,000)	250,408	(62,800)	506,891	16,734,155	(1,572,500)
Fund Balances:							
Beginning of year - July 1	-	113,955	(145,790)	69,300	-	(1,960,706)	220
End of year - June 30	<u>\$ -</u>	<u>\$ 53,955</u>	<u>\$ 104,618</u>	<u>\$ 6,500</u>	<u>\$ 506,891</u>	<u>\$ 14,773,449</u>	<u>\$ (1,572,280)</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Johnsonville Elementary Renovations	Former Benhaven Elementary	QSCB 2016 Capital Project Fund	Aircraft Apron and Helipad Design	2017 G.O Bonds Projects	Brightwater Phase II	Total
Revenues:							
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 14,064	\$ -	\$ -	\$ 491,483
Investment earnings	-	-	-	-	-	-	(6,081)
Total revenues	-	-	-	14,064	-	-	485,402
Expenditures:							
Current:							
General government	-	-	-	-	-	-	9,897,208
Public safety	-	-	-	-	-	-	576,592
Economic and physical development	-	-	-	11,680	-	54,486	1,827,123
Cultural and recreation	-	-	-	-	-	-	462,884
Education	411,807	382,584	-	-	(7,435)	-	17,029,785
Total expenditures	411,807	382,584	-	11,680	(7,435)	54,486	29,793,592
Revenues over (under) expenditures	(411,807)	(382,584)	-	2,384	7,435	(54,486)	(29,308,190)
Other Financing Sources (Uses):							
Long-term debt issued	-	-	-	-	-	-	27,500,000
Premium issued	-	-	-	-	-	-	3,899,858
Transfers in	-	-	-	-	-	-	3,447,187
Total other financing sources (uses)	-	-	-	-	-	-	34,847,045
Net change in fund balances	(411,807)	(382,584)	-	2,384	7,435	(54,486)	5,538,855
Fund Balances:							
Beginning of year - July 1	3,322,683	1,733,556	506	471	235,264	84,975	15,342,549
End of year - June 30	\$ 2,910,876	\$ 1,350,972	\$ 506	\$ 2,855	\$ 242,699	\$ 30,489	\$ 20,881,404

HARNETT COUNTY, NORTH CAROLINA

JETPORT MASTER PLAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 372,921	\$ -	\$ 147,243	\$ 147,243	\$ (225,678)
Total revenues	<u>372,921</u>	<u>-</u>	<u>147,243</u>	<u>147,243</u>	<u>(225,678)</u>
Expenditures:					
General government:					
Legal and administrative	<u>414,357</u>	<u>-</u>	<u>163,603</u>	<u>163,603</u>	<u>250,754</u>
Total expenditures	<u>414,357</u>	<u>-</u>	<u>163,603</u>	<u>163,603</u>	<u>250,754</u>
Revenues over (under) expenditures	<u>(41,436)</u>	<u>-</u>	<u>(16,360)</u>	<u>(16,360)</u>	<u>25,076</u>
Other Financing Sources (Uses):					
Transfers in	<u>41,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,436)</u>
Total other financing sources (uses)	<u>41,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,436)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(16,360)</u>	<u>\$ (16,360)</u>	<u>\$ (16,360)</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ (16,360)</u>		

HARNETT COUNTY, NORTH CAROLINA

GOVERNMENT COMPLEX PARK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 400,000	\$ 266,873	\$ 133,127	\$ 400,000	\$ -
Miscellaneous	-	4,400	-	4,400	4,400
Total revenues	<u>400,000</u>	<u>271,273</u>	<u>133,127</u>	<u>404,400</u>	<u>4,400</u>
Expenditures:					
Culture and recreation:					
Engineering	135,000	102,500	2,660	105,160	29,840
Construction	<u>815,000</u>	<u>480,388</u>	<u>337,424</u>	<u>817,812</u>	<u>(2,812)</u>
Total expenditures	<u>950,000</u>	<u>582,888</u>	<u>340,084</u>	<u>922,972</u>	<u>27,028</u>
Revenues over (under) expenditures	<u>(550,000)</u>	<u>(311,615)</u>	<u>(206,957)</u>	<u>(518,572)</u>	<u>31,428</u>
Other Financing Sources (Uses):					
Transfers in	<u>550,000</u>	<u>400,000</u>	<u>50,000</u>	<u>450,000</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>550,000</u>	<u>400,000</u>	<u>50,000</u>	<u>450,000</u>	<u>(100,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 88,385</u>	<u>(156,957)</u>	<u>\$ (68,572)</u>	<u>\$ (68,572)</u>
Fund Balance:					
Beginning of year - July 1			<u>88,385</u>		
End of year - June 30			<u>\$ (68,572)</u>		

HARNETT COUNTY, NORTH CAROLINA

GOVERNMENT COMPLEX SOUTH
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 270,315	\$ 258,209	\$ (13,017)	\$ 245,192	\$ (25,123)
Total revenues	<u>270,315</u>	<u>258,209</u>	<u>(13,017)</u>	<u>245,192</u>	<u>(25,123)</u>
Expenditures:					
General government:					
Professional services	2,571,800	2,116,083	295,478	2,411,561	160,239
Construction	<u>24,054,345</u>	<u>13,611,372</u>	<u>9,579,067</u>	<u>23,190,439</u>	<u>863,906</u>
Total expenditures	<u>26,626,145</u>	<u>15,727,455</u>	<u>9,874,545</u>	<u>25,602,000</u>	<u>1,024,145</u>
Revenues over (under) expenditures	<u>(26,355,830)</u>	<u>(15,469,246)</u>	<u>(9,887,562)</u>	<u>(25,356,808)</u>	<u>999,022</u>
Other Financing Sources (Uses):					
Transfers in	1,363,332	1,310,000	53,332	1,363,332	-
Bond premium	3,847,498	3,847,498	-	3,847,498	-
Loan proceeds	<u>21,145,000</u>	<u>21,145,000</u>	<u>-</u>	<u>21,145,000</u>	<u>-</u>
Total other financing sources (uses)	<u>26,355,830</u>	<u>26,302,498</u>	<u>53,332</u>	<u>26,355,830</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,833,252</u>	<u>(9,834,230)</u>	<u>\$ 999,022</u>	<u>\$ 999,022</u>
Fund Balance:					
Beginning of year - July 1			<u>10,833,252</u>		
End of year - June 30			<u>\$ 999,022</u>		

HARNETT COUNTY, NORTH CAROLINA

**AIRFIELD LIGHTING REHABILITATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 1,337,833	\$ -	\$ 51,876	\$ 51,876	\$ (1,285,957)
Total revenues	<u>1,337,833</u>	<u>-</u>	<u>51,876</u>	<u>51,876</u>	<u>(1,285,957)</u>
Expenditures:					
General government:					
Construction	1,486,482	-	61,230	61,230	1,425,252
Total expenditures	<u>1,486,482</u>	<u>-</u>	<u>61,230</u>	<u>61,230</u>	<u>1,425,252</u>
Revenues over (under) expenditures	<u>(148,649)</u>	<u>-</u>	<u>(9,354)</u>	<u>(9,354)</u>	<u>139,295</u>
Other Financing Sources (Uses):					
Transfers in (out)	148,649	-	-	-	(148,649)
Total other financing sources (uses)	<u>148,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(148,649)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(9,354)</u>	<u>\$ (9,354)</u>	<u>\$ (9,354)</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ (9,354)</u>		

HARNETT COUNTY, NORTH CAROLINA

BENHAVEN ELEMENTARY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ -	\$ 708,157	\$ 2,310	\$ 710,467	\$ 710,467
Total revenues	-	708,157	2,310	710,467	710,467
Expenditures:					
Education:					
Legal and administrative	2,409,465	2,313,240	-	2,313,240	96,225
Construction	22,476,956	22,374,086	-	22,374,086	102,870
Total expenditures	24,886,421	24,687,326	-	24,687,326	199,095
Revenues over (under) expenditures	(24,886,421)	(23,979,169)	2,310	(23,976,859)	909,562
Other Financing Sources (Uses):					
Bond proceeds	29,500,000	29,500,000	-	29,500,000	-
Transfer in	-	43,850	-	43,850	43,850
Transfer out	(7,143,248)	(7,143,248)	-	(7,143,248)	-
Bond premium	2,529,669	2,529,669	-	2,529,669	-
Total other financing sources (uses)	24,886,421	24,930,271	-	24,930,271	43,850
Net change in fund balance	\$ -	\$ 951,102	2,310	\$ 953,412	\$ 953,412
Fund Balance:					
Beginning of year - July 1			951,102		
End of year - June 30			\$ 953,412		

HARNETT COUNTY, NORTH CAROLINA

JETPORT TERMINAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 501,728	\$ 342,113	\$ 122,510	\$ 464,623	\$ (37,105)
Total revenues	<u>501,728</u>	<u>342,113</u>	<u>122,510</u>	<u>464,623</u>	<u>(37,105)</u>
Expenditures:					
General government:					
Operating expenditures	<u>557,476</u>	<u>380,126</u>	<u>136,124</u>	<u>516,250</u>	<u>41,226</u>
Total expenditures	<u>557,476</u>	<u>380,126</u>	<u>136,124</u>	<u>516,250</u>	<u>41,226</u>
Revenues over (under) expenditures	<u>(55,748)</u>	<u>(38,013)</u>	<u>(13,614)</u>	<u>(51,627)</u>	<u>4,121</u>
Other Financing Sources (Uses):					
Transfers in	<u>55,748</u>	<u>45,784</u>	<u>9,964</u>	<u>55,748</u>	<u>-</u>
Total other financing sources (uses)	<u>55,748</u>	<u>45,784</u>	<u>9,964</u>	<u>55,748</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,771</u>	<u>(3,650)</u>	<u>\$ 4,121</u>	<u>\$ 4,121</u>
Fund Balance:					
Beginning of year - July 1			<u>7,771</u>		
End of year - June 30			<u>\$ 4,121</u>		

HARNETT COUNTY, NORTH CAROLINA

FORMER BOONE TRAIL SCHOOL DEMOLITION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>		
Expenditures:					
General government:					
Construction	\$ 239,000	\$ 231,395	\$ -	\$ 231,395	\$ 7,605
Total expenditures	<u>239,000</u>	<u>231,395</u>	<u>-</u>	<u>231,395</u>	<u>7,605</u>
Revenues over (under) expenditures	<u>(239,000)</u>	<u>(231,395)</u>	<u>-</u>	<u>(231,395)</u>	<u>7,605</u>
Other Financing Sources (Uses):					
Transfers in	<u>239,000</u>	<u>239,000</u>	<u>-</u>	<u>239,000</u>	<u>-</u>
Total other financing sources (uses)	<u>239,000</u>	<u>239,000</u>	<u>-</u>	<u>239,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,605</u>	<u>-</u>	<u>\$ 7,605</u>	<u>\$ 7,605</u>
Fund Balance:					
Beginning of year - July 1			<u>7,605</u>		
End of year - June 30			<u>\$ 7,605</u>		

HARNETT COUNTY, NORTH CAROLINA

SHAWTOWN AREA COMMUNITY CENTER
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Expenditures:					
General government:					
Legal and administrative	10,000	10,000	-	10,000	-
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HARNETT COUNTY, NORTH CAROLINA

BROADBAND DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 1,985,000	\$ -	\$ -	\$ -	\$ (1,985,000)
Total revenues	<u>1,985,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,985,000)</u>
Expenditures:					
General government:					
Legal and administrative	443,400	-	-	-	443,400
Construction	<u>3,541,600</u>	<u>-</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>2,141,600</u>
Total expenditures	<u>3,985,000</u>	<u>-</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>2,585,000</u>
Revenues over (under) expenditures	<u>(2,000,000)</u>	<u>-</u>	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>600,000</u>
Other Financing Sources (Uses):					
Transfer in	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>

HARNETT COUNTY, NORTH CAROLINA

**EMERGENCY WATERSHED PROTECTION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>		<u>Variance Over/Under</u>
			<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 4,145,020	\$ -	\$ 22,663	\$ 22,663	\$ (4,122,357)
Total revenues	<u>4,145,020</u>	<u>-</u>	<u>22,663</u>	<u>22,663</u>	<u>(4,122,357)</u>
Expenditures:					
General government:					
Construction	4,145,020	-	22,663	22,663	4,122,357
Total expenditures	<u>4,145,020</u>	<u>-</u>	<u>22,663</u>	<u>22,663</u>	<u>4,122,357</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

CAMPBELL STADIUM SIDEWALK
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Culture and recreation:					
Legal and administrative	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Engineering	120,000	86,045	60,000	146,045	(26,045)
Capital outlay	60,000	-	-	-	60,000
Total expenditures	<u>200,000</u>	<u>86,045</u>	<u>60,000</u>	<u>146,045</u>	<u>53,955</u>
Revenues over (under) expenditures	<u>(200,000)</u>	<u>(86,045)</u>	<u>(60,000)</u>	<u>(146,045)</u>	<u>53,955</u>
Other Financing Sources (Uses):					
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 113,955</u>	<u>(60,000)</u>	<u>\$ 53,955</u>	<u>\$ 53,955</u>
Fund Balance:					
Beginning of year - July 1			<u>113,955</u>		
End of year - June 30			<u>\$ 53,955</u>		

HARNETT COUNTY, NORTH CAROLINA

OAKRIDGE RIVER RD TOWER
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Expenditures:					
Public Safety:					
Engineering	\$ 400,000	\$ 29,565	\$ 274,592	\$ 304,157	\$ 95,843
Construction	475,000	116,225	300,000	416,225	58,775
Total expenditures	<u>875,000</u>	<u>145,790</u>	<u>574,592</u>	<u>720,382</u>	<u>154,618</u>
Revenues over (under) expenditures	<u>(875,000)</u>	<u>(145,790)</u>	<u>(574,592)</u>	<u>(720,382)</u>	<u>154,618</u>
Other Financing Sources (Uses):					
Transfers in	<u>875,000</u>	<u>-</u>	<u>825,000</u>	<u>825,000</u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>875,000</u>	<u>-</u>	<u>825,000</u>	<u>825,000</u>	<u>(50,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (145,790)</u>	250,408	<u>\$ 104,618</u>	<u>\$ 104,618</u>
Fund Balance:					
Beginning of year - July 1			<u>(145,790)</u>		
End of year - June 30			<u>\$ 104,618</u>		

HARNETT COUNTY, NORTH CAROLINA

**GREENWAY DEVELOPMENT MASTER PLAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Culture and recreation:					
Engineering	\$ 71,500	\$ 2,200	\$ 62,800	\$ 65,000	\$ 6,500
Total expenditures	<u>71,500</u>	<u>2,200</u>	<u>62,800</u>	<u>65,000</u>	<u>6,500</u>
Revenues over (under) expenditures	<u>(71,500)</u>	<u>(2,200)</u>	<u>(62,800)</u>	<u>(65,000)</u>	<u>6,500</u>
Other Financing Sources (Uses):					
Transfers in	<u>71,500</u>	<u>71,500</u>	<u>-</u>	<u>71,500</u>	<u>-</u>
Total other financing sources (uses)	<u>71,500</u>	<u>71,500</u>	<u>-</u>	<u>71,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 69,300</u>	<u>(62,800)</u>	<u>\$ 6,500</u>	<u>\$ 6,500</u>
Fund Balance:					
Beginning of year - July 1			<u>69,300</u>		
End of year - June 30			<u>\$ 6,500</u>		

HARNETT COUNTY, NORTH CAROLINA

**OLD DETENTION CENTER DEMO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Public Safety:					
Legal and administrative	\$ 34,900	\$ -	\$ 2,000	\$ 2,000	\$ 32,900
Construction	840,100	-	-	-	840,100
Total expenditures	<u>875,000</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>873,000</u>
Revenues over (under) expenditures	<u>(875,000)</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>873,000</u>
Other Financing Sources (Uses):					
Transfers in	<u>875,000</u>	<u>-</u>	<u>508,891</u>	<u>508,891</u>	<u>(366,109)</u>
Total other financing sources (uses)	<u>875,000</u>	<u>-</u>	<u>508,891</u>	<u>508,891</u>	<u>(366,109)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>506,891</u>	<u>\$ 506,891</u>	<u>\$ 506,891</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 506,891</u>		

