

**HARNETT COUNTY  
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2022**



**HARNETT COUNTY, NORTH CAROLINA**  
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# INTRODUCTORY SECTION

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## Finance Department

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January 27, 2023

Board of County Commissioners  
Harnett County, North Carolina

We are pleased to present the Comprehensive Annual Financial Report (“CAFR”) of Harnett County (the “County”) for the fiscal year ended June 30, 2022. 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 one of the fastest growing counties in the United States based on the US Census Bureau’s certified population estimate for 2021 of 135,966. The county seat, the Town of Lillington, has a population of 4,475 while the City of Dunn, the largest municipality located in the County, has a population of 8,553. Also located within the County

are the Town of Coats with a population of 2,189, Erwin with a population of 4,627 and Angier with a population of 5,594. All five municipalities comprise approximately 18.69% 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 public schools and a community college (Central Carolina Community College). A 29<sup>th</sup> school, Northwest Harnett Elementary School is under construction and projected to be open for students for the 2023-2024 school year. 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, Lundy-Fetterman School of Business; Catherine W. Wood School of Nursing, Jerry M. Wallace School of Osteopathic Medicine, Education, Divinity and Engineering. 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, 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 1<sup>st</sup> 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 Economic Development provides a comprehensive approach for target sector business recruitment, retention and expansion. Program initiatives seek to develop business parks, create speculative building partnerships, foster relationships with businesses, and support advocacy and marketing efforts to position Harnett County for quality jobs and investment.

- In August 2021, the Harnett County Board of Commissioners adopted the Rose & Associates “2021 Strong Roots – Smart Growth Economic Development Strategic Plan” update.
- In January 2022, the County hired a Director of Economic Development to implement the newly adopted Strategic Plan and help transform the public organization to a public-private partnership.
- The Harnett County Board of Commissioners adopted the Harnett County Economic Development Annual Workplan prioritizing the creation of a new business park, a speculative building partnership, new marketing initiatives, and business retention and expansion initiatives.
- Krigen Pharmaceuticals continues improvements to its 55,000 square-foot manufacturing facility in the Town of Lillington, investing nearly \$10 million to date. The project is Krigen’s first U.S. manufacturing facility and is expected to create approximately 117 jobs.
- 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

square foot medical office building expected to create 20 new full-time healthcare jobs and a primary care clinic, cardiology services and a cancer center.

- Godwin Manufacturing Co. Inc. a part of the Godwin Group, completed a \$4 million expansion and equipment purchase allowing the company to expand product lines and materials to keep up with industry demand.
- Harnett Regional Jetport transitioned to a County operated facility. Multiple improvement projects underway or recently completed include: an airfield lighting project, apron expansion, fuel tank replacement and the construction of a new terminal.
- Harnett County District H Tourism Development Authority (Harnett County Tourism Authority) markets tourism and visitor activities throughout the County. The Authority completed a branding initiative and launched its "Visit Harnett" website.

### **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 \$41,650,551 or 28.96% 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.

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

Improvements also continue in a variety of departments and in a variety of service areas. 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.

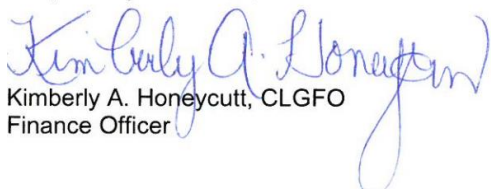
The legal level of control over expenditures is at the department level for the General Fund, Special Revenue funds, and Enterprise funds. The balances in the Capital Reserve Funds will be appropriated when transferred to the General Fund or their respective capital project funds. The County Manager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

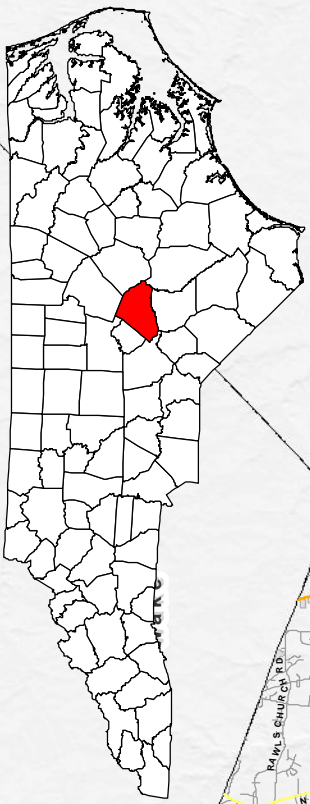
Preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Finance Department. Each member of the Finance Department has my sincere appreciation for their contributions. I would also like to thank the members of the Board of Commissioners and the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

Respectfully submitted,



Kimberly A. Honeycutt, CLGFO  
Finance Officer

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Johnston

Sampson

Cumberland

Chatham

Moore

# Harnett COUNTY

NORTH CAROLINA



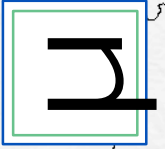
## COUNTY MAP

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

Scale: 1:240,000

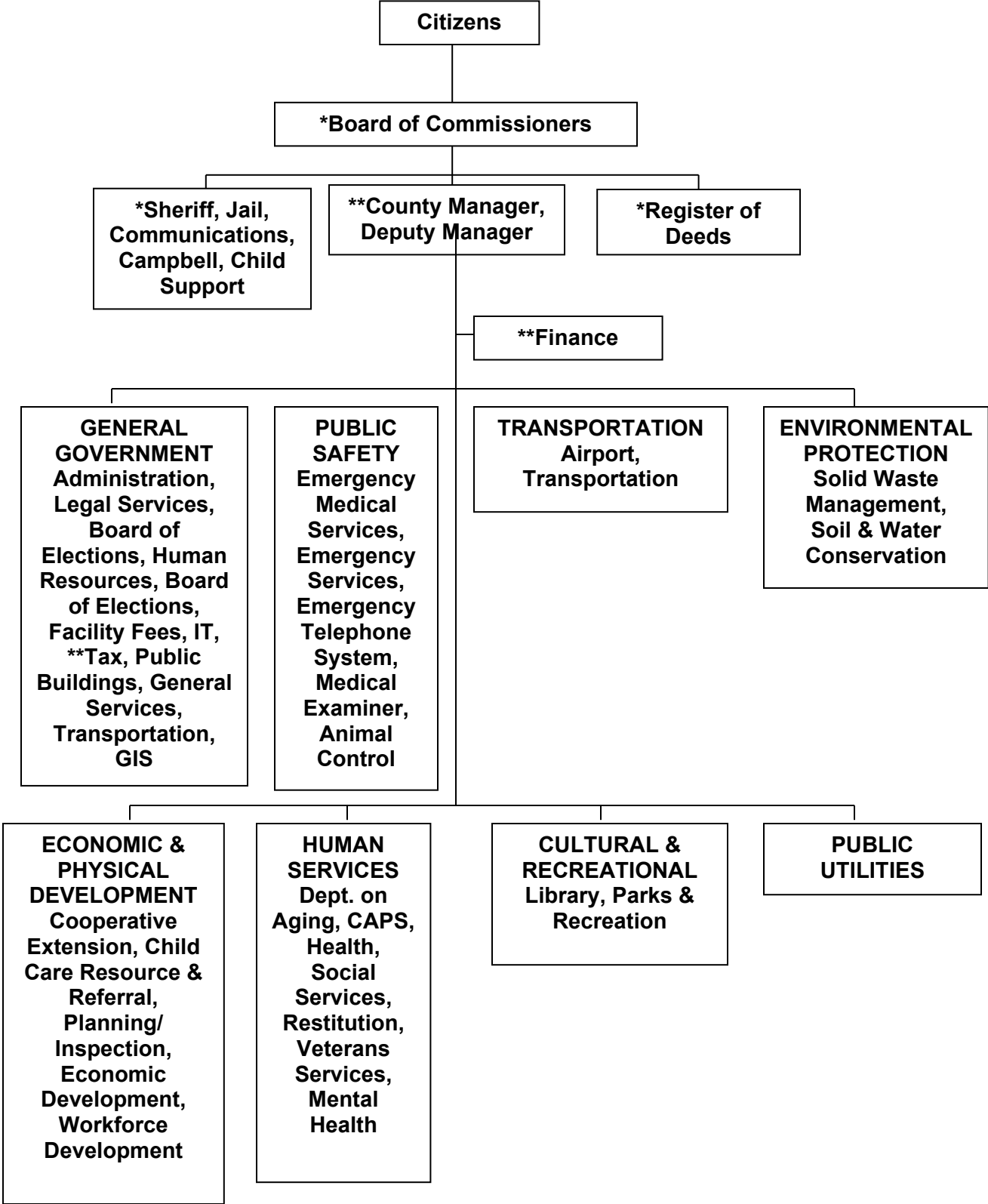
0 8 Miles

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  
 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