HARNETT COUNTY, NORTH CAROLINA

ERWIN ELEMENTARY SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>		<u>Variance Over/Under</u>
			<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ -	\$ -	\$ 4,626	\$ 4,626	\$ 4,626
Total revenues	-	-	4,626	4,626	4,626
Expenditures:					
Education:					
Legal and administrative	3,051,857	996,613	667,891	1,664,504	1,387,353
Engineering	2,090,201	-	-	-	2,090,201
Construction	26,257,799	964,093	14,002,438	14,966,531	11,291,268
Total expenditures	31,399,857	1,960,706	14,670,329	16,631,035	14,768,822
Revenues over (under) expenditures	(31,399,857)	(1,960,706)	(14,665,703)	(16,626,409)	14,773,448
Other Financing Sources (Uses):					
Bond premium	3,899,857	-	3,899,858	3,899,858	1
Bond proceeds	27,500,000	-	27,500,000	27,500,000	-
Total other financing sources (uses)	31,399,857	-	31,399,858	31,399,858	1
Net change in fund balance	\$ -	\$ (1,960,706)	16,734,155	\$ 14,773,449	\$ 14,773,449
Fund Balance:					
Beginning of year - July 1			(1,960,706)		
End of year - June 30			\$ 14,773,449		

HARNETT COUNTY, NORTH CAROLINA

**NORTHWEST HARNETT ELEMENTARY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Expenditures:					
Education:					
Legal and administrative	\$ 2,235,200	\$ -	\$ 1,432,500	\$ 1,432,500	\$ 802,700
Capital outlay	1,231,900	731,680	-	731,680	500,220
Construction	25,017,960	-	140,000	140,000	24,877,960
Contingency	1,149,337	-	-	-	1,149,337
Total expenditures	<u>29,634,397</u>	<u>731,680</u>	<u>1,572,500</u>	<u>2,304,180</u>	<u>27,330,217</u>
Revenues over (under) expenditures	<u>(29,634,397)</u>	<u>(731,680)</u>	<u>(1,572,500)</u>	<u>(2,304,180)</u>	<u>27,330,217</u>
Other Financing Sources (Uses):					
Transfers in	<u>29,634,397</u>	<u>731,900</u>	<u>-</u>	<u>731,900</u>	<u>(28,902,497)</u>
Total other financing sources (uses)	<u>29,634,397</u>	<u>731,900</u>	<u>-</u>	<u>731,900</u>	<u>(28,902,497)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 220</u>	<u>(1,572,500)</u>	<u>\$ (1,572,280)</u>	<u>\$ (1,572,280)</u>
Fund Balance:					
Beginning of year - July 1			<u>220</u>		
End of year - June 30			<u>\$ (1,572,280)</u>		

HARNETT COUNTY, NORTH CAROLINA

JOHNSONVILLE ELEMENTARY RENOVATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Years</u>	<u>Actual</u>		<u>Variance</u> <u>Over/Under</u>
			<u>Current</u> <u>Year</u>	<u>Total to</u> <u>Date</u>	
Expenditures:					
Education:					
Legal and administrative	\$ 510,000	\$ -	\$ 294,997	\$ 294,997	\$ 215,003
Engineering	255,000	-	-	-	255,000
Construction	<u>4,335,000</u>	-	<u>116,810</u>	<u>116,810</u>	<u>4,218,190</u>
Total expenditures	<u>5,100,000</u>	-	<u>411,807</u>	<u>411,807</u>	<u>4,688,193</u>
Revenues over (under) expenditures	<u>(5,100,000)</u>	-	<u>(411,807)</u>	<u>(411,807)</u>	<u>4,688,193</u>
Other Financing Sources (Uses):					
Transfers in	<u>5,100,000</u>	<u>3,322,683</u>	-	<u>3,322,683</u>	<u>(1,777,317)</u>
Total other financing sources (uses)	<u>5,100,000</u>	<u>3,322,683</u>	-	<u>3,322,683</u>	<u>(1,777,317)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,322,683</u>	(411,807)	<u>\$ 2,910,876</u>	<u>\$ 2,910,876</u>
Fund Balance:					
Beginning of year - July 1			<u>3,322,683</u>		
End of year - June 30			<u>\$ 2,910,876</u>		

HARNETT COUNTY, NORTH CAROLINA

**FORMER BENHAVEN ELEMENTARY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ -	\$ 156,530	\$ -	\$ 156,530	\$ 156,530
Total revenues	-	156,530	-	156,530	156,530
Expenditures:					
Education:					
Legal and administrative	650,000	130,457	-	130,457	519,543
Engineering	545,700	-	13,329	13,329	532,371
Construction	704,300	192,517	369,255	561,772	142,528
Total expenditures	1,900,000	322,974	382,584	705,558	1,194,442
Revenues over (under) expenditures	(1,900,000)	(166,444)	(382,584)	(549,028)	1,350,972
Other Financing Sources (Uses):					
Transfers in	1,900,000	1,900,000	-	1,900,000	-
Total other financing sources (uses)	1,900,000	1,900,000	-	1,900,000	-
Net change in fund balance	\$ -	\$ 1,733,556	(382,584)	\$ 1,350,972	\$ 1,350,972
Fund Balance:					
Beginning of year - July 1			1,733,556		
End of year - June 30			\$ 1,350,972		

HARNETT COUNTY, NORTH CAROLINA

QSCB 2016 CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>		<u>Variance Over/Under</u>
			<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 242	\$ 174	\$ -	\$ 174	\$ (68)
Total revenues	<u>242</u>	<u>174</u>	<u>-</u>	<u>174</u>	<u>(68)</u>
Expenditures:					
Education:					
Construction	2,160,211	2,159,637	-	2,159,637	574
Debt issue costs	<u>40,031</u>	<u>40,031</u>	<u>-</u>	<u>40,031</u>	<u>-</u>
Total expenditures	<u>2,200,242</u>	<u>2,199,668</u>	<u>-</u>	<u>2,199,668</u>	<u>574</u>
Revenues over (under) expenditures	<u>(2,200,000)</u>	<u>(2,199,494)</u>	<u>-</u>	<u>(2,199,494)</u>	<u>506</u>
Other Financing Sources (Uses):					
Debt issued	<u>2,200,000</u>	<u>2,200,000</u>	<u>-</u>	<u>2,200,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,200,000</u>	<u>2,200,000</u>	<u>-</u>	<u>2,200,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 506</u>	<u>-</u>	<u>\$ 506</u>	<u>\$ 506</u>
Fund Balance:					
Beginning of year - July 1			<u>506</u>		
End of year - June 30			<u>\$ 506</u>		

HARNETT COUNTY, NORTH CAROLINA

**AIRCRAFT APRON AND HELIPAD DESIGN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 263,826	\$ 238,534	\$ 14,064	\$ 252,598	\$ (11,228)
Total revenues	<u>263,826</u>	<u>238,534</u>	<u>14,064</u>	<u>252,598</u>	<u>(11,228)</u>
Expenditures:					
General government:					
Engineering	293,140	267,377	11,680	279,057	14,083
Total expenditures	<u>293,140</u>	<u>267,377</u>	<u>11,680</u>	<u>279,057</u>	<u>14,083</u>
Revenues over (under) expenditures	<u>(29,314)</u>	<u>(28,843)</u>	<u>2,384</u>	<u>(26,459)</u>	<u>2,855</u>
Other Financing Sources (Uses):					
Transfers in (out)	29,314	29,314	-	29,314	-
Total other financing sources (uses)	<u>29,314</u>	<u>29,314</u>	<u>-</u>	<u>29,314</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 471</u>	<u>2,384</u>	<u>\$ 2,855</u>	<u>\$ 2,855</u>
Fund Balance:					
Beginning of year - July 1			<u>471</u>		
End of year - June 30			<u>\$ 2,855</u>		

HARNETT COUNTY, NORTH CAROLINA

2017 G.O. BONDS PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Education:					
Engineering	\$ 51,700	\$ 6,497	\$ -	\$ 6,497	\$ 45,203
Construction	982,300	792,239	(7,435)	784,804	197,496
Total expenditures	<u>1,034,000</u>	<u>798,736</u>	<u>(7,435)</u>	<u>791,301</u>	<u>242,699</u>
Revenues over (under) expenditures	<u>(1,034,000)</u>	<u>(798,736)</u>	<u>7,435</u>	<u>(791,301)</u>	<u>242,699</u>
Other Financing Sources (Uses):					
Transfers in	<u>1,034,000</u>	<u>1,034,000</u>	<u>-</u>	<u>1,034,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,034,000</u>	<u>1,034,000</u>	<u>-</u>	<u>1,034,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 235,264</u>	7,435	<u>\$ 242,699</u>	<u>\$ 242,699</u>
Fund Balance:					
Beginning of year - July 1			<u>235,264</u>		
End of year - June 30			<u>\$ 242,699</u>		

HARNETT COUNTY, NORTH CAROLINA

**ECONOMIC DEVELOPMENT - BRIGHTWATER PHASE II
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Expenditures:					
Economic and physical development:					
Engineering	127,813	89,395	31,247	120,642	7,171
Construction	<u>887,551</u>	<u>840,995</u>	<u>23,239</u>	<u>864,234</u>	<u>23,317</u>
Total expenditures	<u>1,015,364</u>	<u>930,390</u>	<u>54,486</u>	<u>984,876</u>	<u>30,488</u>
Revenues over (under) expenditures	<u>(515,364)</u>	<u>(430,390)</u>	<u>(54,486)</u>	<u>(484,876)</u>	<u>30,488</u>
Other Financing Sources (Uses):					
Transfers in	<u>515,364</u>	<u>515,365</u>	<u>-</u>	<u>515,365</u>	<u>1</u>
Total other financing sources (uses)	<u>515,364</u>	<u>515,365</u>	<u>-</u>	<u>515,365</u>	<u>1</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 84,975</u>	<u>(54,486)</u>	<u>\$ 30,489</u>	<u>\$ 30,489</u>
Fund Balance:					
Beginning of year - July 1			<u>84,975</u>		
End of year - June 30			<u>\$ 30,489</u>		

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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 nine 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 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 Southeast Water and Sewer District, the East Central Water and Sewer District, and the 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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Water and sewer sales	\$ 35,825,000	\$ 40,263,843	\$ 4,438,843
Other operating revenues	1,072,203	1,877,152	804,949
Total operating revenues	<u>36,897,203</u>	<u>42,140,995</u>	<u>5,243,792</u>
Non-operating revenues:			
Federal and state grants	-	321,916	321,916
Interest earned on investments	10,581	2,562	(8,019)
Total revenues	<u>36,907,784</u>	<u>42,465,473</u>	<u>5,557,689</u>
Expenditures:			
Salaries and employee benefits	8,150,421	7,484,494	665,927
Sewage treatment	2,286,000	2,230,708	55,292
Other operating expenses	16,452,778	12,868,300	3,584,478
Capital outlay	775,000	773,385	1,615
Debt service:			
Debt principal	3,249,000	3,249,000	-
Interest and fees	2,573,569	1,989,432	584,137
Bond issuance costs	355,000	351,268	3,732
Advance refunding escrow	61,000	60,960	40
Total expenditures	<u>33,902,768</u>	<u>29,007,547</u>	<u>4,895,221</u>
Revenues over (under) expenditures	<u>3,005,016</u>	<u>13,457,926</u>	<u>10,452,910</u>
Other Financing Sources (Uses):			
Long-term debt issued	165,000	165,000	-
Refunding debt issued	17,575,000	17,575,000	-
Premium	2,930,474	2,930,474	-
Payments to escrow agents	(20,379,750)	(20,379,750)	-
Appropriated net position	14,704,260	-	(14,704,260)
Transfers in (out)	(18,000,000)	(14,000,000)	4,000,000
Total other financing sources (uses)	<u>(3,005,016)</u>	<u>(13,709,276)</u>	<u>(10,704,260)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (251,350)</u>	<u>\$ (251,350)</u>

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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (251,350)	
Reconciling items:			
Debt principal		3,249,000	
Payment to escrow agent		20,379,750	
Premium issued		(2,930,474)	
Loan issued		(17,740,000)	
Amortization of bond premium		382,540	
Amortization of deferred charge on refunding		(159,557)	
Change in accrued interest		(45,334)	
Increase in compensated absences		38,243	
Change in OPEB liability		12,959	
Change in deferred outflows of resources - OPEB		(207,081)	
Change in deferred inflows of resources - OPEB		(146,200)	
Change in deferred outflows - pension		230,324	
Change in net pension liability		(596,699)	
Change in deferred inflows - pension		(29,936)	
Contributed asset		3,300,454	
Capital contributions from projects		516,116	
Interest and fees from project		(917,558)	
Lease revenue from districts		917,558	
Intrafund transfers		14,000,000	
Capital outlay		773,385	
Depreciation		<u>(12,563,559)</u>	
Change in net position		<u>\$ 8,212,581</u>	

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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 524,000	\$ 524,000	\$ -
Interest and fees	<u>664,981</u>	<u>664,981</u>	<u>-</u>
Total expenditures	<u>1,188,981</u>	<u>1,188,981</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,188,981)</u>	<u>(1,188,981)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>1,188,981</u>	<u>664,981</u>	<u>(524,000)</u>
Total other financing sources (uses)	<u>1,188,981</u>	<u>664,981</u>	<u>(524,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (524,000)</u>	<u>\$ (524,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (524,000)	
Reconciling items:			
Debt principal		<u>524,000</u>	
Change in net position		<u>\$ -</u>	

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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 105,000	\$ 105,000	\$ -
Interest and fees	<u>38,275</u>	<u>38,275</u>	<u>-</u>
Total expenditures	<u>143,275</u>	<u>143,275</u>	<u>-</u>
Revenues over (under) expenditures	<u>(143,275)</u>	<u>(143,275)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>143,275</u>	<u>38,275</u>	<u>(105,000)</u>
Total other financing sources (uses)	<u>143,275</u>	<u>38,275</u>	<u>(105,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (105,000)</u>	<u>\$ (105,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (105,000)	
Reconciling items:			
Debt principal		<u>105,000</u>	
Change in net position		<u>\$ -</u>	

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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 60,000	\$ 60,000	\$ -
Interest and fees	<u>19,888</u>	<u>19,888</u>	<u>-</u>
Total expenditures	<u>79,888</u>	<u>79,888</u>	<u>-</u>
Revenues over (under) expenditures	<u>(79,888)</u>	<u>(79,888)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>79,888</u>	<u>19,888</u>	<u>(60,000)</u>
Total other financing sources (uses)	<u>79,888</u>	<u>19,888</u>	<u>(60,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (60,000)	
Reconciling items:			
Debt principal		<u>60,000</u>	
Change in net position		<u>\$ -</u>	

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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 165,000	\$ 165,000	\$ -
Interest and fees	<u>57,363</u>	<u>57,363</u>	<u>-</u>
Total expenditures	<u>222,363</u>	<u>222,363</u>	<u>-</u>
Revenues over (under) expenditures	<u>(222,363)</u>	<u>(222,363)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>222,363</u>	<u>57,363</u>	<u>(165,000)</u>
Total other financing sources (uses)	<u>222,363</u>	<u>57,363</u>	<u>(165,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (165,000)</u>	<u>\$ (165,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (165,000)	
Reconciling items:			
Debt principal		<u>165,000</u>	
Change in net position		<u>\$ -</u>	