### District 4



Lewis Weatherspoon  
*Chairman*

### District 5



Matthew Nicol  
*Vice-Chairman*

## County Officers

Brent D. Trout, County Manager  
Coley Price, Assistant County Manager  
Kimberly A. Honeycutt, CLGFO, Finance Officer  
Allen L. Coats, CLGFO, Deputy Finance Officer

Wayne A. Coats, Sheriff  
Matthew S. Willis, 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 Audit of the Financial Statements**

#### ***Opinions***

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and ARPA Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As discussed in Note 8 to the financial statements, in 2022 the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 Net Pension Liability and Net Pension Liability as a Percentage of Covered Payroll be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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 combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules, 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. Such information is the responsibility of management and was derived from, and relates 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2023, on our consideration of Harnett County's internal control over financial reporting and on 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  
January 27, 2023



## 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, 2022. 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.

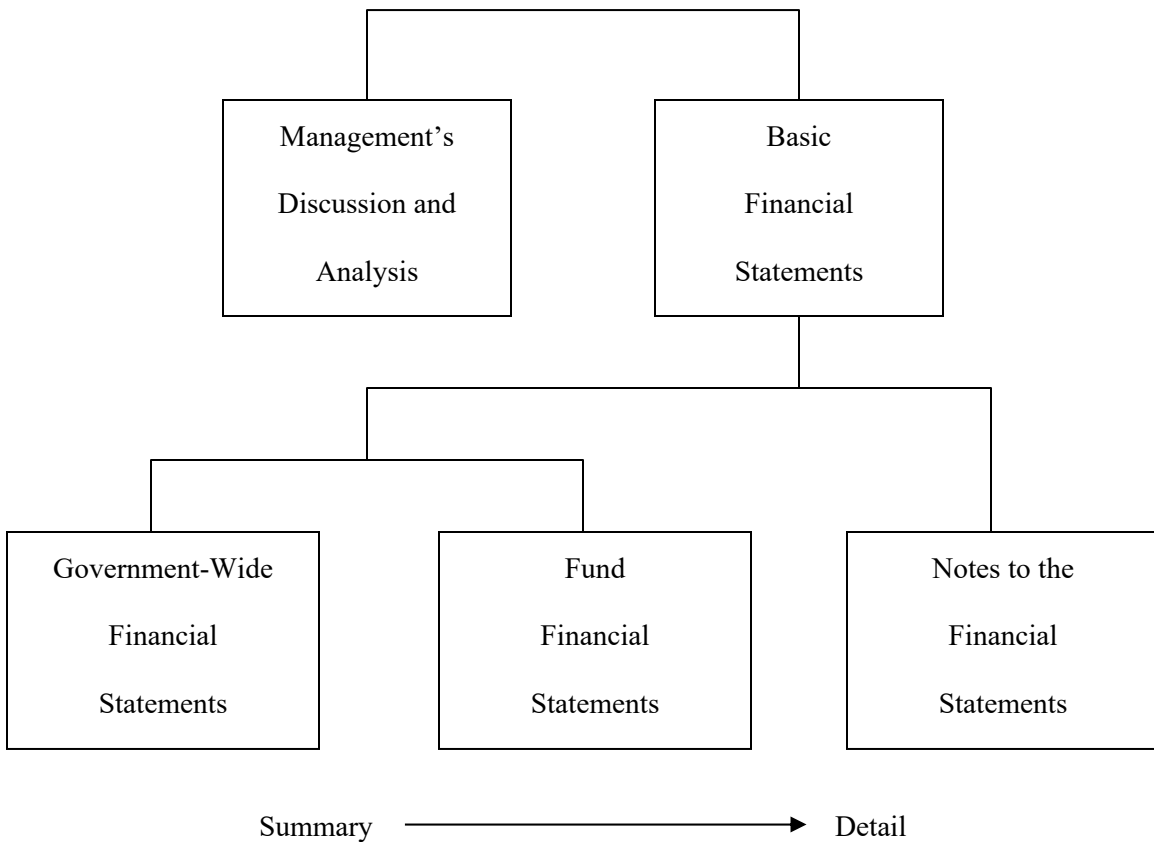
### Financial Highlights

- 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 \$386,611,191 (net position).
- The government's total net position increased by \$17,785,041. 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 of the close of the current fiscal year, Harnett County's governmental funds reported combined ending fund balances of \$146,067,604, an increase of \$35,090,281 in comparison with the prior year. Approximately 23% of this total amount, or \$33,424,182, 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 \$41,662,778, or 28.97%, of total General Fund expenditures and transfers out for the fiscal year.
- Harnett County's long-term obligations increased by \$26,175,160 (12.93%) during the current fiscal year. This increase was due to additional debt proceeds related to general obligation bonds for school projects in fiscal year 2022.
- 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 L) 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 \$386,611,191 as of June 30, 2022. The County's net position increased by \$17,785,041 for the fiscal year ended June 30, 2022.

The largest portion totaling \$351,355,771 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 \$24,411,608 (6.31%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$10,843,812 is unrestricted.

**Harnett County's Net Position**  
**Figure 2**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Cash and cash equivalents	\$ 120,029,974	\$ 99,212,926	\$ 89,379,414	\$ 78,374,424	\$ 209,409,388	\$ 177,587,350
Taxes receivable, net	598,078	619,708	-	-	598,078	619,708
Accounts receivable, net	6,007,029	4,575,162	7,038,183	5,922,641	13,045,212	10,497,803
Due from other governments	13,251,049	12,136,581	-	-	13,251,049	12,136,581
Internal balance	(2,635,037)	(2,336,249)	2,635,037	2,336,249	-	-
Note receivable	2,175,500	2,175,500	-	-	2,175,500	2,175,500
Inventories	26,132	22,997	905,064	640,831	931,196	663,828
Prepaid items	1,657	884	-	-	1,657	884
Restricted assets:						
Cash and cash equivalents	59,394,962	18,347,498	2,042,795	2,120,050	61,437,757	20,467,548
Right to use asset	895,393	-	-	-	895,393	-
Net pension asset	251,852	279,721	-	-	251,852	279,721
Capital assets:						
Land and construction						
in progress	34,614,664	32,358,687	38,735,850	32,270,695	73,350,514	64,629,382
Other capital assets, net	68,873,529	73,311,761	297,053,797	301,701,902	365,927,326	375,013,663
Total assets	303,484,782	240,705,176	437,790,140	423,366,792	741,274,922	664,071,968
<b>Deferred Outflows of Resources</b>	26,443,494	27,340,659	3,718,289	3,825,188	30,161,783	31,165,847
<b>Liabilities</b>						
Accounts payable	16,202,421	8,237,405	2,406,260	4,861,956	18,608,681	13,099,361
Customer deposits	-	-	2,042,795	2,120,050	2,042,795	2,120,050
Unearned revenue	20,142,238	-	226,233	228,601	20,368,471	228,601
Current portion of						
compensated absences	2,396,354	1,983,761	661,017	455,113	3,057,371	2,438,874
Claims payable - current	150,000	360,000	-	-	150,000	360,000
Long-term liabilities:						
Non-current portion of						
compensated absences	798,784	661,254	220,339	151,704	1,019,123	812,958
Claims payable - non-current	84,261	67,942	-	-	84,261	67,942
Due in less than one year	17,532,417	15,024,285	3,752,576	3,690,576	21,284,993	18,714,861
Due in more than one year	243,826,271	230,050,129	48,303,071	55,255,936	292,129,342	285,306,065
Total liabilities	301,132,746	256,384,776	57,612,291	66,763,936	358,745,037	323,148,712
<b>Deferred Inflows of Resources</b>	22,220,845	2,795,897	3,859,632	467,056	26,080,477	3,262,953
<b>Net Position</b>						
Net investment in capital assets	57,578,059	45,552,237	293,777,712	288,429,644	351,355,771	333,981,881
Restricted for:						
Stabilization by state statute	20,252,985	18,815,387	-	-	20,252,985	18,815,387
Register of Deeds	454,813	365,597	-	-	454,813	365,597
General government	6,860	14,398	-	-	6,860	14,398
Education	-	163	-	-	-	163
Public safety	3,477,381	3,747,500	-	-	3,477,381	3,747,500
Memorials	219,569	115,350	-	-	219,569	115,350
Unrestricted	(75,414,982)	(59,745,470)	86,258,794	71,531,344	10,843,812	11,785,874
Total net position	\$ 6,574,685	\$ 8,865,162	\$ 380,036,506	\$ 359,960,988	\$ 386,611,191	\$ 368,826,150

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 \$160.9 million of the outstanding debt on the County's financial statements was related to assets included in the school systems' financial statements. However, the school system's related debt is installment purchases financed by the governmental funds and are repaid from the resources of the General Fund. Accordingly, the County is authorized and required by state law to levy ad valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year which they become due.