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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 50,000	\$ 50,000	\$ -
Interest and fees	<u>27,150</u>	<u>27,150</u>	<u>-</u>
Total expenditures	<u>77,150</u>	<u>77,150</u>	<u>-</u>
Revenues over (under) expenditures	<u>(77,150)</u>	<u>(77,150)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>77,150</u>	<u>27,150</u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>77,150</u>	<u>27,150</u>	<u>(50,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (50,000)	
Reconciling items:			
Debt principal		<u>50,000</u>	
Change in net position		<u>\$ -</u>	

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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 120,000	\$ 120,000	\$ -
Interest and fees	<u>78,363</u>	<u>78,363</u>	<u>-</u>
Total expenditures	<u>198,363</u>	<u>198,363</u>	<u>-</u>
Revenues over (under) expenditures	<u>(198,363)</u>	<u>(198,363)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>198,363</u>	<u>78,363</u>	<u>(120,000)</u>
Total other financing sources (uses)	<u>198,363</u>	<u>78,363</u>	<u>(120,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (120,000)</u>	<u>\$ (120,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (120,000)	
Reconciling items:			
Debt principal		<u>120,000</u>	
Change in net position		<u>\$ -</u>	

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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 25,000	\$ 25,000	\$ -
Interest and fees	<u>31,538</u>	<u>31,538</u>	<u>-</u>
Total expenditures	<u>56,538</u>	<u>56,538</u>	<u>-</u>
Revenues under expenditures	<u>(56,538)</u>	<u>(56,538)</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital lease transfer in	<u>56,538</u>	<u>31,538</u>	<u>(25,000)</u>
Total other financing sources (uses)	<u>56,538</u>	<u>31,538</u>	<u>(25,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (25,000)	
Reconciling items:			
Debt principal		<u>25,000</u>	
Change in net position		<u>\$ -</u>	

HARNETT COUNTY, NORTH CAROLINA

WHIP TRANSMISSION LINE CAPITAL PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Construction	\$ 975,000	\$ 967,176	\$ (32,025)	\$ 935,151	\$ 39,849
Legal and administration	8,000	3,933	-	3,933	4,067
Engineering	150,300	147,700	-	147,700	2,600
Materials and supplies	15,028	-	-	-	15,028
Land	18,000	-	-	-	18,000
Contingency	49,322	-	-	-	49,322
Total expenditures	<u>1,215,650</u>	<u>1,118,809</u>	<u>(32,025)</u>	<u>1,086,784</u>	<u>128,866</u>
Revenues over (under) expenditures	<u>(1,215,650)</u>	<u>(1,118,809)</u>	<u>32,025</u>	<u>(1,086,784)</u>	<u>128,866</u>
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>1,215,650</u>	<u>1,215,650</u>	<u>-</u>	<u>1,215,650</u>	<u>-</u>
Total other financing sources (uses)	<u>1,215,650</u>	<u>1,215,650</u>	<u>-</u>	<u>1,215,650</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 96,841</u>	<u>\$ 32,025</u>	<u>\$ 128,866</u>	<u>\$ 128,866</u>

HARNETT COUNTY, NORTH CAROLINA

SOUTH CENTRAL TRANSMISSION LINE CAPITAL PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Expenditures:					
Construction	\$ 782,000	\$ 583,097	\$ -	\$ 583,097	\$ 198,903
Legal and administration	8,000	3,985	-	3,985	4,015
Engineering	135,800	152,000	-	152,000	(16,200)
Materials and supplies	45,000	24,126	-	24,126	20,874
Land	18,000	1,325	-	1,325	16,675
Contingency	39,100	-	-	-	39,100
Total expenditures	<u>1,027,900</u>	<u>764,533</u>	<u>-</u>	<u>764,533</u>	<u>263,367</u>
Revenues over (under) expenditures	<u>(1,027,900)</u>	<u>(764,533)</u>	<u>-</u>	<u>(764,533)</u>	<u>263,367</u>
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>1,027,900</u>	<u>1,027,900</u>	<u>-</u>	<u>1,027,900</u>	<u>-</u>
Total other financing sources (uses)	<u>1,027,900</u>	<u>1,027,900</u>	<u>-</u>	<u>1,027,900</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 263,367</u>	<u>\$ -</u>	<u>\$ 263,367</u>	<u>\$ 263,367</u>

HARNETT COUNTY, NORTH CAROLINA

**NORTH HARNETT WW UPGRADE CAPITAL PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Expenditures:					
Construction	\$ 10,163,717	\$ 9,678,311	\$ 282,510	\$ 9,960,821	\$ 202,896
Legal and administration	6,000	65,835	-	65,835	(59,835)
Engineering	423,000	351,000	24,000	375,000	48,000
Materials and supplies	70,000	-	-	-	70,000
Contingency	508,186	-	-	-	508,186
Total expenditures	<u>11,170,903</u>	<u>10,095,146</u>	<u>306,510</u>	<u>10,401,656</u>	<u>769,247</u>
Revenues over (under) expenditures	<u>(11,170,903)</u>	<u>(10,095,146)</u>	<u>(306,510)</u>	<u>(10,401,656)</u>	<u>769,247</u>
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>11,170,903</u>	<u>11,170,903</u>	<u>-</u>	<u>11,170,903</u>	<u>-</u>
Total other financing sources (uses)	<u>11,170,903</u>	<u>11,170,903</u>	<u>-</u>	<u>11,170,903</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,075,757</u>	<u>\$ (306,510)</u>	<u>\$ 769,247</u>	<u>\$ 769,247</u>

HARNETT COUNTY, NORTH CAROLINA

**FORT BRAGG WATER AND WASTEWATER CAPITAL PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Construction	\$ 750,000	\$ 361,460	\$ -	\$ 361,460	\$ 388,540
Legal and administration	10,000	-	-	-	10,000
Materials and supplies	120,000	-	-	-	120,000
Total expenditures	<u>880,000</u>	<u>361,460</u>	<u>-</u>	<u>361,460</u>	<u>518,540</u>
Revenues over (under) expenditures	<u>(880,000)</u>	<u>(361,460)</u>	<u>-</u>	<u>(361,460)</u>	<u>518,540</u>
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>880,000</u>	<u>880,000</u>	<u>-</u>	<u>880,000</u>	<u>-</u>
Total other financing sources (uses)	<u>880,000</u>	<u>880,000</u>	<u>-</u>	<u>880,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 518,540</u>	<u>\$ -</u>	<u>\$ 518,540</u>	<u>\$ 518,540</u>

HARNETT COUNTY, NORTH CAROLINA

SCHOOL WASTEWATER EXTENSIONS CAPITAL PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	\$ -
Total revenues	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Expenditures:					
Construction	2,088,100	472,934	1,465,162	1,938,096	150,004
Legal and administration	10,000	-	-	-	10,000
Engineering	591,105	374,028	93,865	467,893	123,212
Materials and supplies	45,000	-	-	-	45,000
Land	20,000	2,300	11,493	13,793	6,207
Total expenditures	<u>2,754,205</u>	<u>849,262</u>	<u>1,570,520</u>	<u>2,419,782</u>	<u>334,423</u>
Revenues over (under) expenditures	<u>(2,254,205)</u>	<u>(849,262)</u>	<u>(1,070,520)</u>	<u>(1,919,782)</u>	<u>334,423</u>
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>2,254,205</u>	<u>2,854,205</u>	<u>-</u>	<u>2,854,205</u>	<u>600,000</u>
Total other financing sources (uses)	<u>2,254,205</u>	<u>2,854,205</u>	<u>-</u>	<u>2,854,205</u>	<u>600,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,004,943</u>	<u>\$ (1,070,520)</u>	<u>\$ 934,423</u>	<u>\$ 934,423</u>

HARNETT COUNTY, NORTH CAROLINA

WEST CENTRAL TRANSMISSION
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Expenditures:					
Construction	\$ 7,545,721	\$ 7,545,721	\$ (24,174)	\$ 7,521,547	\$ 24,174
Legal and administration	49,000	50,609	11,381	61,990	(12,990)
Engineering	350,000	350,000	-	350,000	-
Materials and supplies	191,018	17,209	-	17,209	173,809
Land	30,000	29,388	-	29,388	612
Contingency	343,477	-	-	-	343,477
Total expenditures	<u>8,509,216</u>	<u>7,992,927</u>	<u>(12,793)</u>	<u>7,980,134</u>	<u>529,082</u>
Revenues over (under) expenditures	<u>(8,509,216)</u>	<u>(7,992,927)</u>	<u>12,793</u>	<u>(7,980,134)</u>	<u>529,082</u>
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>8,509,216</u>	<u>8,509,216</u>	<u>-</u>	<u>8,509,216</u>	<u>-</u>
Total other financing sources (uses)	<u>8,509,216</u>	<u>8,509,216</u>	<u>-</u>	<u>8,509,216</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 516,289</u>	<u>\$ 12,793</u>	<u>\$ 529,082</u>	<u>\$ 529,082</u>

HARNETT COUNTY, NORTH CAROLINA

**ADVANCED METER INFRASTRUCTURE CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ 16,116	\$ 16,116	\$ 16,116
Total revenues	<u>-</u>	<u>-</u>	<u>16,116</u>	<u>16,116</u>	<u>16,116</u>
Expenditures:					
Construction	13,900,379	-	6,292,907	6,292,907	7,607,472
Legal and administration	1,000	-	-	-	1,000
Engineering	644,931	-	202,907	202,907	442,024
Materials and supplies	158,000	-	-	-	158,000
Contingency	277,733	-	-	-	277,733
Total expenditures	<u>14,982,043</u>	<u>-</u>	<u>6,495,814</u>	<u>6,495,814</u>	<u>8,486,229</u>
Revenues over (under) expenditures	<u>(14,982,043)</u>	<u>-</u>	<u>(6,479,698)</u>	<u>(6,479,698)</u>	<u>8,502,345</u>
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>14,982,043</u>	<u>-</u>	<u>14,000,000</u>	<u>14,000,000</u>	<u>(982,043)</u>
Total other financing sources (uses)	<u>14,982,043</u>	<u>-</u>	<u>14,000,000</u>	<u>14,000,000</u>	<u>(982,043)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,520,302</u>	<u>\$ 7,520,302</u>	<u>\$ 7,520,302</u>

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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Solid waste fees	\$ 6,526,020	\$ 7,834,512	\$ 1,308,492
Other operating revenues	65,933	67,624	1,691
Total operating revenues	<u>6,591,953</u>	<u>7,902,136</u>	<u>1,310,183</u>
Non-Operating Revenues:			
Restricted intergovernmental	282,000	299,010	17,010
Interest earned on investments	553	2,072	1,519
Total non-operating revenues	<u>282,553</u>	<u>301,082</u>	<u>18,529</u>
Total revenues	<u>6,874,506</u>	<u>8,203,218</u>	<u>1,328,712</u>
Expenditures:			
Salaries and employee benefits	1,185,429	1,080,491	104,938
Other operating expenses	4,434,423	4,063,966	370,457
Capital outlay	871,671	400,000	471,671
Debt service:			
Debt principal and interest	381,130	366,287	14,843
Bond issuance costs	15,000	14,370	630
Total expenditures	<u>6,887,653</u>	<u>5,925,114</u>	<u>962,539</u>
Revenues over (under) expenditures	<u>(13,147)</u>	<u>2,278,104</u>	<u>2,291,251</u>
Other Financing Sources (Uses):			
Refunded debt issued	1,500,000	1,500,000	-
Issuance of premium	160,356	160,356	-
Payment to escrow agent	(1,647,209)	(1,647,209)	-
Total other financing sources (uses)	<u>13,147</u>	<u>13,147</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,291,251</u>	<u>\$ 2,291,251</u>

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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 2,291,251	
Reconciling items:			
Issuance of long-term debt		(1,500,000)	
Issuance of premium		(160,356)	
Debt principal		310,000	
Payment to escrow agent		1,647,209	
Change in deferred outflows - pension		35,435	
Decrease in accrued interest		2,022	
Change in net pension liability		(91,800)	
Change in deferred inflows - pension		(4,606)	
Decrease in compensated absences		9,429	
Change in OPEB liability		1,994	
Change in deferred outflows of resources - OPEB		(31,858)	
Change in deferred inflows of resources - OPEB		(22,492)	
Amortization of premium		16,036	
Capital outlay		400,000	
Depreciation		<u>(448,340)</u>	
Change in net position		<u>\$ 2,453,924</u>	

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 liabilities that have been incurred from prior years when the County was previously fully insured.

Employee Clinic Fund – accounts for the operations at the clinic that is exclusively for employees of Harnett County.

Medical Insurance Fund – accounts for the claims and payments for self-insured health insurance within the County.

Dental Insurance Fund – accounts for the dental insurance premiums and payments for employees of the County.

Unemployment Insurance Fund – accounts for the funds set aside for unemployment claims processed by the North Carolina Department of Commerce, Division of Employment Security.

HARNETT COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Group</u> <u>Insurance</u> <u>Fund</u>	<u>Employee</u> <u>Clinic</u> <u>Fund</u>	<u>Medical</u> <u>Insurance</u> <u>Fund</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 5,380,270	\$ 704,614	\$ 688,255	\$ 9,798,784
Accounts receivable	-	-	184	-
Total assets	<u>5,380,270</u>	<u>704,614</u>	<u>688,439</u>	<u>9,798,784</u>
Liabilities:				
Current liabilities:				
Claims payable	360,000	-	-	-
Accounts payable	4,834	-	2,006	1,206,145
Total current liabilities	<u>364,834</u>	<u>-</u>	<u>2,006</u>	<u>1,206,145</u>
Non-current liabilities:				
Claims payable	67,942	-	-	-
Total liabilities	<u>432,776</u>	<u>-</u>	<u>2,006</u>	<u>1,206,145</u>
Net Position:				
Unrestricted	<u>4,947,494</u>	<u>704,614</u>	<u>686,433</u>	<u>8,592,639</u>
Total net position	<u>\$ 4,947,494</u>	<u>\$ 704,614</u>	<u>\$ 686,433</u>	<u>\$ 8,592,639</u>

HARNETT COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2021

	<u>Dental Insurance Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 703,043	\$ 1,748,926	\$ 19,023,892
Accounts receivable	-	-	184
Total assets	<u>703,043</u>	<u>1,748,926</u>	<u>19,024,076</u>
Liabilities:			
Current liabilities:			
Claims payable	-	-	360,000
Accounts payable	<u>53,079</u>	-	<u>1,266,064</u>
Total current liabilities	<u>53,079</u>	-	<u>1,626,064</u>
Non-current liabilities:			
Claims payable	-	-	<u>67,942</u>
Total liabilities	<u>53,079</u>	-	<u>1,694,006</u>
Net Position:			
Unrestricted	<u>649,964</u>	<u>1,748,926</u>	<u>17,330,070</u>
Total net position	<u>\$ 649,964</u>	<u>\$ 1,748,926</u>	<u>\$ 17,330,070</u>

HARNETT COUNTY, NORTH CAROLINA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Workers' Compensation Fund</u>	<u>Group Insurance Fund</u>	<u>Employee Clinic Fund</u>	<u>Medical Insurance Fund</u>
Operating Revenues:				
County contribution	\$ 1,135,920	\$ 913,654	\$ 158,708	\$ 10,895,758
Operating Expenses:				
Benefits and premiums	180,454	1,496,588	166,112	9,163,658
Total expenditures	<u>180,454</u>	<u>1,496,588</u>	<u>166,112</u>	<u>9,163,658</u>
Operating income (loss)	955,466	(582,934)	(7,404)	1,732,100
Net Position:				
Beginning of year - July 1	<u>3,992,028</u>	<u>1,287,548</u>	<u>693,837</u>	<u>6,860,539</u>
End of year - June 30	<u>\$ 4,947,494</u>	<u>\$ 704,614</u>	<u>\$ 686,433</u>	<u>\$ 8,592,639</u>