Several particular aspects of the County's financial operations influenced the total unrestricted governmental net position:

- continued diligence in the collection of current year property taxes by achieving a collection percentage of 99.46% 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**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 37,707,274	\$ 29,911,586	\$ 57,740,507	\$ 50,356,322	\$ 95,447,781	\$ 80,267,908
Operating grants and contributions	9,041,339	12,445,100	-	-	9,041,339	12,445,100
Capital grants and contributions	-	-	7,766,687	4,138,486	7,766,687	4,138,486
General revenues:						
Property taxes	85,540,859	80,167,654	-	-	85,540,859	80,167,654
Local option sales tax	44,617,913	39,711,979	-	-	44,617,913	39,711,979
Other taxes and licenses	1,848,542	3,050,213	333,365	299,010	2,181,907	3,349,223
Unrestricted intergovernmental	15,078	43,235	-	-	15,078	43,235
Investment earnings	146,776	66,876	1,559	4,634	148,335	71,510
Total revenues	<u>178,917,781</u>	<u>165,396,643</u>	<u>65,842,118</u>	<u>54,798,452</u>	<u>244,759,899</u>	<u>220,195,095</u>
<b>Expenses:</b>						
General government	19,397,236	17,181,824	-	-	19,397,236	17,181,824
Public safety	58,526,377	53,578,893	-	-	58,526,377	53,578,893
Transportation	414,281	2,570,391	-	-	414,281	2,570,391
Environmental protection	265,800	224,948	-	-	265,800	224,948
Economic and physical development	4,715,574	3,122,757	-	-	4,715,574	3,122,757
Human services	24,138,142	26,123,875	-	-	24,138,142	26,123,875
Cultural and recreation	3,091,532	3,409,512	-	-	3,091,532	3,409,512
Education	62,205,098	44,215,752	-	-	62,205,098	44,215,752
Interest on long-term debt	8,454,218	4,944,020	-	-	8,454,218	4,944,020
Landfill	-	-	6,243,062	5,749,294	6,243,062	5,749,294
Water and sewer	-	-	39,523,538	38,069,462	39,523,538	38,069,462
Total expenses	<u>181,208,258</u>	<u>155,371,972</u>	<u>45,766,600</u>	<u>43,818,756</u>	<u>226,974,858</u>	<u>199,190,728</u>
Change in net position	<u>(2,290,477)</u>	<u>10,024,671</u>	<u>20,075,518</u>	<u>10,979,696</u>	<u>17,785,041</u>	<u>21,004,367</u>
Net position, July 1	8,865,162	(1,290,367)	359,960,988	348,981,292	368,826,150	347,690,925
Restatement	-	130,858	-	-	-	130,858
Net position, July 1	<u>8,865,162</u>	<u>(1,159,509)</u>	<u>359,960,988</u>	<u>348,981,292</u>	<u>368,826,150</u>	<u>347,821,783</u>
Net position, June 30	<u>\$ 6,574,685</u>	<u>\$ 8,865,162</u>	<u>\$ 380,036,506</u>	<u>\$ 359,960,988</u>	<u>\$ 386,611,191</u>	<u>\$ 368,826,150</u>

**Governmental Activities.** Governmental activities decreased the County's net position by \$2,290,477. Key elements of this increase 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. The collection rate continues to increase with the fiscal year ending 2022 at a rate of 99.46% compared to a collection rate of 99.44% for the year ending 2021. The County continues to show a promising recovery from the pandemic and a return to higher collections such as 99.61% for fiscal year 2019. Total property valuation grew from \$9,464,948,786 in fiscal year 2021 to \$9,901,786,809 in fiscal year 2022.
- Collections of local option sales tax remained strong increasing for the Governmental Funds increasing to \$47,206,290 from \$41,951,756 over the prior year despite the continued impacts of the pandemic. The County continues to educate its citizens on the importance of using the zip-plus-four when ordering online to insure that local option sales tax are captured. Of the total sales tax collection of \$47,206,290, approximately \$32,089,506 is allocated to the General Fund, \$12,528,407 is restricted for education debt service and \$2,588,377 is remitted to the special districts.

Overall expenses for Governmental Activities increased to \$181,208,258 from \$155,371,972 over the prior year. A highlight of these include:

- Expenditures for Public safety increased to \$58,526,377 from \$53,578,893 or 9.23%. Contributing to this increase was additional funding for salaries as the County works to attract and retain law enforcement and emergency medical personnel to address staffing shortages.
- The largest increase in Governmental Activities was due to the increase in Education to \$62,205,098 from \$44,215,752 and was due to the activity associated with the construction of the new Erwin Elementary School as well as the construction of the new North Harnett Elementary school.
- Property taxes increased by \$5,373,205 or 6.7% from \$80,167,654 for Fiscal Year 2021 to \$85,540,859 for Fiscal Year 2022. The County remains strong in its collection of taxes as evidenced by a collection rate to 99.46%.



**Business-Type Activities.** Business-type activities increased Harnett County's net position by \$20,075,518. 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.

### **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 \$83,037,150, while total fund balance reached \$103,196,465. The County currently has an available fund balance of 58.30% of general fund expenditures and transfers out, while total fund balance represents 72.46% 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 2022, the County's tax collection rate was 99.46%.

At June 30, 2022, the governmental funds of Harnett County reported a combined fund balance of \$146,067,604, a 31.62% increase over last year. The primary reason for this increase was due to the large debt proceeds related to the issuance of general obligation bonds for school-related projects.

**Proprietary Funds.** Harnett County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the fiscal year amounted to \$6,552,159, and those for the Water and Sewer Fund equaled \$77,071,598. The total growth in net position for both funds was \$2,466,704 and \$17,310,026, 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 \$21,078,968. Following are the main components of this increase:

- \$3,601,330 was to budget the collection of ad valorem taxes. The County budgeted conservatively in preparation for unknowns associated with the current economic conditions resulting from the pandemic.
- \$6,152,422 was to budget additional restricted intergovernmental revenues for various grant programs.
- \$9,065,582 was to budget additional funding for Public Safety expenditures which included salaries associated with law enforcement and emergency medical personnel to address staffing recruitment and retention.

### Capital Asset and Debt Administration

**Capital Assets.** Harnett County’s capital assets for its governmental and business–type activities as of June 30, 2022, totals \$439,277,840 (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:

- Purchases of vehicles and software 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)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 3,577,178	\$ 3,577,178	\$ 2,760,532	\$ 2,760,532	\$ 6,337,710	\$ 6,337,710
Plant, distribution, and collection systems	-	-	282,708,088	285,007,392	282,708,088	285,007,392
Buildings	62,525,283	63,895,389	13,004,796	14,786,003	75,530,079	78,681,392
Land improvements	2,288,100	4,054,841	-	-	2,288,100	4,054,841
Equipment	1,137,755	2,135,497	692,843	1,145,883	1,830,598	3,281,380
Vehicles	2,922,391	3,226,034	648,070	762,624	3,570,461	3,988,658
Construction in progress	31,037,486	28,781,509	35,975,318	29,510,163	67,012,804	58,291,672
Total	<u>\$ 103,488,193</u>	<u>\$ 105,670,448</u>	<u>\$ 335,789,647</u>	<u>\$ 333,972,597</u>	<u>\$ 439,277,840</u>	<u>\$ 439,643,045</u>

Additional information on Harnett County’s capital assets can be found in Note 2 beginning on page 55 of this report.

**Long-Term Debt.** As of June 30, 2022, Harnett County had total debt outstanding of \$228,560,456. Of this amount, \$102,702,000 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, 2022, 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Installment purchases -						
Direct placement	\$ 41,468,456	\$ 43,576,296	\$ -	\$ -	\$ 41,468,456	\$ 43,576,296
General obligation bonds	91,250,000	51,100,000	11,452,000	11,694,000	102,702,000	62,794,000
Limited obligation bonds	56,540,000	65,115,000	14,330,000	15,525,000	70,870,000	80,640,000
Revenue bonds	-	-	13,520,000	15,375,000	13,520,000	15,375,000
Total	<u>\$ 189,258,456</u>	<u>\$ 159,791,296</u>	<u>\$ 39,302,000</u>	<u>\$ 42,594,000</u>	<u>\$ 228,560,456</u>	<u>\$ 202,385,296</u>

Harnett County’s total debt increased by \$26,175,160 (12.93%) 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 \$956,876,049.

Additional information on Harnett County’s long-term debt can be found in Note 2 beginning on page 61 of this report.

**Economic Factors and Next Year’s Budgets and Rates**

- The unemployment rate for Harnett County, according to the American Community Survey (ACS) for the fiscal year ending June 30, 2022 has been estimated to be 2.9% which is an increase from a rate of 4.3% a year ago.
- 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 conducted a reappraisal that was effective January 1, 2022. The total property valuation for the fiscal year ended 2022 was \$9,901,786,809 up from \$9,464,948,786 for fiscal year ended 2021.
- Total sales tax collections continued to increase during the fiscal year ended June 30, 2022 to \$47,206,284 from \$41,951,756 from the year ended June 30, 2021, an increase of 12.53% over last year’s collections.

- Harnett County's population remained stable for the fiscal year. The American Community Survey (ACS) one year estimates have estimated Harnett County's population at 135,966.

### **Budget Highlights for the Fiscal Year Ending June 30, 2023**

**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 \$252,291,652 and include amounts appropriated for interfund transfers for debt service and capital reserve. The budget increased over the fiscal year ended 2022 budget due to the appropriations for debt service due to debt associated with the issuance of general obligation bonds and the increase in salaries to address staffing retention. 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 2022-2023 budget has been developed with the purpose of supporting the strategic goals and priorities of the County Commissioners. The property tax revaluation increased our assessed values and the continued growth in the County creates challenges for provision of services and the management of government services. As part of the revaluation process, the County is required to calculate and publish the revenue neutral tax rate. The County calculated a revenue neutral tax rate at \$0.561/\$100 but set the tax rate at \$0.591/\$100 to address the rapid growth in the County and the priorities of the board. In addition to the increase in property valuations, Building Inspection Fees and Sales Tax Revenues surpassed our projections for the prior fiscal year. The budget provides the funding needed by the schools, community college and other departments to continue to provide the quality service and support that the citizens of Harnett County expect. The budget also provides increases in order to operate our government and new expansion items related to keeping up with our growing Count and operations. The 2023 Budget contains an appropriation from fund balance in the amount of \$4,372,996.

**Business-Type Activities.** Harnett Regional Water increased the following fees for the 2022-2023 fiscal year: Water Tap-On fees all water districts, Sprinkler Tap, Sewer Tap-on Fee Residential and Sewer Tap Step Tank for Bunnlevel/Riverside. 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 \$39,656,150 and \$7,365,000 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, 455 McKinney Parkway, Lillington, North Carolina 27546.

# **BASIC FINANCIAL STATEMENTS**

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The basic financial statements provide a summary overview of the financial position of all funds and account groups and of the operating results of all funds. They also serve as a condensed introduction to the more detailed statements that follow.

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HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 120,029,974	\$ 89,379,414	\$ 209,409,388
Taxes receivable, net	598,078	-	598,078
Accounts receivable, net	5,761,653	7,038,183	12,799,836
Due from other governments	13,251,049	-	13,251,049
Lease receivable	68,726	-	68,726
Internal balance	(2,635,037)	2,635,037	-
Inventories	26,132	905,064	931,196
Prepaid items	1,657	-	1,657
Restricted assets:			
Cash and cash equivalents	59,394,962	2,042,795	61,437,757
Total current assets	196,497,194	102,000,493	298,497,687
Non-current assets:			
Net pension asset	251,852	-	251,852
Note receivable	2,175,500	-	2,175,500
Lease receivable	176,650	-	176,650
Right to use assets, net	895,393	-	895,393
Capital assets:			
Land and construction in progress	34,614,664	38,735,850	73,350,514
Other capital assets, net	68,873,529	297,053,797	365,927,326
Total non-current assets	106,987,588	335,789,647	442,777,235
Total assets	303,484,782	437,790,140	741,274,922
<b>Deferred Outflows of Resources:</b>			
Pension deferrals	12,867,117	2,048,207	14,915,324
OPEB deferrals	6,751,363	1,191,417	7,942,780
Charge on refunding	6,825,014	478,665	7,303,679
Total deferred outflows of resources	26,443,494	3,718,289	30,161,783
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	9,806,819	2,406,260	12,213,079
Accounts payable from restricted assets	6,395,602	-	6,395,602
Customer deposits payable from restricted assets	-	2,042,795	2,042,795
Unearned revenue	20,142,238	226,233	20,368,471
Current portion of compensated absences	2,396,354	661,017	3,057,371
Claims payable current	150,000	-	150,000
Due within one year	17,532,417	3,752,576	21,284,993
Total current liabilities	56,423,430	9,088,881	65,512,311
Non-current liabilities:			
Non-current portion of compensated absences	798,784	220,339	1,019,123
Claims payable, non-current	84,261	-	84,261
Lease liability, non-current	682,430	-	682,430
Net pension liability - LEOSSA	4,408,734	-	4,408,734
Net pension liability - LGERS	7,616,290	1,344,052	8,960,342
Net OPEB liability	39,218,474	6,920,906	46,139,380
Due in more than one year	191,900,343	40,038,113	231,938,456
Total non-current liabilities	244,709,316	48,523,410	293,232,726
Total liabilities	301,132,746	57,612,291	358,745,037

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Deferred Inflows of Resources:</b>			
Pension deferrals	11,595,843	2,026,920	13,622,763
OPEB deferrals	10,385,370	1,832,712	12,218,082
Lease deferrals	238,266	-	238,266
Prepaid taxes	1,366	-	1,366
Total deferred inflows of resources	<u>22,220,845</u>	<u>3,859,632</u>	<u>26,080,477</u>
<b>Net Position:</b>			
Net investment in capital assets	57,578,059	293,777,712	351,355,771
Restricted for:			
Stabilization by state statute	20,252,985	-	20,252,985
Register of Deeds' pension plan	270,143	-	270,143
Register of Deeds	184,670	-	184,670
General government	6,860	-	6,860
Public safety	3,477,381	-	3,477,381
Human services	219,569	-	219,569
Unrestricted	<u>(75,414,982)</u>	<u>86,258,794</u>	<u>10,843,812</u>
Total net position	<u>\$ 6,574,685</u>	<u>\$ 380,036,506</u>	<u>\$ 386,611,191</u>

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



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HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Functions/Programs:</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 19,397,236	\$ 17,186,944	\$ 3,066,559	\$ -
Public safety	58,526,377	15,939,718	2,234,445	-
Transportation	414,281	-	1,123,316	-
Environmental protection	265,800	-	50,783	-
Economic and physical development	4,715,574	-	38,595	-
Human services	24,138,142	4,580,612	2,121,377	-
Cultural and recreational	3,091,532	-	406,264	-
Education	62,205,098	-	-	-
Interest on long-term debt	8,454,218	-	-	-
Total governmental activities	<u>181,208,258</u>	<u>37,707,274</u>	<u>9,041,339</u>	<u>-</u>
<b>Business-Type Activities:</b>				
Water and sewer	39,523,538	49,392,182	-	7,766,687
Solid waste	<u>6,243,062</u>	<u>8,348,325</u>	-	-
Total business-type activities	<u>45,766,600</u>	<u>57,740,507</u>	<u>-</u>	<u>7,766,687</u>
Total primary government	<u>\$ 226,974,858</u>	<u>\$ 95,447,781</u>	<u>\$ 9,041,339</u>	<u>\$ 7,766,687</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, 2022**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Functions/Programs:</b>			
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
General government	\$ 856,267	\$ -	\$ 856,267
Public safety	(40,352,214)	-	(40,352,214)
Transportation	709,035	-	709,035
Environmental protection	(215,017)	-	(215,017)
Economic and physical development	(4,676,979)	-	(4,676,979)
Human services	(17,436,153)	-	(17,436,153)
Cultural and recreational	(2,685,268)	-	(2,685,268)
Education	(62,205,098)	-	(62,205,098)
Interest on long-term debt	(8,454,218)	-	(8,454,218)
Total governmental activities	<u>(134,459,645)</u>	<u>-</u>	<u>(134,459,645)</u>
<b>Business-Type Activities:</b>			
Water and sewer	-	17,635,331	17,635,331
Solid waste	-	2,105,263	2,105,263
Total business-type activities	<u>-</u>	<u>19,740,594</u>	<u>19,740,594</u>
Total primary government	<u>(134,459,645)</u>	<u>19,740,594</u>	<u>(114,719,051)</u>
<b>General Revenues:</b>			
Ad valorem taxes	85,540,859	-	85,540,859
Local option sales tax	44,617,913	-	44,617,913
Other taxes and licenses	1,848,542	333,365	2,181,907
Unrestricted intergovernmental revenues	15,078	-	15,078
Interest earned on investments, unrestricted	146,776	1,559	148,335
Total general revenues	<u>132,169,168</u>	<u>334,924</u>	<u>132,504,092</u>
Change in net position	(2,290,477)	20,075,518	17,785,041
<b>Net Position:</b>			
Beginning of year - July 1	<u>8,865,162</u>	<u>359,960,988</u>	<u>368,826,150</u>
End of year - June 30	<u>\$ 6,574,685</u>	<u>\$ 380,036,506</u>	<u>\$ 386,611,191</u>