HARNETT COUNTY, NORTH CAROLINA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Dental Insurance Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>
Operating Revenues:			
County contribution	\$ 543,515	\$ 221,465	\$ 13,869,020
Operating Expenses:			
Benefits and premiums	433,314	19,734	11,459,860
Total expenditures	433,314	19,734	11,459,860
Operating income (loss)	110,201	201,731	2,409,160
Net Position:			
Beginning of year - July 1	539,763	1,547,195	14,920,910
End of year - June 30	<u>\$ 649,964</u>	<u>\$ 1,748,926</u>	<u>\$ 17,330,070</u>

HARNETT COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Workers' Compensation Fund</u>	<u>Group Insurance Fund</u>	<u>Employee Clinic Fund</u>	<u>Medical Insurance Fund</u>
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 1,135,920	\$ 913,654	\$ 158,708	\$ 10,895,758
Cash paid to suppliers	<u>(466,874)</u>	<u>(1,513,992)</u>	<u>(168,257)</u>	<u>(8,918,913)</u>
Net cash provided (used) by operating activities	<u>669,046</u>	<u>(600,338)</u>	<u>(9,549)</u>	<u>1,976,845</u>
Net increase (decrease) in cash and cash equivalents	669,046	(600,338)	(9,549)	1,976,845
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>4,711,224</u>	<u>1,304,952</u>	<u>697,804</u>	<u>7,821,939</u>
End of year - June 30	<u>\$ 5,380,270</u>	<u>\$ 704,614</u>	<u>\$ 688,255</u>	<u>\$ 9,798,784</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 955,466	\$ (582,934)	\$ (7,404)	\$ 1,732,100
Change in claims payable	<u>(286,420)</u>	<u>(17,404)</u>	<u>(2,145)</u>	<u>244,745</u>
Net cash provided (used) by operating activities	<u>\$ 669,046</u>	<u>\$ (600,338)</u>	<u>\$ (9,549)</u>	<u>\$ 1,976,845</u>

HARNETT COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Dental Insurance Fund	Unemployment Insurance Fund	Total
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 543,515	\$ 221,465	\$ 13,869,020
Cash paid to suppliers	<u>(435,870)</u>	<u>(19,734)</u>	<u>(11,523,640)</u>
Net cash provided (used) by operating activities	<u>107,645</u>	<u>201,731</u>	<u>2,345,380</u>
Net increase (decrease) in cash and cash equivalents	107,645	201,731	2,345,380
Cash and Cash Equivalents:			
Beginning of year - July 1	<u>595,398</u>	<u>1,547,195</u>	<u>16,678,512</u>
End of year - June 30	<u>\$ 703,043</u>	<u>\$ 1,748,926</u>	<u>\$ 19,023,892</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 110,201	\$ 201,731	\$ 2,409,160
Change in claims payable	<u>(2,556)</u>	<u>-</u>	<u>(63,780)</u>
Net cash provided (used) by operating activities	<u>\$ 107,645</u>	<u>\$ 201,731</u>	<u>\$ 2,345,380</u>

HARNETT COUNTY, NORTH CAROLINA

**EMPLOYEE CLINIC FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 174,690	\$ 158,708	\$ (15,982)
Total revenues	<u>174,690</u>	<u>158,708</u>	<u>(15,982)</u>
Expenditures:			
Benefits and premiums	<u>174,690</u>	<u>166,112</u>	<u>8,578</u>
Total expenditures	<u>174,690</u>	<u>166,112</u>	<u>8,578</u>
Change in net position	<u>\$ -</u>	<u>(7,404)</u>	<u>\$ (7,404)</u>
Net Position:			
Beginning of year - July 1		<u>693,837</u>	
End of year - June 30		<u>\$ 686,433</u>	

HARNETT COUNTY, NORTH CAROLINA

**WORKERS' COMPENSATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN NET POSITION - FINANCIAL PLAN AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 1,200,000	\$ 1,135,920	\$ (64,080)
Total revenues	<u>1,200,000</u>	<u>1,135,920</u>	<u>(64,080)</u>
Expenditures:			
Benefits and premiums	1,211,700	180,454	1,031,246
Total expenditures	<u>1,211,700</u>	<u>180,454</u>	<u>1,031,246</u>
Revenues over (under) expenditures	<u>(11,700)</u>	<u>955,466</u>	<u>967,166</u>
Other Financing Sources (Uses):			
Appropriated fund balance	11,700	-	(11,700)
Total other financing sources (uses)	<u>11,700</u>	<u>-</u>	<u>(11,700)</u>
Change in net position	<u>\$ -</u>	<u>955,466</u>	<u>\$ 955,466</u>
Net Position:			
Beginning of year - July 1		<u>3,992,028</u>	
End of year - June 30		<u>\$ 4,947,494</u>	

HARNETT COUNTY, NORTH CAROLINA

GROUP INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 1,965,000	\$ 913,654	\$ (1,051,346)
Total revenues	<u>1,965,000</u>	<u>913,654</u>	<u>(1,051,346)</u>
Expenditures:			
Benefits and premiums	1,965,000	1,496,588	468,412
Total expenditures	<u>1,965,000</u>	<u>1,496,588</u>	<u>468,412</u>
Change in net position	<u>\$ -</u>	(582,934)	<u>\$ (582,934)</u>
Net Position:			
Beginning of year - July 1		<u>1,287,548</u>	
End of year - June 30		<u>\$ 704,614</u>	

HARNETT COUNTY, NORTH CAROLINA

**UNEMPLOYMENT INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 250,000	\$ 221,465	\$ (28,535)
Total revenues	<u>250,000</u>	<u>221,465</u>	<u>(28,535)</u>
Expenditures:			
Benefits and premiums	250,000	19,734	230,266
Total expenditures	<u>250,000</u>	<u>19,734</u>	<u>230,266</u>
Change in net position	<u>\$ -</u>	201,731	<u>\$ 201,731</u>
Net Position:			
Beginning of year - July 1		<u>1,547,195</u>	
End of year - June 30		<u>\$ 1,748,926</u>	

HARNETT COUNTY, NORTH CAROLINA

MEDICAL INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 12,314,585	\$ 10,895,758	\$ (1,418,827)
Total revenues	<u>12,314,585</u>	<u>10,895,758</u>	<u>(1,418,827)</u>
Expenditures:			
Benefits and premiums	13,314,585	9,163,658	4,150,927
Total expenditures	<u>13,314,585</u>	<u>9,163,658</u>	<u>4,150,927</u>
Revenues over (under) expenditures	<u>(1,000,000)</u>	<u>1,732,100</u>	<u>2,732,100</u>
Other Financing Sources (Uses):			
Appropriated fund balance	1,000,000	-	(1,000,000)
Total other financing sources (uses)	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>
Change in net position	<u>\$ -</u>	<u>1,732,100</u>	<u>\$ 1,732,100</u>
Net Position:			
Beginning of year - July 1		<u>6,860,539</u>	
End of year - June 30		<u>\$ 8,592,639</u>	

HARNETT COUNTY, NORTH CAROLINA

**DENTAL INSURANCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN NET POSITION - FINANCIAL PLAN AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 633,500	\$ 543,515	\$ (89,985)
Expenditures:			
Benefits and premiums	633,500	433,314	200,186
Total expenditures	<u>633,500</u>	<u>433,314</u>	<u>200,186</u>
Change in net position	<u>\$ -</u>	110,201	<u>\$ 110,201</u>
Net Position:			
Beginning of year - July 1		<u>539,763</u>	
End of year - June 30		<u>\$ 649,964</u>	

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FIDUCIARY FUNDS

Custodial funds are used to account for short-term custodial collections of resources on behalf of another individual, entity or government. Trust funds account for resources that are required to be held in trust for the members and beneficiaries of defined benefit plans, defined contribution plans or other postemployment benefit plans.

INDIVIDUAL FUND DESCRIPTIONS:

CUSTODIAL FUNDS:

Municipal Tax Fund – This fund accounts for the proceeds of the motor vehicle taxes and other ad Valorem taxes that are collected by the County on behalf of the municipalities within the County.

Jail Inmate Pay Fund – This fund accounts for monies held by Harnett County on the behalf of inmates in the Harnett County Detention Center.

PENSION TRUST FUNDS:

OPEB Trust Fund – accounts for the County’s contributions for healthcare coverage provided to qualified retirees.

LEO Trust Fund – accounts for the County’s contributions for separation allowance payments provided to qualified law enforcement retirees.

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HARNETT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF FIDUCIARY NET POSITION

CUSTODIAL FUNDS

JUNE 30, 2021

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Assets:			
Cash and cash equivalents	\$ 338,959	\$ 55,082	\$ 394,041
Taxes receivables for other governments, net	<u>149,212</u>	<u>-</u>	<u>149,212</u>
Total assets	<u>488,171</u>	<u>55,082</u>	<u>543,253</u>
Liabilities:			
Accounts payable and accrued liabilities	-	43,755	43,755
Due to other governments	<u>338,959</u>	<u>-</u>	<u>338,959</u>
Total liabilities	<u>338,959</u>	<u>43,755</u>	<u>382,714</u>
Net Position:			
Restricted for:			
Individuals, organizations, and other governments	<u>149,212</u>	<u>11,327</u>	<u>160,539</u>
Total net position	<u>\$ 149,212</u>	<u>\$ 11,327</u>	<u>\$ 160,539</u>

HARNETT COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Additions:			
Ad valorem taxes for other governments	\$ 10,750,173	\$ -	\$ 10,750,173
Collections on behalf of inmates	-	230,608	230,608
Total additions	<u>10,750,173</u>	<u>230,608</u>	<u>10,980,781</u>
Deductions:			
Tax distributions to other governments	10,740,529	-	10,740,529
Payments on behalf of inmates	-	231,323	231,323
Total deductions	<u>10,740,529</u>	<u>231,323</u>	<u>10,971,852</u>
Net increase (decrease) in fiduciary net position	<u>9,644</u>	<u>(715)</u>	<u>8,929</u>
Net position, beginning, a previously reported	-	-	-
Prior period restatement - change in accounting principle	<u>139,568</u>	<u>12,042</u>	<u>151,610</u>
Net position, beginning, as restated	<u>139,568</u>	<u>12,042</u>	<u>151,610</u>
Net position, ending	<u>\$ 149,212</u>	<u>\$ 11,327</u>	<u>\$ 160,539</u>

HARNETT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PENSION TRUST FUNDS

JUNE 30, 2021

	<u>OPEB Trust Fund</u>	<u>LEO Trust Fund</u>	<u>Total Pension Trust Funds</u>
Assets:			
Restricted cash and cash equivalents	\$ 857,151	\$ 132,579	\$ 989,730
Total assets	<u>857,151</u>	<u>132,579</u>	<u>989,730</u>
Net Position:			
Restricted for:			
Defined benefit pensions	-	132,579	132,579
Post-employment benefits other than pensions	<u>857,151</u>	<u>-</u>	<u>857,151</u>
Total net position	<u>\$ 857,151</u>	<u>\$ 132,579</u>	<u>\$ 989,730</u>

HARNETT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>OPEB Trust Fund</u>	<u>LEO Trust Fund</u>	<u>Total Pension Trust Funds</u>
Additions:			
Employer contributions:	\$ 1,851,427	\$ 151,068	\$ 2,002,495
Investment income:	<u>61,289</u>	<u>14,587</u>	<u>75,876</u>
Total additions	<u>1,912,716</u>	<u>165,655</u>	<u>2,078,371</u>
Deductions:			
Benefit payments	<u>1,173,036</u>	<u>151,068</u>	<u>1,324,104</u>
Total deductions	<u>1,173,036</u>	<u>151,068</u>	<u>1,324,104</u>
Change in net position	739,680	14,587	754,267
Net Position:			
Beginning of year, July 1	<u>117,471</u>	<u>117,992</u>	<u>235,463</u>
End of year, June 30	<u>\$ 857,151</u>	<u>\$ 132,579</u>	<u>\$ 989,730</u>

OTHER SCHEDULES

Schedule of Ad Valorem Taxes Receivable – General Fund

Analysis of Current Tax Levy

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HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF AD VALOREM TAXES RECEIVABLE
 JUNE 30, 2021

Fiscal Year	Uncollected Balance July 1, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 70,935,348	\$ 70,537,914	\$ 397,434
2019-2020	479,474	-	273,059	206,415
2018-2019	126,753	-	38,436	88,317
2017-2018	91,206	-	21,647	69,559
2016-2017	75,118	-	18,448	56,670
2015-2016	57,758	-	10,817	46,941
2014-2015	42,677	-	4,869	37,808
2013-2014	82,348	-	3,932	78,416
2012-2013	97,531	-	6,821	90,710
2011-2012	79,094	-	12,966	66,128
2010-2011	68,497	-	68,497	-
Total	\$ 1,200,456	\$ 70,935,348	\$ 70,997,406	1,138,398
Less: allowance for uncollectible accounts - General Fund				629,378
Ad valorem taxes receivable, net - General Fund				\$ 509,020
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 70,991,210
Reconciling items:				
Interest collected				298,034
Taxes written off				68,497
Prior year releases				(360,335)
Total collections and credits				\$ 70,997,406

HARNETT COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2021

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 9,455,544,969	\$ 0.7500	\$ 70,916,587	\$ 61,378,913	\$ 9,537,674
Penalties	18,278,267		137,087	137,087	-
Total	<u>9,473,823,236</u>		<u>71,053,674</u>	<u>61,516,000</u>	<u>9,537,674</u>
Discoveries:					
Current years taxes	18,925,500	0.7500	252,340	252,340	-
Abatements	<u>(27,799,950)</u>		<u>(370,666)</u>	<u>(370,666)</u>	-
Total	<u>(8,874,450)</u>		<u>(118,326)</u>	<u>(118,326)</u>	-
Total property valuation	<u>\$ 9,464,948,786</u>				
Net Levy			70,935,348	61,397,674	9,537,674
Uncollected taxes at June 30, 2021			<u>(397,434)</u>	<u>(397,434)</u>	-
Current Year's Taxes Collected			<u>\$ 70,537,914</u>	<u>\$ 61,000,240</u>	<u>\$ 9,537,674</u>
Current Levy Collection Percentage			<u>99.44%</u>	<u>99.35%</u>	<u>100.00%</u>

STATISTICAL SECTION

(unaudited)

This part of Harnett County's annual comprehensive 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.

Contents	Page
Financial Trends	P-200
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	P-206
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	P-214
<i>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.</i>	
Demographic and Economic Information	P-218
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	P-222
<i>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.</i>	

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Harnett County, North Carolina
Net Position by Component
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Invested in capital assets, net of related debt	\$ 37,298,229	\$ 62,464,192	\$ 50,365,917	\$ 44,566,178	\$ 55,813,622	\$ (68,658,064)	\$ 54,269,404	\$ 51,755,245	\$ 40,586,139	\$ 45,552,237
Restricted	10,537,181	10,997,970	11,787,945	15,913,835	17,766,806	44,513,234	17,376,057	21,274,854	23,518,517	23,058,395
Unrestricted	(81,052,839)	(105,671,907)	(94,656,353)	(88,995,853)	(78,490,540)	35,023,661	(80,953,920)	(92,557,019)	(65,395,023)	(59,745,470)
Total governmental activities net position	\$ (33,217,429)	\$ (32,209,745)	\$ (32,502,791)	\$ (28,515,840)	\$ (4,910,112)	\$ 10,878,841	\$ (9,308,459)	\$ (19,526,920)	\$ (1,290,367)	\$ 8,865,162
Business-type activities										
Invested in capital assets, net of related debt	\$250,808,927	\$243,042,418	\$ 245,118,371	\$266,725,165	\$278,517,784	\$278,274,105	\$281,674,631	\$282,059,841	\$285,552,395	\$288,429,644
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	18,408,236	42,092,691	55,340,802	44,073,005	42,596,106	49,940,891	49,628,551	56,308,299	63,428,897	71,531,344
Total business-type activities net position	\$269,217,163	\$285,135,109	\$300,459,173	\$310,798,170	\$321,113,890	\$328,214,996	\$331,303,182	\$338,368,140	\$348,981,292	\$359,960,988
Primary Government										
Invested in capital assets, net of related debt	\$288,107,156	\$305,506,610	\$295,484,288	\$311,291,343	\$334,331,406	\$209,616,051	\$335,944,035	\$333,815,086	\$326,138,534	\$333,981,881
Restricted	10,537,181	10,997,970	11,787,945	15,913,835	17,766,806	44,513,234	17,376,057	21,274,854	23,518,517	23,058,395
Unrestricted	(62,644,603)	(63,579,216)	(39,315,551)	(44,922,848)	(35,894,434)	84,964,552	(31,325,369)	(36,248,720)	(1,966,126)	11,785,874
Total primary government net position	\$235,999,734	\$252,925,364	\$267,956,682	\$282,282,330	\$316,203,778	\$339,093,837	\$321,994,723	\$318,841,220	\$347,690,925	\$368,826,150

Harnett County, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	\$ 11,217,967	\$ 11,810,197	\$ 13,333,033	\$ 13,148,888	\$ 9,196,366	\$ 14,655,806	\$ 16,113,489	\$ 23,498,036	\$ 19,607,411	\$ 17,181,824
Public Safety	32,138,970	34,473,682	34,627,720	35,683,468	37,715,350	40,417,079	42,464,618	43,001,530	48,548,276	53,578,893
Transportation	646,939	344,069	276,823	952,006	927,620	999,651	1,183,864	2,164,719	1,925,372	2,570,391
Environmental Protection	124,255	135,892	138,994	170,630	182,736	181,452	166,931	178,917	226,440	224,948
Economic & physical development	6,321,309	5,969,164	3,809,848	4,164,532	2,732,724	5,156,771	4,249,021	3,993,304	4,819,635	3,122,757
Human Services	25,235,971	26,073,115	25,863,878	25,702,623	28,109,695	29,721,428	26,671,296	26,939,763	28,276,022	26,123,875
Cultural & Recreational	621,129	1,458,094	1,473,554	1,513,720	1,667,895	2,236,204	2,938,458	3,187,931	3,277,084	3,409,512
Education	24,115,765	30,159,562	36,423,566	27,562,131	27,328,710	26,811,390	45,366,104	31,850,277	33,351,865	44,215,752
Debt Service:										
Interest and fees	6,494,891	5,279,472	6,332,214	5,463,869	5,315,756	4,825,862	5,443,930	5,224,806	4,666,259	4,944,020
Total governmental activities expenses	106,917,196	115,703,247	122,279,630	114,361,867	113,176,852	125,005,643	144,597,711	140,039,283	144,698,374	155,371,972
Business type activities										
Water and Sewer	23,446,803	28,120,698	28,650,534	26,444,236	31,176,432	32,111,467	34,137,473	36,798,468	34,883,209	38,069,462
Solid Waste	4,188,342	4,586,311	4,474,124	4,618,158	4,741,515	5,338,278	5,423,198	5,404,615	5,453,348	5,749,294
Total business-type activities	27,635,145	32,707,009	33,124,658	31,062,394	35,917,947	37,449,745	39,560,671	42,203,083	40,336,557	43,818,756
Total primary government expenses	\$ 134,552,341	\$ 148,410,256	\$ 155,404,288	\$ 145,424,261	\$ 149,094,799	\$ 162,455,388	\$ 184,158,382	\$ 182,242,366	\$ 185,034,931	\$ 199,190,728
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 4,198,163	\$ 6,153,062	\$ 4,207,620	\$ 3,090,449	\$ 9,083,933	\$ 8,004,787	\$ 8,063,442	\$ 8,360,038	\$ 15,550,149	\$ 13,633,676
Public Safety	8,949,860	9,212,633	7,243,162	7,637,977	8,553,075	8,525,597	7,846,993	7,753,365	14,421,702	12,644,304
Transportation	335,486	292,655	1,444	1,705	2,205	2,943	3,790	-	-	-
Environmental protection	-	-	-	3,963	8,438	2,400	800	-	-	-
Economic and physical development	16,013	4,148	8,085	10,766	20,714	24,814	4,175	-	-	-
Human services	3,463,527	3,424,015	2,315,561	2,192,224	2,567,833	4,023,634	2,255,009	2,228,092	4,144,378	3,633,606
Cultural and recreational	52,284	41,158	39,974	43,284	49,369	51,996	72,403	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
General government	904,224	1,175,405	1,874,813	1,593,065	1,634,027	1,510,115	1,539,880	1,521,624	2,830,307	2,541,860
Public Safety	1,628,139	1,899,606	747,873	648,901	1,022,612	579,565	1,101,278	1,086,874	3,142,783	1,772,491
Transportation	382,897	811,311	3,957,957	1,042,078	582,821	660,431	552,814	546,401	1,016,338	891,079
Environment protection	8,962	-	-	26,965	30,426	22,915	25,169	24,702	45,947	40,284
Economic and physical development	528,743	89,601	41,017	41,395	45,512	34,825	18,697	18,773	34,919	30,616
Human services	15,120,209	15,822,833	15,504,353	16,327,523	18,472,123	18,612,304	16,540,601	1,597,713	7,351,447	6,846,499
Cultural and recreational	149,410	161,039	162,175	164,619	161,213	168,442	180,196	197,613	367,572	322,271
Education	1,935,247	1,502,404	2,763,557	1,902,400	1,902,400	400	-	-	-	-
Capital grants and contributions:										
General government	-	-	-	335,462	28,493	22,252	117,150	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Economic and physical development	78,395	730,636	978,203	517,082	39,584	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-
Cultural and recreational	28,486	-	-	39,421	5,750	-	29,078	-	-	-
Total governmental activities programs revenues	37,780,045	41,320,506	39,845,794	35,619,279	44,210,528	42,247,420	38,351,475	23,335,195	48,905,542	42,356,686

Harnett County, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Water and Sewer	30,165,366	30,813,418	34,620,175	32,511,677	34,697,530	36,147,419	39,326,703	40,260,717	41,527,755	42,406,003
Solid Waste	3,963,611	4,791,264	5,023,318	5,219,143	5,360,576	5,827,446	5,798,149	6,091,812	6,406,797	7,950,319
Operating grants and contributions:										
Water and Sewer	-	-	-	-	-	-	-	-	-	-
Solid Waste	-	-	-	-	268,549	75,793	28,680	-	-	-
Capital grants and contributions:										
Water and Sewer	18,746,953	14,719,996	8,937,389	4,172,600	6,430,392	2,218,064	622,358	3,005,857	2,581,893	4,138,486
Solid Waste	-	-	30,000	-	-	-	-	-	-	-
Total business-type activities program revenues	52,875,930	50,324,678	48,610,882	41,903,420	46,757,047	44,268,722	45,775,890	49,358,386	50,516,445	54,494,808
Total primary government program revenues	\$ 90,655,975	\$ 91,645,184	\$ 88,456,676	\$ 77,522,699	\$ 90,967,575	\$ 86,516,142	\$ 84,127,365	\$ 72,693,581	\$ 99,421,987	\$ 96,851,494
Net (expense)/revenue	\$ (69,137,151)	\$ (74,382,741)	\$ (82,433,836)	\$ (78,742,588)	\$ (68,966,324)	\$ (82,758,223)	\$ (106,246,236)	\$ (116,704,088)	\$ (95,792,832)	\$ (113,015,286)
Governmental activities										
Local option sales tax	25,240,785	17,617,669	15,486,224	10,841,026	10,839,100	6,818,977	6,215,219	7,155,303	10,179,888	10,676,052
Other taxes	\$ (43,896,366)	\$ (56,765,072)	\$ (66,947,612)	\$ (67,901,562)	\$ (58,127,224)	\$ (75,939,246)	\$ (100,031,017)	\$ (109,548,785)	\$ (85,612,944)	\$ (102,339,234)
Total primary government net expense	\$ (18,655,581)	\$ (39,147,403)	\$ (51,461,388)	\$ (57,060,536)	\$ (47,288,124)	\$ (69,120,269)	\$ (93,815,798)	\$ (102,355,202)	\$ (75,433,056)	\$ (91,663,182)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Ad valorem taxes	\$ 58,298,100	\$ 60,032,767	\$ 64,309,216	\$ 65,789,144	\$ 68,369,184	\$ 70,197,361	\$ 70,459,916	\$ 73,555,031	\$ 75,867,248	\$ 80,167,654
Local option sales tax	13,914,555	14,238,193	14,884,498	16,757,810	19,279,814	20,518,531	21,796,176	23,633,916	33,693,166	39,711,979
Other taxes	2,004,883	2,069,801	2,505,838	4,009,772	4,778,883	8,538,405	9,215,929	9,530,846	2,778,003	3,050,213
Unrestricted grants and contributions	347,202	45,956	38,861	67,514	41,665	120,415	56,135	4,994	14,153	43,235
Investment earnings	15,492	18,991	2,677	11,672	102,503	280,826	950,379	1,647,672	1,676,825	66,876
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital asset	-	-	-	-	-	-	-	-	-	-
Transfers	312,024	400,000	400,000	(2,030)	-	-	397,814	71,486	-	-
Total governmental activities	74,892,256	76,805,708	82,141,090	86,633,882	92,572,049	99,655,538	102,876,349	108,443,945	114,029,385	123,039,957
Business-type activities:										
Other taxes	236,713	227,228	237,297	234,276	268,129	282,599	258,016	282,191	283,640	299,010
Investment earnings	6,651	5,961	543	660	3,491	(470)	29,994	44,537	149,624	4,634
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital asset	-	-	-	-	-	-	-	-	-	-
Transfers	(312,024)	(400,000)	(400,000)	2,030	-	-	(397,814)	(71,486)	-	-
Total business-type activities	(68,660)	(166,811)	(162,160)	236,966	271,620	282,129	(109,804)	255,242	433,264	303,644
Total primary government	\$ 74,823,596	\$ 76,638,897	\$ 81,978,930	\$ 86,870,848	\$ 92,843,669	\$ 99,937,667	\$ 102,766,545	\$ 108,699,187	\$ 114,462,649	\$ 123,343,601
Change in Net Position										
Governmental activities	\$ 5,755,105	\$ 2,422,967	\$ (292,746)	\$ 7,891,294	\$ 23,605,725	\$ 16,897,315	\$ (3,369,887)	\$ (8,260,143)	\$ 18,236,553	\$ 10,024,671
Business-type activities	25,172,125	17,450,858	15,324,064	11,077,992	11,110,720	7,101,106	6,105,415	7,410,545	10,613,152	10,979,696
Total primary government	\$ 30,927,230	\$ 19,873,825	\$ 15,031,318	\$ 18,969,286	\$ 34,716,445	\$ 23,998,421	\$ 2,735,528	\$ (849,598)	\$ 28,849,705	\$ 21,004,367

Harnett County, North Carolina
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2012	2013 ¹	2014 ²	2015	2016	2017 ³	2018 ⁴	2019	2020 ⁵	2021
General Fund										
Non Spendable	\$ 748,224	\$ 451,088	\$ 111,181	\$ 159,625	\$ 1,418,606	\$ 232,245	\$ 216,378	\$ 249,757	\$ 2,637,760	\$ 2,199,381
Restricted	8,789,704	9,433,149	9,260,952	11,496,063	11,966,027	9,068,575	10,337,775	11,199,201	15,306,174	17,550,550
Committed	574,133	-	-	-	-	-	-	-	8,872,608	12,832,072
Assigned	-	-	3,193,811	2,600,000	-	-	422,916	2,433,321	8,363,192	12,577,349
Unassigned	13,212,441	17,959,942	18,732,095	19,417,388	26,311,973	32,547,008	32,201,423	29,737,935	31,349,433	37,143,675
Total General Fund	\$ 23,324,502	\$ 27,844,179	\$ 31,298,039	\$ 33,673,076	\$ 39,696,606	\$ 41,847,828	\$ 43,178,492	\$ 43,620,214	\$ 66,529,167	\$ 82,303,027
All other governmental funds										
Non Spendable	\$ 2,612	\$ 1,742	\$ -	\$ -	\$ 4,212	\$ 4,212	\$ 4,212	\$ -	\$ -	\$ -
Restricted	2,212,333	23,331,366	12,479,663	8,809,048	7,594,332	37,153,665	19,255,559	17,985,905	22,791,271	22,217,975
Committed	103,168	471,969	440,695	24,102	122,485	181,634	197,814	492,117	5,254,119	5,571,906
Assigned	60,662	76,734	60,348	246,463	2,316,903	5,001,315	6,045,578	5,821,813	3,415,325	3,410,004
Unassigned	(470,924)	(444,222)	(1,869,528)	(881,516)	(895,755)	(618,241)	(1,857,918)	(1,386,783)	(7,402,400)	(2,525,589)
Total all other governmental funds	\$ 1,907,851	\$ 23,437,609	\$ 11,111,178	\$ 8,198,097	\$ 9,142,177	\$ 41,722,585	\$ 23,645,245	\$ 22,913,052	\$ 24,058,315	\$ 28,674,296

¹ The decrease in Fund Balance for all other governmental funds is due to the closing spend-down of escrow funds for several school construction projects.
² The increase in Fund Balance for all other governmental funds is due to the cash on deposit with an escrow agent for the Highlands Middle School Capital Project.
³ The decrease in Fund Balance for all other governmental funds is due to the spend-down of escrow funds for the Highlands Middle School Capital Project.
⁴ The increase in Fund Balance for all other governmental funds is due to the cash on deposit with an escrow agent for the Benhaven Elementary School Capital Project Fund.
⁵ The increase in Fund Balance for all other governmental funds is due to the increase in sales tax receipts allocated to the debt service fund and increased operating grants for several project funds.
⁶ The increase in Fund Balance for all other governmental funds is due to the cash on deposit with an escrow agent for the Erwin Elementary School and Government Complex South Capital Project Funds.