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

HARNETT COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2022

	General	ARPA Fund	Northwest Elementary School	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and investments	\$ 87,876,407	\$ -	\$ -	\$ 11,140,545	\$ 99,016,952
Taxes receivable, net	526,494	-	-	71,584	598,078
Accounts receivable, net	3,457,020	-	-	2,304,069	5,761,089
Due from other funds	1,240,847	-	-	-	1,240,847
Due from other governments	13,251,049	-	-	-	13,251,049
Note receivable	2,175,500	-	-	-	2,175,500
Lease receivable	245,376	-	-	-	245,376
Inventories	26,132	-	-	-	26,132
Prepaid items	1,657	-	-	-	1,657
Restricted assets:					
Restricted cash and cash equivalents	6,630,000	13,226,869	21,686,771	17,851,322	59,394,962
Total assets	<u>\$ 115,430,482</u>	<u>\$ 13,226,869</u>	<u>\$ 21,686,771</u>	<u>\$ 31,367,520</u>	<u>\$ 181,711,642</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 4,837,891	\$ -	\$ -	\$ 2,189,750	\$ 7,027,641
Accounts payable from restricted assets	-	-	5,663,132	732,470	6,395,602
Due to other funds	-	-	-	1,240,847	1,240,847
Unearned grant revenue	6,630,000	13,205,872	-	306,366	20,142,238
Total liabilities	<u>11,467,891</u>	<u>13,205,872</u>	<u>5,663,132</u>	<u>4,469,433</u>	<u>34,806,328</u>
<b>Deferred Inflows of Resources:</b>					
Prepaid taxes	1,366	-	-	-	1,366
Lease deferral	238,266	-	-	-	238,266
Property tax receivable	526,494	-	-	71,584	598,078
Total deferred inflows of resources	<u>766,126</u>	<u>-</u>	<u>-</u>	<u>71,584</u>	<u>837,710</u>
<b>Fund Balances:</b>					
Non-spendable:					
Leases	7,110	-	-	-	7,110
Inventories	26,132	-	-	-	26,132
Prepaid items	1,657	-	-	-	1,657
Note receivable	2,175,500	-	-	-	2,175,500
Restricted:					
Restricted for stabilization by state statute	17,948,916	-	-	2,304,069	20,252,985
Restricted for Register of Deeds	-	-	-	184,670	184,670
Restricted for general government	-	-	-	477,918	477,918
Restricted for education	-	-	21,686,771	17,073,872	38,760,643
Restricted for public safety	-	-	-	3,477,381	3,477,381
Restricted for health and human services	-	-	-	219,569	219,569
Committed:					
Committed for general government	-	20,997	-	233,341	254,338
Committed for economic development	-	-	-	909,617	909,617
Committed for culture and recreation	-	-	-	168,552	168,552
Committed for education	-	-	-	4,304,198	4,304,198
Committed for debt service	16,424,560	-	-	-	16,424,560
Assigned	24,949,812	-	-	48,780	24,998,592
Unassigned	41,662,778	-	(5,663,132)	(2,575,464)	33,424,182
Total fund balances	<u>103,196,465</u>	<u>20,997</u>	<u>16,023,639</u>	<u>26,826,503</u>	<u>146,067,604</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 115,430,482</u>	<u>\$ 13,226,869</u>	<u>\$ 21,686,771</u>	<u>\$ 31,367,520</u>	<u>\$ 181,711,642</u>

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

HARNETT COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2022

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - modified accrual	\$ 146,067,604
Right to use leased assets	895,393
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	103,488,193
Net pension asset	251,852
Net pension liability - LGERS	(7,616,290)
Net pension liability - LEOSSA	(4,408,734)
Net OPEB liability	(39,218,474)
Deferred outflows of resources related to pensions are not reported in the funds.	12,867,117
Deferred outflows of resources related to OPEB are not reported in the funds.	6,751,363
Deferred inflows of resources related to pensions are not reported in the funds.	(11,595,843)
Deferred inflows of resources related to OPEB are not reported in the funds.	(10,385,370)
Deferred outflow related to bond refunding is not available to pay for current-period expenditures and, therefore, are deferred in the funds.	6,825,014
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	(210,115,190)
Compensated absences	(3,195,138)
Accrued interest payable	(1,628,290)
Consolidation of Internal Service Fund	16,993,400
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>598,078</u>
Net position of governmental activities (Exhibit A)	<u>\$ 6,574,685</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, 2022

	General	ARPA Fund	Northwest Elementary School	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Ad valorem taxes	\$ 73,671,144	\$ -	\$ -	\$ 11,891,345	\$ 85,562,489
Other taxes and licenses	46,466,455	-	-	-	46,466,455
Unrestricted intergovernmental revenues	15,078	-	-	-	15,078
Restricted intergovernmental revenues	21,084,359	-	-	4,072,204	25,156,563
Permits and fees	1,064,662	-	-	1,327,224	2,391,886
Sales and services	11,482,491	-	-	314,891	11,797,382
Investment earnings	(40,608)	20,997	19,135	147,252	146,776
Other general revenues	5,517,356	-	-	-	5,517,356
Total revenues	<u>159,260,937</u>	<u>20,997</u>	<u>19,135</u>	<u>17,752,916</u>	<u>177,053,985</u>
<b>Expenditures:</b>					
Current:					
General government	18,905,231	-	-	2,636,024	21,541,255
Public safety	38,787,794	-	-	13,581,188	52,368,982
Transportation	261,357	-	-	-	261,357
Environmental protection	265,800	-	-	-	265,800
Economic and physical development	3,389,720	-	-	1,826,116	5,215,836
Human services	27,153,534	-	-	56,900	27,210,434
Cultural and recreation	3,152,113	-	-	-	3,152,113
Education	30,723,187	-	17,493,880	13,988,031	62,205,098
Debt service:					
Principal repayments	13,773,022	-	-	-	13,773,022
Interest and fees	6,411,526	-	-	-	6,411,526
Total expenditures	<u>142,823,284</u>	<u>-</u>	<u>17,493,880</u>	<u>32,088,259</u>	<u>192,405,423</u>
Revenues over (under) expenditures	<u>16,437,653</u>	<u>20,997</u>	<u>(17,474,745)</u>	<u>(14,335,343)</u>	<u>(15,351,438)</u>
<b>Other Financing Sources (Uses):</b>					
Long-term debt issued	231,966	-	35,070,664	7,697,370	43,000,000
Lease liability issued	1,141,316	-	-	-	1,141,316
Bond premium	-	-	-	6,300,403	6,300,403
Transfers to other funds	(976,259)	-	-	(5,232,720)	(6,208,979)
Transfers from other funds	4,058,762	-	-	2,150,217	6,208,979
Total other financing sources (uses)	<u>4,455,785</u>	<u>-</u>	<u>35,070,664</u>	<u>10,915,270</u>	<u>50,441,719</u>
Net change in fund balances	20,893,438	20,997	17,595,919	(3,420,073)	35,090,281
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>82,303,027</u>	<u>-</u>	<u>(1,572,280)</u>	<u>30,246,576</u>	<u>110,977,323</u>
End of year - June 30	<u>\$ 103,196,465</u>	<u>\$ 20,997</u>	<u>\$ 16,023,639</u>	<u>\$ 26,826,503</u>	<u>\$ 146,067,604</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, 2022

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)	\$ 35,090,281
<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	(21,630)
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.	1,667,166
Pension expense - LEOSSA	(247,579)
Pension expense - LGERS	1,305,616
Pension expense - ROD	11,185
OPEB plan expense	(2,096,844)
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.	(1,115,929)
Deferred charges related to refunded debt that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(926,763)
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.	3,402,327
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(5,584,582)
Capital outlay for right to use leased assets	1,141,316
Amortization expense	(245,923)
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.	13,773,022
Consolidation of Internal Service Fund	1,999,579
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>(50,441,719)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (2,290,477)</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over/Under</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 69,100,000	\$ 72,701,330	\$ 73,671,144	\$ 969,814
Other taxes and licenses	35,303,748	36,079,779	46,466,455	10,386,676
Unrestricted intergovernmental revenues	14,000	14,000	15,078	1,078
Restricted intergovernmental revenues	17,912,445	24,064,867	21,084,359	(2,980,508)
Permits and fees	956,600	956,800	1,064,662	107,862
Sales and services	8,088,069	9,004,322	11,482,491	2,478,169
Investment earnings	250,000	250,000	(40,608)	(290,608)
Other general revenues	4,779,402	4,650,313	5,517,356	867,043
Total revenues	<u>136,404,264</u>	<u>147,721,411</u>	<u>159,260,937</u>	<u>11,539,526</u>
<b>Expenditures:</b>				
General government	19,548,148	21,729,778	18,905,231	2,824,547
Public safety	38,658,496	47,724,078	38,787,794	8,936,284
Transportation	674,302	606,006	261,357	344,649
Environmental protection	257,552	273,378	265,800	7,578
Economic and physical development	3,528,483	3,795,762	3,389,720	406,042
Human services	26,593,631	32,534,938	27,153,534	5,381,404
Cultural and recreation	3,397,336	3,618,091	3,152,113	465,978
Education	28,956,177	31,630,031	30,723,187	906,844
Debt service:				
Principal repayments	13,401,552	13,773,052	13,773,022	30
Interest and fees	6,002,196	6,411,727	6,411,526	201
Total expenditures	<u>141,017,873</u>	<u>162,096,841</u>	<u>142,823,284</u>	<u>19,273,557</u>
Revenues over (under) expenditures	<u>(4,613,609)</u>	<u>(14,375,430)</u>	<u>16,437,653</u>	<u>30,813,083</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(13,998,440)	(18,324,061)	(976,259)	17,347,802
Transfers from other funds	15,215,612	22,528,796	4,058,762	(18,470,034)
Long-term debt issued	-	350,000	231,966	(118,034)
Lease liability issued	-	-	1,141,316	1,141,316
Appropriated fund balance	3,396,437	9,820,695	-	(9,820,695)
Total other financing sources (uses)	<u>4,613,609</u>	<u>14,375,430</u>	<u>4,455,785</u>	<u>(9,919,645)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	20,893,438	<u>\$ 20,893,438</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>82,303,027</u>	
End of year - June 30			<u>\$ 103,196,465</u>	