Harnett County, North Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Ad valorem taxes	\$ 58,043,532	\$ 60,420,690	\$ 64,806,230	\$ 66,264,541	\$ 68,317,095	\$ 70,285,326	\$ 70,437,519	\$ 73,612,822	\$ 75,758,317	\$ 80,099,213
Other taxes and licenses	15,919,438	16,307,994	17,390,336	20,767,582	24,058,697	29,056,936	31,012,105	33,164,762	36,471,159	42,762,192
Unrestricted Intergovernmental	347,202	45,956	38,861	67,514	41,665	120,415	56,135	4,994	14,153	43,235
Restricted Intergovernmental	20,580,505	21,951,104	24,545,233	21,497,462	23,003,139	22,873,759	19,843,450	19,910,706	28,408,647	23,744,458
Permits and fees	3,621,752	3,995,260	3,686,220	3,379,086	3,466,824	3,545,871	3,824,231	2,929,161	2,422,016	2,590,141
Sales and services	9,481,257	9,256,221	7,378,303	7,435,368	8,863,752	7,604,780	7,793,750	7,602,674	9,571,668	10,338,766
Investment earnings	15,492	18,991	2,677	11,672	102,503	280,826	950,379	1,647,672	1,676,825	66,876
Other general revenues	2,113,609	3,437,772	4,041,279	4,602,797	3,631,950	3,639,506	4,113,580	2,546,588	6,568,738	3,880,348
Total revenues	110,122,787	115,433,988	121,889,139	124,026,022	131,485,625	137,407,419	138,031,149	141,419,379	160,891,523	163,525,229
Expenditures										
General government	10,214,297	12,004,474	16,619,446	13,320,651	13,684,269	13,769,610	17,852,956	16,168,276	30,945,013	28,532,332
Public safety	31,218,622	33,503,772	33,945,599	35,489,816	36,668,046	39,640,768	41,743,221	42,920,389	47,679,464	49,432,661
Transportation	160,068	368,313	369,745	418,731	392,951	436,495	472,869	537,989	691,366	911,473
Environmental protection	118,166	123,598	128,133	165,801	182,736	181,452	166,931	178,917	226,440	224,948
Economic and physical development	6,270,644	5,873,572	7,761,858	5,087,189	3,291,512	4,988,437	4,142,456	3,644,583	4,285,897	4,699,442
Human services	24,622,510	25,488,823	25,287,199	26,243,188	28,000,704	29,235,907	25,870,415	23,785,760	23,930,556	25,179,507
Cultural and recreational	1,354,884	1,367,760	1,391,118	1,495,843	1,498,127	2,131,641	2,859,436	4,069,047	3,226,045	3,436,177
Education	24,115,765	30,159,562	36,423,566	27,562,131	27,328,710	26,811,390	45,366,104	31,850,277	33,351,865	44,215,752
Debt Service										
Principal	7,176,838	6,424,014	8,240,495	9,719,273	11,551,597	13,660,527	14,511,973	14,307,300	13,810,496	12,611,865
Interest and fees	5,139,600	5,062,698	6,491,804	5,575,501	4,959,473	3,849,231	4,547,768	4,318,798	4,518,023	5,421,947
Total primary government expenses	\$ 110,391,394	\$ 120,376,586	\$ 136,658,963	\$ 125,078,124	\$ 127,558,125	\$ 134,705,458	\$ 157,534,129	\$ 141,781,336	\$ 162,665,165	\$ 174,666,104
Excess of revenues over (under) expenditures	(268,607)	(4,942,598)	(14,769,824)	(1,052,102)	3,927,500	2,701,961	(19,502,980)	(361,957)	(1,773,642)	(11,140,875)

Harnett County, North Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other financing sources (uses)										
Bonds & capital lease issuance	\$ 329,485	\$ 329,485	\$ 5,497,253	\$ -	\$ 2,200,000	\$ 29,500,000	\$ 1,902,953	\$ -	\$ 21,145,000	\$ 78,910,000
Bond premium	-	52,029	-	-	-	2,529,669	-	-	3,847,498	11,024,698
Long-term debt refunded	24,033,690	30,210,515	-	29,486,750	37,018,000	-	-	-	-	-
Payment to escrow agents	(23,921,394)	-	-	(28,970,662)	(36,177,890)	-	-	-	835,360	(58,534,840)
Transfers in	3,763,894	2,105,699	2,595,269	4,172,536	1,207,791	386,398	9,504,216	7,924,291	13,969,859	5,733,474
Transfers out	(3,451,870)	(1,705,695)	(2,195,269)	(4,174,566)	(1,207,791)	(386,398)	(8,650,865)	(7,852,805)	(13,969,859)	(5,733,474)
Total other financing sources (uses)	753,805	30,992,033	5,897,253	514,058	3,040,110	32,029,669	2,756,304	71,486	25,827,858	31,399,858
Net change in fund balances	\$ 485,198	\$ 26,049,435	\$ (8,872,571)	\$ (538,044)	\$ 6,967,610	\$ 34,731,630	\$ (16,746,676)	\$ (290,471)	\$ 24,054,216	\$ 20,258,983
Debt service as a percentage of noncapital expenditures	11.28%	9.69%	11.63%	12.48%	13.59%	13.33%	12.54%	13.53%	12.57%	11.28%

Harnett County, North Carolina
Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Fiscal Year	Governmental Activities						Business-type Activities	
	Ad Valorem	Sales Tax	Excise Stamp - Real Property	Occupancy Tax	Cable Franchise License	Solid Waste	Total	
2012	58,298,100	13,914,555	380,640	417,602	232,046	236,713	73,479,656	
2013	60,032,767	14,238,193	401,847	412,486	196,216	227,228	75,508,737	
2014	64,309,216	14,884,498	410,360	430,146	197,213	237,297	80,468,730	
2015	65,789,144	16,757,810	412,126	437,316	204,052	234,276	83,834,724	
2016	68,369,184	19,279,814	468,981	554,405	197,107	268,129	89,137,620	
2017	70,197,361	20,518,531	524,096	536,184	199,443	282,599	92,258,214	
2018	70,459,916	21,796,176	590,167	588,940	194,145	258,016	93,887,360	
2019	73,555,031	23,633,916	577,423	559,449	191,975	282,191	98,799,985	
2020	75,867,248	33,693,156	736,458	-	181,015	283,640	110,761,517	
2021	80,167,654	39,711,979	1,012,527	-	177,156	299,010	121,368,326	

Harnett County, North Carolina
General Governmental Tax Revenues by Source¹
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Fiscal Year	Ad Valorem	Sales Tax	Excise Stamp Real Property	Occupancy Tax	Cable TV Franchise	Total
2012	52,129,522	13,914,555	380,640	417,602	232,046	67,074,365
2013	54,273,480	14,238,193	401,847	412,486	196,216	69,522,222
2014	58,191,905	14,884,498	410,360	430,146	197,213	74,114,122
2015	59,642,848	16,757,810	412,126	437,316	204,052	77,454,152
2016	61,273,129	19,279,814	468,981	554,405	197,107	81,773,436
2017	62,973,475	20,518,531	524,096	536,184	199,443	84,751,729
2018	63,099,033	21,796,176	590,167	588,940	194,145	86,268,461
2019	65,856,490	23,633,916	577,423	559,449	191,975	90,819,253
2020	67,452,336	33,693,156	736,458	-	181,015	102,062,965
2021	70,991,210	39,711,979	1,012,527	-	177,156	111,892,872

¹ Includes Ad Valorem Tax and Other Taxes and Licenses

Harnett County, North Carolina
Assessed Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Personal Property				Less: Tax Exempt Real Property ²	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value ³	Assessed Value as a Percentage of Actual Value ⁴
	Real Property	Public Service ¹	Motor Vehicle	Other					
2012	6,294,392,739	170,024,073	704,442,062	279,752,847	269,398,320	7,179,213,201	0.725	7,112,446,518	100.94%
2013	6,204,361,066	173,078,000	861,658,847	354,881,029	278,506,820	7,315,472,122	0.725	7,897,738,100	92.63%
2014	6,537,809,885	175,425,257	557,527,295	364,317,559	272,762,996	7,362,317,000	0.725	7,602,759,756	96.84%
2015	6,662,194,513	172,878,610	793,557,474	373,097,429	285,138,156	7,716,589,870	0.750	7,245,769,283	106.50%
2016	6,936,338,652	193,236,973	852,439,776	368,420,022	294,049,816	8,056,385,607	0.750	7,544,780,838	106.78%
2017 ⁵	6,967,722,434	195,247,388	918,026,527	360,205,365	293,157,895	8,148,043,819	0.750	7,217,065,063	112.90%
2018	7,315,657,297	201,237,625	961,509,860	363,254,196	314,350,768	8,527,308,210	0.750	7,925,434,501	107.59%
2019	7,388,162,947	192,608,831	1,059,727,569	479,953,699	352,986,800	8,767,466,246	0.750	8,183,552,994	107.14%
2020	7,497,543,732	215,670,039	1,094,229,365	520,070,544	337,360,248	8,990,153,432	0.750	8,193,625,838	109.72%
2021	7,676,230,114	221,810,777	1,274,006,967	575,559,942	339,086,346	9,408,521,454	0.750	7,915,389,099	118.86%

¹ Public service companies' property includes real and personal property of utilities, railroad and bus lines, 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 Assessment 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 have 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.

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, 2017 and reflected in the 2018 fiscal year.

Source: Harnett County Tax Department and NCDMV

**Harnett County, North Carolina
Property Tax Rates - Direct and Overlapping¹ Governments**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Harnett County	0.725	0.725	0.725	0.750	0.750	0.750	0.750	0.750	0.750	0.750
Municipalities:										
City of Dunn	0.480	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Aversboro School District	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020
Aversboro Fire District	0.070	0.070	0.070	0.090	0.090	0.090	0.090	0.090	0.090	0.090
Downtown Revitalization	0.120	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012
Combined Rate	1.225	1.245	1.245	1.270	1.270	1.270	1.270	1.270	1.270	1.270
Town of Benson	0.530	0.530	0.530	0.530	0.530	0.530	0.540	0.530	0.530	0.550
Satellite Properties	1.255	1.255	1.255	1.280	1.280	1.280	1.290	1.280	1.280	1.300
Combined Rate										
Town of Broadway	0.440	0.440	0.440	0.440	0.440	0.440	0.490	0.490	0.490	0.490
Satellite Properties	1.165	1.165	1.165	1.190	1.190	1.190	1.240	1.240	1.240	1.240
Combined Rate										
Town of Lillington	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520
Combined Rate	1.245	1.245	1.245	1.270	1.270	1.270	1.270	1.270	1.270	1.270
Town of Coats	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590
Combined Rate	1.315	1.315	1.315	1.340	1.340	1.340	1.340	1.340	1.340	1.340
Town of Angier	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.530
Combined Rate	1.255	1.255	1.255	1.280	1.280	1.280	1.280	1.280	1.280	1.280
Town of Erwin	0.480	0.480	0.480	0.480	0.510	0.510	0.510	0.510	0.510	0.510
Combined Rate	1.205	1.205	1.205	1.230	1.260	1.260	1.260	1.260	1.260	1.260
Fire Tax Districts:										
Anderson Creek Fire District	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110
Combined Rate	0.835	0.835	0.835	0.860	0.860	0.860	0.860	0.860	0.860	0.860
Angier/Black River Fire District	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Combined Rate	0.795	0.795	0.795	0.820	0.820	0.820	0.820	0.820	0.820	0.820

**Harnett County, North Carolina
Property Tax Rates - Direct and Overlapping¹ Governments**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benhaven Fire District	0.080	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.100	0.110
Combined Rate	0.805	0.815	0.815	0.840	0.840	0.840	0.840	0.840	0.850	0.860
Benson Banner Fire District	0.070	0.070	0.070	0.070	0.090	0.090	0.100	0.100	0.100	0.120
Combined Rate	0.795	0.795	0.795	0.820	0.840	0.840	0.850	0.850	0.850	0.870
Boone Trail Emergency Services	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Combined Rate	0.795	0.795	0.795	0.820	0.820	0.820	0.820	0.820	0.820	0.820
Bujes Creek Fire District	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Combined Rate	0.825	0.825	0.825	0.850	0.850	0.850	0.850	0.850	0.850	0.850
Bunlevel Rural FD	0.110	-	-	-	-	-	-	-	-	-
Combined Rate	0.835	-	-	-	-	-	-	-	-	-
Crains Creek	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Combined Rate	0.825	0.825	0.825	0.850	0.850	0.850	0.850	0.850	0.850	0.850
Coats-Grove Fire District	0.080	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.110
Combined Rate	0.805	0.815	0.815	0.840	0.840	0.840	0.840	0.840	0.840	0.860
Cypress Creek	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085
Combined Rate	0.810	0.810	0.810	0.835	0.835	0.835	0.835	0.835	0.835	1.700
Duke (Erwin) Fire District	0.070	0.070	0.070	0.070	0.080	0.080	0.085	0.085	0.095	0.095
Combined Rate	0.795	0.795	0.795	0.820	0.830	0.830	0.835	0.835	0.845	0.845
Flat Branch Fire District	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.130	0.130
Combined Rate	0.845	0.845	0.845	0.870	0.870	0.870	0.870	0.870	0.880	0.880
Flatwoods	0.150	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.120
Combined Rate	0.875	0.845	0.845	0.870	0.870	0.870	0.870	0.870	0.870	0.870
Godwin Falcon	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.150
Combined Rate	0.825	0.825	0.825	0.850	0.850	0.850	0.850	0.850	0.850	0.900
Northwest Harnett Fire District	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Combined Rate	0.805	0.805	0.805	0.830	0.830	0.830	0.830	0.830	0.830	0.830

**Harnett County, North Carolina
Property Tax Rates - Direct and Overlapping¹ Governments**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spout Springs Combined Rate	0.100 0.825	0.100 0.825	0.100 0.825	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.120 0.870	0.120 0.870	0.120 0.870
Summerville Combined Rate	0.070 0.795	- -	- -	- -	- -	- -	- -	- -	- -	- -
Summerville Bunnlevel Combined Rate	0.080 0.805	0.080 0.805	0.080 0.805	0.080 0.830	0.080 0.830	0.080 0.830	0.080 0.830	0.100 0.850	0.100 0.850	0.100 0.850
West Area Fire District Combined Rate	0.100 0.825	0.100 0.825	0.100 -	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850
West Johnston Fire District Combined Rate	- -	- -	- -	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820

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 governments' property owners whose property is located within

Source: Harnett County Tax Department

**Harnett County, North Carolina
Principal Property Taxpayers
Ten Year Comparison
(Unaudited)**

Taxpayer	2021				2012			
	2020 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2011 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		
Atlantic Coast Pipeline, LLC	\$ 101,752,573	1	1.20%					
Duke Energy Progress ¹	94,076,893	2	1.10%	65,693,544	1	0.90%		
Rooms to Go	58,650,310	3	0.70%					
South River EMC	44,301,521	4	0.50%	33,217,381	2	0.50%		
Delhaize America, Inc	32,293,460	5	0.40%	27,449,380	3	0.40%		
Central EMC	23,991,624	6	0.30%	16,780,286	6	0.30%		
Adusa Transportation LLC DC04	22,849,350	7	0.30%					
Wal-Mart Real Estate Business	21,907,160	8	0.30%	12,318,880	8	0.20%		
Wincor	11,939,460	9	0.10%	11,643,090	9	0.20%		
Piedmont Natural Gas Co., Inc.	11,424,891	10	0.10%					
Carolina Telephone				25,662,609	4	0.40%		
Food Lion Stores, Distribution				22,895,353	5	0.30%		
Oldcastle				13,643,568	7	0.20%		
CSX Transportation				9,358,840	10	0.10%		
	<u>\$ 423,187,242</u>		<u>5.00%</u>	<u>\$ 238,662,931</u>		<u>3.50%</u>		

¹ Progress Energy, Inc. (formerly Carolina Power & Light) merged with, and became a wholly-owned subsidiary of Duke Energy Corporation on July 2, 2012

Source: Harnett County Tax Department

Harnett County, North Carolina
Property Tax Levies and Collections - General Fund
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Total Net Tax Levy	Current Tax Collections	Percent of Net Levy Collected	Collected in Subsequent Years	Total Tax Collections	Total Tax Collections To Net Levy
2012	52,116,730	50,733,856	97.35%	1,242,998	51,976,854	99.73%
2013	53,497,265	52,209,047	97.59%	1,104,344	53,313,391	99.66%
2014	57,157,246	56,392,456	98.66%	686,374	57,078,830	99.86%
2015	58,578,502	58,254,988	99.45%	285,706	58,540,694	99.94%
2016	61,131,564	60,690,471	99.28%	394,152	61,084,623	99.92%
2017	62,808,873	62,470,305	99.46%	281,898	62,752,203	99.91%
2018	63,211,354	62,911,822	99.53%	229,973	63,141,795	99.89%
2019	65,988,291	65,733,131	99.61%	166,843	65,899,974	99.87%
2020	67,744,202	67,264,728	99.29%	273,059	67,537,787	99.70%
2021	70,935,348	70,537,914	99.44%	-	70,537,914	99.44%

Source: Harnett County Tax Department

Harnett County, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities					Business-type Activities							Total Primary Government	Per Capita ¹
	Capitalized Leases	Installment Purchase	Limited Obligation Bonds	General Obligation Bonds		Capitalized Leases	Installment Purchase	General Obligation Bonds	Revenue Bonds	Limited Obligation Bonds	Special Obligation Bonds	State Bond Loan		
2012	437,297	120,799,269	-	-	-	-	5,758,367	35,297,000	12,805,000	-	-	25,551,602	200,647,535	1,654
2013	215,511	145,136,042	-	-	-	4,756,014	34,056,000	12,240,000	1,750,000	20,065,000	1,594,000	24,046,232	242,264,799	1,963
2014	5,850,448	137,149,779	-	-	-	3,399,694	33,321,000	11,650,000	1,594,000	19,695,000	1,434,000	21,419,030	234,709,593	1,869
2015	5,088,148	130,875,519	-	-	-	2,907,373	32,299,000	11,973,000	1,434,000	18,095,000	1,270,000	19,603,909	204,664,047	1,611
2016	3,803,938	130,613,196	-	-	-	2,140,436	30,900,000	11,218,000	1,270,000	18,095,000	1,102,000	17,008,978	215,382,723	1,664
2017	21,516,887	148,494,622	-	-	-	1,923,553	29,935,000	10,418,000	1,102,000	17,340,000	929,000	15,730,902	246,641,799	1,882
2018	20,710,289	108,667,200	-	28,025,000	-	1,712,075	28,949,000	9,585,000	16,570,000	16,570,000	752,000	14,452,826	229,626,431	1,724
2019	18,120,802	98,424,386	-	26,550	-	1,502,990	27,946,000	8,730,000	15,790,000	15,790,000	571,000	13,174,748	184,467,476	1,364
2020	16,700,284	87,453,759	21,145,000	25,075,000	-	1,297,429	26,913,000	7,855,000	14,985,000	14,985,000	-	11,896,672	213,892,144	1,557
2021	15,902,930	27,542,067	65,115,000	51,100,000	-	-	11,694,000	15,375,000	15,525,000	15,525,000	-	-	202,253,997	1,465

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.