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



## HARNETT COUNTY, NORTH CAROLINA

MAJOR SPECIAL REVENUE FUND - ARPA FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2022

	<b>2022</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 6,003,877	\$ 6,003,877	\$ -	\$ (6,003,877)
Investment earnings	-	-	20,997	-
Total revenues	<u>6,003,877</u>	<u>6,003,877</u>	<u>20,997</u>	<u>(6,003,877)</u>
Revenues over (under) expenditures	6,003,877	6,003,877	20,997	(5,982,880)
<b>Other Financing Sources (Uses):</b>				
Transfer in (out)	<u>(6,003,877)</u>	<u>(6,003,877)</u>	-	<u>6,003,877</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	20,997	<u>\$ 20,997</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>-</u>	
End of year - June 30			<u>\$ 20,997</u>	

## HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
<b>Assets:</b>				
Current assets:				
Cash and cash investments	\$ 80,117,751	\$ 9,261,663	\$ 89,379,414	\$ 21,013,022
Accounts receivable, net	6,669,385	368,798	7,038,183	564
Inventory	905,064	-	905,064	-
Restricted assets:				
Cash and investments, restricted	2,042,795	-	2,042,795	-
Total current assets	<u>89,734,995</u>	<u>9,630,461</u>	<u>99,365,456</u>	<u>21,013,586</u>
Non-current assets:				
Land and construction in progress	37,182,261	1,553,589	38,735,850	-
Other capital assets, net	292,824,053	4,229,744	297,053,797	-
Total non-current assets	<u>330,006,314</u>	<u>5,783,333</u>	<u>335,789,647</u>	<u>-</u>
Total assets	<u>419,741,309</u>	<u>15,413,794</u>	<u>435,155,103</u>	<u>21,013,586</u>
<b>Deferred Outflows of Resources:</b>				
Pension deferrals	1,775,114	273,093	2,048,207	-
OPEB deferrals	1,032,561	158,856	1,191,417	-
Charge on refunding	478,665	-	478,665	-
Total deferred outflows of resources	<u>3,286,340</u>	<u>431,949</u>	<u>3,718,289</u>	<u>-</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued liabilities	1,763,183	487,834	2,251,017	1,150,888
Claims payable	-	-	-	150,000
Accrued interest	155,243	-	155,243	-
Prepaid fees	195,833	30,400	226,233	-
Customer deposits payable from restricted assets	2,042,795	-	2,042,795	-
Compensated absences, current	604,530	56,487	661,017	-
Current portion of long-term debt	3,431,540	321,036	3,752,576	-
Total current liabilities	<u>8,193,124</u>	<u>895,757</u>	<u>9,088,881</u>	<u>1,300,888</u>
Non-current liabilities:				
Compensated absences, non-current	201,510	18,829	220,339	-
Claims payable	-	-	-	84,261
Non-current portion of long-term debt	38,040,776	1,997,337	40,038,113	-
Net OPEB liability	5,998,119	922,787	6,920,906	-
Net pension liability	1,164,844	179,208	1,344,052	-
Total non-current liabilities	<u>45,405,249</u>	<u>3,118,161</u>	<u>48,523,410</u>	<u>84,261</u>
Total liabilities	<u>53,598,373</u>	<u>4,013,918</u>	<u>57,612,291</u>	<u>1,385,149</u>
<b>Deferred Inflows of Resources:</b>				
OPEB deferrals	1,588,351	244,361	1,832,712	-
Pension deferrals	1,756,664	270,256	2,026,920	-
Total deferred inflows of resources	<u>3,345,015</u>	<u>514,617</u>	<u>3,859,632</u>	<u>-</u>
<b>Net Position:</b>				
Net investment in capital assets	289,012,663	4,765,049	293,777,712	-
Unrestricted	77,071,598	6,552,159	83,623,757	19,628,437
Total net position	<u>\$ 366,084,261</u>	<u>\$ 11,317,208</u>	<u>377,401,469</u>	<u>\$ 19,628,437</u>
Adjustment to reflect consolidation of internal service funds			2,635,037	
Net position			<u>\$ 380,036,506</u>	

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, 2022

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
<b>Operating Revenues:</b>				
Charges for services	\$ 41,410,701	\$ 8,289,271	\$ 49,699,972	\$ -
County contributions	-	-	-	14,503,276
Other operating revenues	<u>7,728,661</u>	<u>13,086</u>	<u>7,741,747</u>	-
Total operating revenues	<u>49,139,362</u>	<u>8,302,357</u>	<u>57,441,719</u>	<u>14,503,276</u>
<b>Operating Expenses:</b>				
Water distribution and sewage treatment	25,548,563	-	25,548,563	-
Solid waste	-	5,831,948	5,831,948	-
Benefits and premiums	-	-	-	12,204,909
Depreciation	<u>12,712,327</u>	<u>313,971</u>	<u>13,026,298</u>	-
Total operating expenses	<u>38,260,890</u>	<u>6,145,919</u>	<u>44,406,809</u>	<u>12,204,909</u>
Operating income (loss)	<u>10,878,472</u>	<u>2,156,438</u>	<u>13,034,910</u>	<u>2,298,367</u>
<b>Non-Operating Revenues (Expenses):</b>				
Gain (loss) on sale of assets	(73,634)	-	(73,634)	-
Solid waste disposal tax	-	333,365	333,365	-
Interest earned on investments	1,149	410	1,559	-
Interest and fees	<u>(1,262,648)</u>	<u>(23,509)</u>	<u>(1,286,157)</u>	-
Total non-operating revenues (expenses)	<u>(1,335,133)</u>	<u>310,266</u>	<u>(1,024,867)</u>	-
Income (loss) before capital contributions	9,543,339	2,466,704	12,010,043	2,298,367
Capital contributions	<u>7,766,687</u>	-	<u>7,766,687</u>	-
Change in net position	17,310,026	2,466,704	19,776,730	2,298,367
<b>Net Position:</b>				
Beginning of year - July 1	<u>348,774,235</u>	<u>8,850,504</u>		<u>17,330,070</u>
End of year - June 30	<u>\$ 366,084,261</u>	<u>\$ 11,317,208</u>		<u>\$ 19,628,437</u>
Adjustment to reflect consolidation of internal service funds			<u>298,788</u>	
Change in net position			<u>\$ 20,075,518</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, 2022