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, 2021
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Estimated share of Overlapping Debt</u>
Harnett County			
Debt repaid with property taxes	\$ 159,659,997	100%	\$ 159,659,997
Total direct debt			159,659,997
Municipality:			
Town of Angier	4,178,316	100%	4,178,316
Town of Coats	-	100%	-
City of Dunn	9,152,480	100%	9,152,480
Town of Erwin	-	100%	-
Town of Lillington	1,300,000	100%	1,300,000
Total overlapping debt			<u>14,630,796</u>
Total direct and overlapping debt			<u>\$ 174,290,793</u>

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)

Fiscal Year Ended June 30	Gross Revenues ¹	Direct Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements		Coverage
				Principal	Interest	
2012	30,130,929	13,615,380	16,515,549	545,000	614,560	1424.29%
2013	30,732,953	16,541,552	14,191,401	565,000	591,438	1227.16%
2014	29,460,994	17,364,629	12,096,365	590,000	568,838	1043.84%
2015	29,075,972	17,341,136	11,734,836	615,000	586,288	976.85%
2016	30,898,090	18,278,264	12,619,826	800,000	295,916	1151.53%
2017	34,090,243	20,843,978	13,246,265	833,000	263,575	1207.97%
2018	37,788,792	22,945,987	14,842,805	855,000	242,501	1352.42%
2019	38,416,283	23,759,031	14,657,252	875,000	220,869	1337.50%
2020	39,711,911	21,679,777	18,032,134	896,000	198,731	1647.17%
2021	39,919,546	23,281,892	16,637,654	2,200,000	363,115	649.12%
					Total	

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 574,422	\$ 587,486	\$ 586,243	\$ 624,066	\$ 634,974	\$ 651,844	\$ 654,277	\$ 689,838	\$ 703,537	\$ 752,682
Total net debt applicable to limit	\$ 152,546	\$ 195,973	\$ 189,739	\$ 260,392	\$ 100,000	\$ 259,449	\$ 228,452	\$ 215,850	\$ 352,698	\$ 209,015
Legal debt margin	\$ 421,876	\$ 391,513	\$ 396,504	\$ 363,674	\$ 534,974	\$ 392,395	\$ 425,825	\$ 483,988	\$ 350,839	\$ 543,667
Total net debt applicable to the limit as a percentage of debt limit	26.56%	33.36%	32.37%	41.73%	15.75%	39.80%	34.92%	30.84%	50.13%	27.77%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value	9,408,521,454
Debt Limit (8% of total assessed value)	752,681,716
Debt applicable to limit:	-
Certificates of participation	-
Installment purchase	27,542,067
Revolving loan	-
General obligation bond	62,794,000
State bond loans	-
Revenue bonds	15,375,000
Limited obligation bond	80,640,000
Special obligation bond	-
Obligation under capital lease	15,902,930
Subtotal	202,253,997
Authorized and unissued debt	49,355,000
Total Gross Debt	251,608,997
Less: Statutory deductions	27,219,000
Bonds issued and outstanding for water and sewer purposes	15,375,000
Revenue bonds	42,594,000
Total amount of debt applicable to debt limit	209,014,997
Legal debt margin	\$543,666,719

Harnett County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Population ¹		Median Household Income ²		Per Capita Income ²		Median Age ²		School Enrollment ³		Unemployment Rate ²	
2012	121,317	N/A	N/A	18,884	34	19,378	11.2%					
2013	123,428	N/A	18,884	34	19,868	10.5%						
2014	125,600	41,962	19,226	34	19,847	7.4%						
2015	127,038	41,735	19,095	34	20,099	7.3%						
2016	129,434	44,417	20,939	35	20,252	5.4%						
2017	131,042	48,301	31,129	34	20,357	5.1%						
2018	133,172	51,106	32,010	34	20,306	4.8%						
2019	135,239	51,406	32,947	34	20,097	4.1%						
2020	137,358	51,225	34,604	34	20,188	5.0%						
2021	138,043	55,619	35,484	34	19,012	4.2%						

¹ North Carolina Office of State Budget and Management

² North Carolina Department of Commerce, AccessNC

³ Harnett County Board of Education

**Harnett County, North Carolina
Principal Utility Rate Payers
Ten Year Comparison
(Unaudited)**

Customer	2021			Contract Expiration
	Gallons Used (000's)	Annual Revenues	Percentage of Total Water Revenues	
Ft. Bragg Main Base	2,392,875	\$3,478,576	9.02%	2046
Town of Fuquay-Varina	1,091,959	2,350,641	6.09%	2040
Town of Holy Springs	1,028,174	2,088,966	5.41%	2040
Town of Lillington	474,146	1,097,472	2.84%	Automatic Renewal
Town of Angier	433,156	1,044,233	2.71%	2046
Ft. Bragg-Linden Oaks Housing Area	198,436	511,043	1.32%	2053
Campbell University	92,172	219,220	1.30%	Automatic Renewal
	<u>5,710,918</u>	<u>\$10,790,151</u>	<u>28.69%</u>	

Source: Harnett Regional Water Department

Harnett County, North Carolina
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	Employment Type	2012	
		Employment Range	Employment Range
Harnett County Public Schools	Educational Services	1,000 +	1,000 +
Campbell University	Educational Services	1,000 +	500 - 999
Food Lion Distribution Center	Retail Trade	1,000 +	500 - 999
County of Harnett	Public Administration	1,000 +	500 - 999
Harnett Health System (Betsy Johnson)	Health Care and Social Assistance	500 - 999	500 - 999
Wal-Mart Associates, Inc.	Retail Trade	500 - 999	250 - 499
Carlie C's Operation Center, Inc.	Retail Trade	250 - 499	
Rooms to Go	Retail Trade	250 - 499	
NC Department of Public Safety	Public Administration	250 - 499	
Champion Home Builders Inc	Manufacturing	100 - 249	100 - 249
Saab Barracuda, LLC	Manufacturing		100 - 249
Edwards Brothers, Inc	Manufacturing		250 - 499
Grey Metal South	Manufacturing		100 - 249

Harnett County, North Carolina
Full-time County Government Employees by Function
Last Ten Fiscal Years
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	99	101	101	103.47	103.47	114.07	114.07	123.25	115	115
Public Safety	278.5	286.5	298.5	303.5	317	340	340	357.5	353	353
Environmental Protection	2	2	2	3	3	3	3	3	3	3
Economic and Physical Development	43	37	38	24	24	24.75	24.75	31.63	27	27
Human Services	259.5	259.5	257.5	256.25	256.25	264.18	264.18	263	256	256
Cultural & Recreation	12	13	13	14	14	21	21	22	25	25
Water and Wastewater	95	100	101	101.5	101.5	105.2	105.2	105	104	104
Solid Waste	13	13	14	15.28	15.28	16	16	17	17	17
Total	802	812	825	821	834.5	888.2	888.2	922.38	900	900

Source: Harnett County Budget Office

Harnett County, North Carolina
Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fire										
Number of calls answered	6,234	6,507	6,707	5,783	6,926	8,897	8,740	7,889	6,927	7,312
Emergency Medical Services										
Number of Calls Answered	30,660	27,923	28,128	28,260	20,920	22,327	23,330	24,359	23,978	25,440
Number of Transports Scheduled										
Scheduled	9,125	8,234	8,577	6,336	8,963	10,829	9,513	9,572	8,503	6,973
Sheriff										
Number of law violations:										
Arrests	10,869	10,000	11,014	10,650	8,228	8,228	3,223	3,896	2,540	3,533
Traffic violations	2,442	5,423	4,249	4,574	4,757	4,757	4,608	6,179	2,726	515
Inspections										
Number of permits issued	3,156	2,329	2,794	2,242	2,800	2,926	2,399	3,311	2,489	3,816
Culture and Recreation										
Circulation	365,817	344,394	266,376	356,210	312,489	291,329	315,945	296,710	273,084	226,643
Utilities										
Water System:										
Daily average treatment in gallons	13,107,763	13,270,531	13,458,193	14,303,069	15,260,645	15,798,980	15,798,980	16,234,505	16,261,357	17,012,641
Sewer System:										
Daily average treatment in gallons	3,203,849	5,500,974	9,069,152	8,146,790	8,579,768	10,006,818	10,006,818	10,005,959	8,385,830	12,020,000

Source: Information provided by various county departments

Harnett County, North Carolina
Capital Assets Statistics by Function
Last Ten Fiscal Years
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fire										
Number of Stations	19	19	19	20	20	20	20	20	20	20
Emergency Medical Services										
Number of Ambulances	27	27	27	27	28	31	32	33	34	34
Number of Quick Response Vehicles	9	9	9	9	9	9	9	9	9	9
Number of Transport Vans	2	2	2	2	2	2	2	2	2	2
Sheriff										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	156	176	176	176	181	177	177	177	172	172
Culture and Recreation										
Number of libraries	6	6	6	6	6	7	7	7	7	7
Library collections	217,323	237,630	209,709	226,870	249,268	269,880	300,199	327,852	336,106	399,016
Number of Parks	5	6	6	6	7	8	8	8	8	9
Park acreage	1,100	1,101	1,101	1,101	1,215	1,222	1,222	1,222	1,222	1,426
Number of Ball Fields	6	6	6	6	6	8	8	8	8	10
Number of tennis courts	12	12	12	12	12	12	12	12	12	12
Number of playground areas	1	1	2	2	2	3	3	3	3	4
Number of soccer fields	2	2	2	2	2	2	2	2	2	5
Number of County owned senior centers	1	1	1	1	1	1	1	1	1	1
Utilities										
Water System:										
Miles of water main	2,200	2,221	2,239	2,239	1,433	1,438	1,451	1,456	1,523	1,465
Number of service connections	42,001	42,274	42,900	43,555	44,274	44,568	45,110	45,709	46,704	47,647
Number of fire hydrants	4,548	4,571	4,603	4,603	4,605	4,630	4,977	5,090	5,102	5,147

**Harnett County, North Carolina
Capital Assets Statistics by Function
Last Ten Fiscal Years
(Unaudited)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sewer System:										
Miles of sanitary sewer	326	341	354	354	362	364	406	408	417	421
Number of treatment plants	4	3	2	2	2	2	2	2	2	2
Number of service connections	10,421	10,920	11,421	11,970	12,515	12,688	13,031	13,218	13,191	13,751
Maximum daily capacity of treatment plant in gallons	12,100,000	20,600,000	20,600,000	20,600,000	20,600,000	20,600,000	22,500,000	22,500,000	22,500,000	22,500,000
Facilities and services not included in primary government:										
Education:										
Number of schools	27	27	27	28	28	28	29	29	28	28
Number of teachers	1,181	1,335	1,335	1,227	1,252	1,260	1,257	1,257	1,239	1,241
Number of students	19,378	19,868	19,847	20,099	20,252	20,357	20,306	20,097	19,940	19,012
Universities	1	1	1	1	1	1	1	1	1	1
Community colleges	1	1	1	1	1	1	1	1	1	1
Hospitals:										
Number of hospitals	1	2	2	2	2	2	2	2	2	2
Number of patient beds	101	151	151	151	151	151	151	151	151	131

Source: Information provided by various county departments and local hospital administration department.

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COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act

Schedule of Findings, Responses, and Questioned Costs

Schedule of Prior Year Audit Findings

Schedule of Expenditures of Federal and State Awards

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Board of Commissioners
Harnett County
Lillington, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 29, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Harnett County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Harnett County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harnett County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 29, 2021

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Harnett County
Lillington, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Harnett County, North Carolina's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. Harnett County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Harnett County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Harnett County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Harnett County's compliance.

Opinion on Each Major Federal Program

In our opinion, Harnett County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Harnett County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Harnett County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Harnett County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 29, 2021

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Harnett County
Lillington, North Carolina

Report on Compliance for Each Major State Program

We have audited the compliance of Harnett County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Harnett County's major state programs for the year ended June 30, 2021. Harnett County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Harnett County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Harnett County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Harnett County's compliance.

Opinion on Each Major State Program

In our opinion, Harnett County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Harnett County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Harnett County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Harnett County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 29, 2021

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether
The financial statements audited were prepared
in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

Non-compliance material to financial
statements noted? No

Federal Awards

Internal control over major federal
programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

Type of auditor's report issued on
compliance for major federal programs: Unmodified

Any audit findings disclosed that are
required to be reported in accordance with 2
CFR 200.516(a)? No

Identification of major federal programs:

<u>Program Name</u>	<u>AL#</u>
Medicaid Cluster	93.778
COVID - 19 Coronavirus Relief Fund (CRF)	21.019
Temporary Assistance for Needy Families (TANF)	93.558
Low Income Home Energy Assistance Formula Grants for Rural Areas and Tribal Transit Program	93.568
	20.509

Dollar threshold used to distinguish
between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee? Yes

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Auditor's Results (continued):

State Awards

Internal control over major state programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

Type of auditor's report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? No

Identification of major state programs:

Program Name

Medicaid Cluster
Formula Grants for Rural Areas and Tribal Transit Program
Public School Building Capital Fund
Division of Water Infrastructure