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 42,898,347	\$ 7,946,307	\$ 50,844,654	\$ 14,503,276
Cash paid for goods and services	(14,282,105)	(4,069,465)	(18,351,570)	(12,514,146)
Cash paid to employees for services	(8,756,358)	(1,338,208)	(10,094,566)	-
Other revenues	-	333,365	333,365	-
Customer deposits paid	(77,255)	-	(77,255)	-
Net cash provided (used) by operating activities	<u>19,782,629</u>	<u>2,871,999</u>	<u>22,654,628</u>	<u>1,989,130</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(7,196,383)	-	(7,196,383)	-
Principal paid on long-term debt	(2,992,000)	(300,000)	(3,292,000)	-
Interest and fees	(1,262,648)	(23,509)	(1,286,157)	-
Capital contributions	46,088	-	46,088	-
Net cash provided (used) by capital and related financing activities	<u>(11,404,943)</u>	<u>(323,509)</u>	<u>(11,728,452)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>				
Interest on investments	<u>1,149</u>	<u>410</u>	<u>1,559</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	8,378,835	2,548,900	10,927,735	1,989,130
<b>Cash and Cash Equivalents:</b>				
Beginning of year - July 1	<u>73,781,711</u>	<u>6,712,763</u>	<u>80,494,474</u>	<u>19,023,892</u>
End of year - June 30	<u>\$ 82,160,546</u>	<u>\$ 9,261,663</u>	<u>\$ 91,422,209</u>	<u>\$ 21,013,022</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 10,878,472	\$ 2,156,438	\$ 13,034,910	\$ 2,298,367
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	12,712,327	313,971	13,026,298	-
Other revenues	-	333,365	333,365	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(4,146,608)	(52,634)	(4,199,242)	-
Increase (decrease) in accounts payable and accrued liabilities	296,126	92,859	388,985	(309,237)
Increase (decrease) in unearned revenues	4,261	(6,629)	(2,368)	-
(Increase) decrease in inventory	(264,233)	-	(264,233)	-
Increase (decrease) in customer deposits	(77,255)	-	(77,255)	-
(Increase) decrease in deferred outflows - pension	(237,005)	(36,462)	(273,467)	-
(Increase) decrease in deferred outflows of resources for OPEB	191,368	29,441	220,809	-
Increase (decrease) in deferred inflows of resources for OPEB	1,230,916	189,371	1,420,287	-
Increase (decrease) in net pension liability	(1,671,995)	(257,230)	(1,929,225)	-
Increase (decrease) deferred inflows - pension	1,709,317	262,972	1,972,289	-
Increase (decrease) in accrued vacation pay	258,527	16,012	274,539	-
Increase (decrease) in OPEB payable	(1,101,589)	(169,475)	(1,271,064)	-
Net cash provided (used) by operating activities	<u>\$ 19,782,629</u>	<u>\$ 2,871,999</u>	<u>\$ 22,654,628</u>	<u>\$ 1,989,130</u>
<b>Non-Cash Transactions:</b>				
Contributed capital from developers	<u>\$ 7,720,599</u>	<u>\$ -</u>	<u>\$ 7,720,599</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, 2022

	<u>Custodial Funds</u>	<u>Pension Trust Funds</u>
<b>Assets:</b>		
Cash and investments	\$ 320,469	\$ -
Taxes receivable for other governments, net	176,638	-
Restricted cash and cash equivalents	-	1,303,661
Total assets	<u>497,107</u>	<u>1,303,661</u>
<b>Liabilities:</b>		
Due to other governments	255,253	-
Accounts payable	29,645	-
Total liabilities	<u>284,898</u>	<u>-</u>
<b>Net Position:</b>		
Restricted for:		
Individuals, organizations, and other governments	212,209	-
Defined benefit pensions	-	370,417
Post-employment benefits other than pensions	-	933,244
Total net position	<u>\$ 212,209</u>	<u>\$ 1,303,661</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, 2022

	<u>Custodial Funds</u>	<u>Pension Trust Funds</u>
<b>Additions:</b>		
Employer contributions:	\$ -	\$ 1,483,560
Investment income:	-	(106,829)
Ad valorem taxes for other governments	11,012,951	-
Collections on behalf of inmates	634,640	-
Total additions	<u>11,647,591</u>	<u>1,376,731</u>
<b>Deductions:</b>		
Benefit payments	-	1,062,800
Tax distributions to other governments	10,985,525	-
Payments on behalf of inmates	610,396	-
Total deductions	<u>11,595,921</u>	<u>1,062,800</u>
<b>Change in net position</b>	51,670	313,931
Net position, beginning of year	<u>160,539</u>	<u>989,730</u>
End of year - June 30	<u>\$ 212,209</u>	<u>\$ 1,303,661</u>

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

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 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, 2022

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, 2022

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 funds:

**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.

**Northwest Harnett Elementary School.** This fund is used for the construction of Northwest Elementary School from the proceeds of long-term debt. These funds are restricted for the construction of the Elementary School.

**ARPA Fund.** This fund is used for the restricted funds related to federal funding provided through ARPA. These funds are restricted for their intended purpose.

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 Court; Electronics Management; Fines and Forfeitures; Representative Payee; Opioid Settlement.

**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; 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, Shawtown Area Community Center; 2022 G.O. Bonds Series 2021; 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.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

**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.

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; Northwest Harnett Utility Extension Project; North Harnett WWTP Capacity 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 and business-type activities in the government-wide financial statements and the individual fund data is provided in the Internal Service Fund section of the report.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

**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.

### 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.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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.

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, and Veterans Court Fund. 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

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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.

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)(8) 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

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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).

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 AAAMf 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, 2022 of .9 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 8.75 years at June 30, 2022.
- 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, 2022 the fair value of the funds was \$27.2303 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, 2022

### 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. Unexpended grant proceeds are shown as restricted cash as they are for the intended purpose of the grant. Unexpended grant settlements are shown as restricted cash as they are for the intended purpose of the settlement. Customer deposits held by the County before any services are supplied are restricted to the services for which the deposit was collected.

#### Governmental Activities:

Benhaven Elementary School:	
Capital outlays - unexpended bond proceeds	\$ 170,484
Government Complex South:	
Capital outlays - unexpended bond proceeds	471,058
Erwin Elementary School:	
Capital outlays - unexpended bond proceeds	3,872,589
Northwest Elementary School:	
Capital outlays - unexpended bond proceeds	21,686,771
General Fund:	
Unspent grant proceeds - SCIF	6,630,000
ARPA Fund:	
Unexpended grant proceeds	13,226,869
Shawtown Area Community Center:	
Unexpended grant proceeds	61,664
Opioid Settlement Fund:	
Unexpended allocation proceeds	244,728
QSCB 2016 Project Fund:	
Capital outlays - unexpended bond proceeds	506
2022 G.O. Bonds Series 2021:	
Capital outlays - unexpended bond proceeds	12,894,415
2017 G.O. Bonds Project Fund:	
Capital outlays - unexpended bond proceeds	<u>135,878</u>
Total governmental activities	<u>59,394,962</u>

#### Business-Type Activities:

Water and Sewer Fund:	
Customer deposits	<u>2,042,795</u>
Total business-type activities	<u>2,042,795</u>
Total restricted cash	<u>\$ 61,437,757</u>

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### **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, 2021 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.

### **Lease Receivable**

The County's leases receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements, the County may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. Deferred inflows of resources are recorded at the initiation of each lease in an amount equal to the initial recording of the lease receivable. The deferred inflows of resources are amortized on a straight-line basis over the term of each lease.

### **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.



# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

### Right-to-Use Assets

The County has recorded right-to-use lease assets as a result of implementing GASB 87, *Leases*. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

### 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 assets 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 criteria 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 assets 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 lease deferrals and property tax receivable.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### **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 30<sup>th</sup> of each calendar year. On June 30<sup>th</sup>, 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 represents 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.

#### **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.

## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

*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.

*Leases* – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

**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.

*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 \$39,231,701, and Register of Deeds' Pension Plan of \$270,143 for a net difference of \$38,961,558 at June 30, 2022.

## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

**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 Aircraft Apron and Helipad Design project, Oakridge River Rd Tower and the Broadband Development project.

*Committed for Education* – portion of fund balance that can only be used for education. This includes 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 Campbell Stadium Sidewalk and Shawtown Area Community Center.

*Committed for General Government* – portion of fund balance that can only be used for general government. This includes the Old Detention Center Demo and ARPA funds.

*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.

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

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Assigned fund balance at June 30, 2022 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>
Subsequent year's expenditures	\$ 4,372,996	\$ -
General government	19,758,810	-
Culture and recreation	374,359	-
Public safety	443,647	48,780
<b>Total</b>	<b>\$ 24,949,812</b>	<b>\$ 48,780</b>

**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	\$ 103,196,465
<b>Less:</b>	
Prepaid items	1,657
Inventory	26,132
Leases	7,110
Note receivable	2,175,500
Stabilization by state statute	17,948,916
<b>Total available fund balance</b>	<b>\$ 83,037,150</b>

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 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 (LGERS) 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, 2022

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, 2022, the County's deposits had a carrying amount of \$57,098,255 and a bank balance of \$59,692,087. 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, 2022, Harnett County has \$14,607 cash on hand.

#### B. Investments

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value at 6/30/2022</u>	<u>Maturity</u>		
			<u>6 months</u>	<u>6-12 months</u>	<u>1-3 years</u>
US Government Agencies	Fair Value Level 2	\$ 6,044,003	\$ 6,044,003	\$ -	\$ -
Commercial Paper	Fair Value Level 2	12,845,185	12,845,185	-	-
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	195,165,564	195,165,564	-	-
Total investments		<u>\$ 214,054,752</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.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

*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 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, 2022. 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, 2022. 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, 2022.

*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, 2022, the County's Health Care Plan had \$933,244 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) 46.62%, 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, 2022 of .9 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, 2022 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.75 years at June 30, 2022.



# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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, 2022 the fair value of the funds was \$27.230307 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.