2. Findings Related to the Audit of the Basic Financial Statements

None reported

3. Findings and Questioned Costs Related to the Audit of Federal Awards

None reported

4. Findings and Questioned Costs Related to the Audit of State Awards

None reported

HARNETT COUNTY, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

None

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
FEDERAL AWARD EXPENDITURES					
<u>U.S. Department of Agriculture</u>					
Passed-Through the N.C. Department of Health and Human Services:					
Division of Social Services:					
<u>Supplemental Nutrition Assistance Program Cluster:</u>					
<u>Food and Nutrition Services Cluster (Note 3):</u>					
State Administrative Matching Grant for the Supplemental Nutrition Assistance Program - Administration	10.561	185NC406S2514	\$ 1,075,966	\$ -	\$ -
Total SNAP Cluster			<u>1,075,966</u>	<u>-</u>	<u>-</u>
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, and Children (Note 4)	10.557	5NC700705	625,532	-	-
Total of Public Health			<u>625,532</u>	<u>-</u>	<u>-</u>
<u>Total U.S. Department of Agriculture</u>			<u>1,701,498</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Justice Office</u>					
Office of Justice Programs					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0758	14,281	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0862	10,395	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	PROJ012589	9,771	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0559	1,258	-	-
COVID - 19 Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-1405	26,447	-	-
Equitable Sharing Program	16.922	NC0430000	234,853	-	-
Drug Court Discretionary Grant Program	16.585	2020-VC-BX-0128	37,198	-	-
Drug Court Discretionary Grant Program	16.585	2019-VC-BX-0081	131,480	-	-
Drug Enforcement Agency - Alcohol, Tobacco, and Firearms Training Assistance Program	16.012	G17GA0004A	17,526	-	-
<u>Total U.S. Department of Justice Office</u>			<u>483,209</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Treasury</u>					
Passed-through NC Office of Management and Budget, NC Pandemic Recovery Office					
COVID-19 Coronavirus Relief Fund (CRF)	21.019		1,517,880	-	163,664
Passed-through N.C. Department of Health and Human Services					
Division of Public Health					
COVID-19 Coronavirus Relief Fund (CRF)	21.019	H.R.748	165,331	-	-
Passed-through the N.C. Department of Transportation					
Passed-through Craven County					
COVID-19 Coronavirus Relief Fund (CRF)	21.019	49458.9.1.2	25,100	-	-
Passed-through N.C. State Board of Elections					
COVID-19 Coronavirus Relief Fund (CRF)	21.019	3/25/1943	56,227	-	-
<u>Total U.S. Department of Treasury</u>			<u>1,764,538</u>	<u>-</u>	<u>163,664</u>
<u>U.S. Department of Labor</u>					
Department of Labor/Employment and Training					
Passed-through Central Carolina Community WJOA Cluster					
WIA/WIOA Adult Program	17.258	13-2040-02	122,904	-	-
WIA/WIOA Youth Activities	17.259	13-2040-02	196,465	-	-
WIA/WIOA Dislocated Worker Formula Grant	17.278	13-2040-02	87,267	-	-
Total WIOA Cluster			<u>406,636</u>	<u>-</u>	<u>-</u>
<u>Total U.S. Department of Labor</u>			<u>406,636</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>					
Administration For Community Living					
Passed-Through Mid-Carolina Council of Governments:					
Aging Cluster:					
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	AANCT3CM, AANCT3HD	118,473	128,346	-
COVID - 19 Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	2001NCCMC2-00 2001NCHDC2-00	85,679	-	-
COVID - 19 Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	2001NCHDC3-00	94,498	-	-
Nutrition Services Incentive Program	93.053	UNKNOWN	39,091	-	-
COVID 19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	2001NCSSC3-00	19,749	-	-
COVID 19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	16-701-250	717	777	-
COVID 19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	16-701-33	34,220	37,071	-

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
COVID 19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	16-701-171	1,992	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	16-701-33	135,486	106,095	-
Total Aging Cluster			529,905	272,289	-
Special Programs for the Aging:					
National Family Caregiver Support, Title III, Part E	93.052	17-701	26,820	2,019	-
COVID - 19 National Family Caregiver Support, Title III, Part E	93.052	2001NCFCC3-00	19,602	-	-
Total Administration For Community Living			576,327	274,308	-
Division of Administration for Children & Families Passed-Through the N.C. Department of Health & Human Services: Division of Social Services Subsidized Child Care Cluster: (Note 3) Child Care Development Fund Cluster:					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration	93.596	G1901NCCCDF	171,819	-	-
Total Child Care Development Fund Cluster			171,819	-	-
Total Subsidized Child Care Cluster			171,819	-	-
Division of Social Services Foster Care Adoption Cluster, and Guardianship Assistance Cluster: (Note 3)					
Foster Care - Title IV-E - Administration	93.658	1501NCFOST,1601NCFOST	288,498	164,435	-
Adoption Assistance - Administration	93.659	1501NCADPT,1601NCADPT	15,634	-	-
Direct Benefit Payments: Foster Care - Title IV-E	93.658	1501NCFOST,1601NCFOST	418,308	108,594	-
Total Foster Care Adoption Cluster, and Guardianship Assistance Cluster (Note 3)			722,440	273,029	-
Temporary Assistance for Needy Families Division of Social Services Administration:					
Temporary Assistance for Needy Families - TANF	93.558	G1602NCTANF & 1702NCTANF	1,082,426	-	-
Division of Public Health Temporary Assistance for Needy Families - TANF	93.558	G1602NCTANF & 1702NCTANF	16,203	-	-
Total TANF			1,098,629	-	-
Direct Benefit Payments:					
COVID - 19 Low-Income Home Energy Assistance	93.568	G16B1NCLIEA & G17B1NCLIEA	197,020	-	-
Low-Income Home Energy Assistance	93.568	G16B1NCLIEA & G17B1NCLIEA	523,669	-	-
Low-Income Home Energy Assistance	93.568	G16B1NCLIEA & G17B1NCLIEA	482,112	-	-
Administration: Special Children Adoption Fund Cluster (Note 3):					
MaryLee Allen Promoting Safe and Stable Families	93.556	G1501NCFPSS & G1601NCFPSS	9,483	-	-
Stephanie Tubb Jones Child Welfare Services Program	93.645	G1501NCCWSS & G1601NCCWSS	33,922	-	-
Total Special Children Adoption Fund Cluster			43,405	-	-
Refugee and Entrant Assistance Cluster (Note 3):					
Refugee and Entrant Assistance - State Replacement Designee Administered Programs	93.566	1601NCRMA	299	-	-
Total Refugee and Entrant Assistance Cluster			299	-	-
Child Support Enforcement	93.563	1604NC4005	1,066,613	800	-
Low-Income Home Energy Assistance	93.568	G16B1NCLIEA & G17B1NCLIEA	93,948	-	-
COVID 19 Low-Income Home Energy Assistance	93.568	G16B1NCLIEA & G17B1NCLIEA	956	-	-
Social Services Block Grant - In Home Services	93.667	G1601NCSOSR & G1701NCSOSR	43,689	-	-
Social Services Block Grant - Adult Protective Services	93.667	G1601NCSOSR & G1701NCSOSR	27,675	-	-
Social Services Block Grant - Adult Day Care	93.667	G1601NCSOSR & G1701NCSOSR	4,891	9,536	-
Social Services Block Grant - Adult Day Care Over 60	93.667	G1601NCSOSR & G1701NCSOSR	8,936	9,093	-
Social Services Block Grant - Other Services	93.667	G1601NCSOSR & G1701NCSOSR	272,736	-	-
Social Services Block Grant - CPS TANF to SSBG	93.667	G1601NCSOSR & G1701NCSOSR	147,240	-	-
John H Chafee Foster Care Independence Program for Successful Transition to Adulthood	93.674	G1501NC1420,G1601NC1420	7,742	1,607	-
Total Division of Administration for Children & Families			4,913,819	294,065	-
Centers for Medicare and Medicaid Services Passed-Through the N.C. Department of Health and Human Services: Division of Medical Assistance: Division of Social Services Medicaid Cluster: Administration:					
Medical Assistance Program (Note 4)	93.778	XIX-MAP21	3,088,800	12,245	-
Total Medicaid Cluster			3,088,800	12,245	-

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
Division of Social Services Administration: Children's Health Insurance Program - NC Health Choice (Note 4) Total State Children's Health Insurance Program - NC Health Choice	93.767	CHIP21	86,693	917	-
			86,693	917	-
Total for Centers for Medicare and Medicaid Services			3,175,493	13,162	-
Center for Disease Control and Prevention Passed-Through the N.C. Department of Health and Human Services:					
COVID 19 Immunization Cooperative Agreements - COVID 19 Vaccination Program	93.268	NH23IP922624	145,911	-	-
Immunization Cooperative Agreements	93.268	3H23IP000759-04	60,551	-	-
Division of Public Health Public Health Emergency Preparedness	93.069	NU90TP922002	38,729	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	NU52PS910218	50	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK000530	103,103	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - COVID 19	93.323	NU50CK000530	51,140	-	-
Preventive Health and Health Services Block Grant	93.991	1NB01OT009160-01-00	30,607	-	-
NC Cooperative Agreement for Emergency Response: Public Health COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response	93.354	NU90TP922104	31,069	-	-
Total Public Health Crisis Response			31,069		
Health Resources and Service Administration Maternal and Child Health Services Block Grant to the States	93.994	BO4MC29320	133,772	5,606	-
Direct Program - COVID-19 - Provider Relief Fund	93.498	HHS-29443421478	193,671	-	-
Total Health Resources and Service Administration			327,443	5,606	-
Total Centers for Disease Control and Prevention			788,603	5,606	-
Office of Assistant Secretary For Health Passed-Through the N.C. Department of Health and Human Services:					
Family Planning - Services	93.217	FPHPA046226-01-00 FPHPA046226-02-00	63,183	-	-
Total Office of Assistant Secretary for Health			63,183	-	-
<u>N.C. Department of Insurance</u> Division of Seniors Health Insurance Information Program Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	UNKNOWN	12,954	-	-
<u>Total N.C. Department of Insurance</u>			12,954	-	-
<u>Total U.S. Department of Health and Human Services</u>			9,530,379	587,141	-
National Endowment for the Humanities Passed-Through the N.C. Department of Cultural Resources Grants to States	45.310	246155-OLS-20	74,904	-	-
COVID 19 Grants to States	45.310	NC-20-65	4,499	-	-
COVID 19 Grants to States	45.310	LS-0-19-0034-19	3,719	-	-
Total National Endowment for the Humanities			83,122	-	-
<u>Corporation for National and Community Service</u> Retired and Senior Volunteer Program	94.002	1SSRSNC005	47,500	-	-
<u>Total Corporation for National and Community Service</u>			47,500	-	-
<u>U.S. Department of Transportation</u> Passed-through the N.C. Department of Transportation Interagency Hazardous Materials Public Sector Training and Planning	20.703	693JK31940033HMEP	9,500	-	-
Airport Improvement Program - Airport Terminal	20.106	36237.25.15.1 & 36237.25.17.1	40,301	-	-
Airport Improvement Program - Airport Terminal	20.106	36237.25.19.1	82,209	-	-
Airport Improvement Program - Airport Terminal	20.106	36237.25.18.1	16,228	-	-
Airport Improvement Program - Jetport Terminal	20.106	36237.25.18.2	11,086	-	-
Airport Improvement Program - Runway Approach Clearance	20.106	36237.25.19.2	147,243	-	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	36233.50.23.1	202,082	12,629	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	49233.30.1.2	405,603	-	-
Federal Transit Cluster Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Program	20.526	44637.46.1.3	349,160	43,645	-
Total Federal Transit Cluster			349,160	43,645	-
Highway Safety Cluster					

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
		PT-20-06-12			
State and Community Highway Safety	20.600	2000030710/3000111637	27,084	-	-
Total Highway Safety Cluster			27,084	-	-
<u>Total U.S. Department of Transportation</u>			1,290,496	56,274	-
<u>U.S. Department of Homeland Security</u>					
Passed-through N.C. Dept. of Crime Control and Public Safety					
Division of Emergency Management					
Homeland Security Grant Program	97.067	EMW-2020-SS-00023/MOA 2040030	55,000	-	-
Homeland Security Grant Program	97.067	EMW-2020-SS-00023/MOA 2040031	70,000	-	-
Homeland Security Grant Program	97.067	EMW-2020-SS-00023/MOA 2040028	7,416	-	-
Emergency Management Performance Grants	97.042	EMA-2019-EP-00002/ MOA#19042	26,876	26,876	-
Emergency Management Performance Grants	97.042	EMA-2020-EP-00016/MOA#2025043	12,695	-	-
Total N.C. Dept. of Crime Control and Public Safety			171,987	26,876	-
<u>U.S Election Assistance Commission</u>					
Passed Through NC State Board of Elections					
Help America Vote Act Requirement Payments	90.401	3/25/1943	136,000	-	-
HAVA Election Security Grants	90.404	NC20101001-043	104,761	-	-
<u>Total U.S Election Assistance Commission</u>			240,761	-	-
TOTAL FEDERAL AWARD EXPENDITURES			15,720,126	670,291	163,664
STATE AWARD EXPENDITURES					
<u>N.C. Department of Agriculture & Consumer Services</u>					
Veterinary Division Animal Welfare Section					
Icare Spay and Neuter Program			-	331	-
Division of Soil and Water Conservation					
Emergency Watershed Protection Program			-	22,663	-
<u>Total N.C. Department of Agriculture & Consumer Services</u>			-	22,994	-
<u>N.C. Department of Natural and Cultural Resources</u>					
State Aid to Public Libraries		45310	-	177,033	-
NC Arts Council		FY19-91507	-	34,589	-
NC Division of Parks & Recreation					
PARTF - Government Complex Park Phase I			-	133,128	-
<u>Total N.C. Department of Natural and Cultural Resources</u>			-	344,750	-
<u>N.C. Department of Health and Human Services</u>					
Division of Public Health:					
Woman Health Service Fund			-	11,597	-
Family Planning			-	12,014	-
Child Health			-	24,969	-
Maternal Health (Prenatal)			-	10,403	-
Integrated Targeted Testing Services			-	50,000	-
General Health/State Aid			-	112,781	-
Tuberculosis Control			-	25,616	-
Food and Lodging			-	15,732	-
HIV/STD State			-	400	-
Communicable Disease			-	4,001	-
School Nurse Funding Initiative			-	150,000	-
Sexually Transmitted Diseases (DRUGS)			-	370	-
Healthy Communities			-	3,747	-
<u>Total Division of Public Health</u>			-	421,630	-
<u>Division of Social Services</u>					
Division of Social Services					
Administration:					
State Child Welfare/CPS/CS LD			-	127,804	-
Duke Energy			-	6,611	-
Smart Start			-	41,018	-
AFDC Incent/Prog Integrity			-	2,566	-
APS/CPS CARE COVID 19			-	15,708	-
Direct Benefit Payments:					
State Foster Home Program			-	300,648	-
<u>Total Division of Social Services</u>			-	494,355	-
<u>Total N.C. Department of Health and Human Services</u>			-	915,985	-

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
<u>N.C. Department of Public Safety</u>					
Division of Juvenile Justice					
CBA-Juvenile Restitution		543-10591	-	68,847	-
CBA-JCPC ADM		543-11433	-	5,045	-
Pal Career Readiness		243-23210	-	125,153	-
Extended Learning Program		543-23077	-	32,000	-
Re-Entry-Healthy Choice		543-10619	-	42,000	-
Teen Court at Risk Youth		243-23200	-	47,000	-
Division of Emergency Management					
2020 Tier II LEPC Grant		T2-2016-37085	-	1,000	-
<u>Total N.C. Department of Public Safety</u>			-	<u>321,045</u>	-
<u>N.C. Department of Transportation</u>					
Passed-Through the N.C. Department of Transportation					
State Aid to Airports		36244.35.7.1	-	14,064	-
State Aid to Airports		36244.35.8.1	-	51,876	-
<u>Total N.C. Department of Transportation</u>			-	<u>65,940</u>	-
<u>NC Department of Public Instruction</u>					
Public School Building Capital Fund (Lottery)			-	1,021,528	-
<u>Total NC Department of Instruction</u>			-	<u>1,021,528</u>	-
<u>N.C. Department of Environmental Quality</u>					
Division of Water Infrastructure		E-SAP-W-19-0027	-	500,000	-
<u>Total NC Department of Environment Quality</u>			-	<u>500,000</u>	-
<u>NC Department of Military and Veterans Affairs</u>					
Division of Veterans Affairs			-	2,084	-
<u>Total NC Department of Military and Veterans Affairs</u>			-	<u>2,084</u>	-
TOTAL STATE AWARD EXPENDITURES			-	<u>3,194,326</u>	-
TOTAL FEDERAL/STATE AWARD EXPENDITURES			\$ 15,720,126	\$ 3,864,617	\$ 163,664

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of Harnett County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Harnett County, it is not intended to and does not present the financial position, changes in net position or cash flows of Harnett County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Harnett County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Foster Care Adoption Cluster and Guardianship Assistance Cluster, Subsidized Child Care Cluster, Special Children Adoption Fund Cluster, and Refugee and Entrant Assistance Cluster.