*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 .9 years at June 30, 2022. The State Treasurer's BIF is unrated and had a weighted average maturity of 8.75 years at June 30, 2022.

*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, 2022, the County's Law Enforcement Officers' Special Separation Allowance (LEOSSA) Plan Fund had \$370,417 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, 2022 of .9 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, 2022 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.75 years at June 30, 2022.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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, 2022 the fair value of the funds was \$27.230307 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.

*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 .9 years at June 30, 2022. The State Treasurer's BIF is unrated and had a weighted average maturity of 8.75 years at June 30, 2022.

*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.

<b>Year Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 5,776,966	\$ 1,978,033	\$ 7,754,999
2019	5,446,881	1,375,337	6,822,218
2020	5,304,836	862,036	6,166,872
2021	6,494,979	470,886	6,965,865
Total	<u>\$ 23,023,662</u>	<u>\$ 4,686,292</u>	<u>\$ 27,709,954</u>

**HARNETT COUNTY, NORTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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	\$ 566,338
Nonmajor governmental	<u>67,009</u>
Governmental activities	<u>633,347</u>
Custodial funds	<u>106,182</u>
Public utility	993,598
Solid waste	<u>155,160</u>
Business-type activities	<u>1,148,758</u>
Total	<u><u>\$ 1,888,287</u></u>

**E. Due from Other Governments – Disaggregate Information**

Due from other governments at the government-wide level at June 30, 2022:

<u>Governmental Activities</u>	
Local option sales tax	\$ 10,826,136
Other taxes and licenses	991,634
DSS receivable	618,027
Sales tax refund receivable	<u>815,252</u>
Total	<u><u>\$ 13,251,049</u></u>

**F. 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	\$ 14,915,324
OPEB deferrals	7,942,780
Charge on refunding	<u>7,303,679</u>
Total	<u><u>\$ 30,161,783</u></u>

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

<u>Source</u>	<u>Amount</u>
Prepaid taxes not yet earned (General)	\$ 1,366
Pension deferrals	13,622,763
OPEB deferrals	12,218,082
Taxes receivable, net (General)	526,494
Taxes receivable, net (Other governmental funds)	71,584
Leases	238,266
Total	<u>\$ 26,678,555</u>

### G. Lease Receivable

The financial statements for the year ended June 30, 2022 include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Details of the City's leases receivable at June 30, 2022 are as follows:

On 07/01/2021, County of Harnett, NC entered into a 252-month lease as lessor for the use of Godwin Hanger Lease-Jetport. An initial lease receivable was recorded in the amount of \$16,668. As of 06/30/2022, the value of the lease receivable is \$15,849. The lessee is required to make annual fixed payments of \$819. The lease has an interest rate of 0.3160%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$15,874, and County of Harnett, NC recognized lease revenue of \$794 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On 07/01/2021, County of Harnett, NC entered into a 36-month lease as lessor for the use of Pusser SASO - Jetport. An initial lease receivable was recorded in the amount of \$2,670. As of 06/30/2022, the value of the lease receivable is \$1,785. The lessee is required to make quarterly fixed payments of \$225. The lease has an interest rate of 0.7270%. The other estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,780, and County of Harnett, NC recognized lease revenue of \$890.00 during the fiscal year.

On 07/01/2021, County of Harnett, NC entered into a 30-month lease as lessor for the use of US Dept Agriculture-Office Space. An initial lease receivable was recorded in the amount of \$151,701. As of 06/30/2022, the value of the lease receivable is \$92,829. The lessee is required to make monthly fixed payments of \$5,104. The lease has an interest rate of 0.7270%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$91,021, and County of Harnett, NC recognized lease revenue of \$60,681 during the fiscal year.

## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

On 07/01/2021, County of Harnett, NC entered into a 78-month lease as lessor for the use of Matthews Farm Lease-Admin. An initial lease receivable was recorded in the amount of \$3,800. As of 06/30/2022, the value of the lease receivable is \$3,257. The lessee is required to make annual fixed payments of \$560. The lease has an interest rate of 0.8930%. The land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$3,216, and County of Harnett, NC recognized lease revenue of \$585 during the fiscal year. The lessee has 1 extension option(s), each for 36 months.

On 07/01/2021, County of Harnett, NC entered into a 114-month lease as lessor for the use of Jones Hanger Lease-Jetport. An initial lease receivable was recorded in the amount of \$11,736. As of 06/30/2022, the value of the lease receivable is \$11,433. The lessee is required to make annual fixed payments of \$1,400. The lease has an interest rate of 1.6040%. The land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$10,503, and County of Harnett, NC recognized lease revenue of \$1,234 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, County of Harnett, NC entered into a 363-month lease as lessor for the use of Harnett County Regional Airport. An initial lease receivable was recorded in the amount of \$118,397. As of 06/30/2022, the value of the lease receivable is \$117,466. The lessee is required to make annual fixed payments of \$5,646. The lease has an interest rate of 2.5010%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$114,486, and County of Harnett, NC recognized lease revenue of \$3,912 during the fiscal year. The lessee has 6 extension option(s), each for 60 months. The lessee had a termination period of 3 months as of the lease commencement. County of Harnett, NC had a termination period of 3 months as of the lease commencement.

On 07/01/2021, County of Harnett, NC entered into an 18-month lease as lessor for the use of CAD Hanger Ground Lease - Jetport. An initial lease receivable was recorded in the amount of \$3,521. As of 06/30/2022, the value of the lease receivable is \$2,757. The lessee is required to make annual fixed payments of \$1,764. The lease has an interest rate of 0.3870%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,386, and County of Harnett, NC recognized lease revenue of \$2,330 during the fiscal year.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The future maturities for lease receivables are below.

First Year	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	<b>Payments</b>	<b>Payments</b>	<b>Payments</b>
2023	\$ 68,726	\$ 3,611	\$ 72,337
2024	36,842	3,107	39,949
2025	5,485	2,940	8,425
2026	5,585	2,840	8,425
2027	5,687	2,738	8,425
2028 - 2032	24,959	12,126	37,085
2033 - 2037	22,554	9,771	32,325
2038 - 2042	25,056	7,268	32,324
2043 - 2047	23,762	4,468	28,230
2048 - 2052	26,720	1,344	28,064
Total	\$ 245,376	\$ 50,213	\$ 295,589

### H. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Governmental Activities:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 3,577,178	\$ -	\$ -	\$ 3,577,178
Construction in progress	28,781,509	2,255,977	-	31,037,486
Total non-depreciable capital assets	32,358,687	2,255,977	-	34,614,664
<b>Depreciable Capital Assets:</b>				
Buildings	89,154,357	422,664	-	89,577,021
Land improvements	18,971,294	-	-	18,971,294
Equipment	12,900,493	37,625	(424,993)	12,513,125
Vehicles	14,229,621	686,061	(1,502,737)	13,412,945
Total depreciable capital assets	135,255,765	1,146,350	(1,927,730)	134,474,385
<b>Less Accumulated Depreciation:</b>				
Buildings	25,258,968	1,792,770	-	27,051,738
Land improvements	14,916,453	1,766,741	-	16,683,194
Equipment	10,764,996	1,035,367	(424,993)	11,375,370
Vehicles	11,003,587	989,704	(1,502,737)	10,490,554
Total accumulated depreciation	61,944,004	\$ 5,584,582	\$ (1,927,730)	65,600,856
Total depreciable capital assets, net	73,311,761			68,873,529
Governmental activities capital assets, net	\$ 105,670,448			\$ 103,488,193

**HARNETT COUNTY, NORTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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

<b>Depreciation Expense by Function</b>	
General government	\$ 2,001,664
Public safety	1,746,373
Transportation	1,660,667
Economic and physical development	40,070
Human services	26,223
Cultural and recreational	109,585
Total	<u>\$ 5,584,582</u>

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### Business-Type Capital Assets:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Business-Type Activities:</b>				
<b>Public Utilities:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 1,206,943	\$ -	\$ -	\$ 1,206,943
Construction in progress	29,510,163	6,465,155	-	35,975,318
Total non-depreciable capital assets	30,717,106	6,465,155	-	37,182,261
<b>Depreciable Capital Assets:</b>				
Plant, distribution, and collection systems	406,308,405	7,720,599	-	414,029,004
Buildings and building improvements	16,118,978	-	-	16,118,978
Furniture, fixtures, and equipment	3,359,504	414,022	-	3,773,526
Vehicles	3,087,071	317,206	(188,397)	3,215,880
Total depreciable capital assets	428,873,958	8,451,827	(188,397)	437,137,388
<b>Less Accumulated Depreciation:</b>				
Plant, distribution, and collection systems	121,301,013	10,019,903	-	131,320,916
Buildings and building improvements	5,174,578	1,713,186	-	6,887,764
Furniture, fixtures, and equipment	2,785,075	655,680	-	3,440,755
Vehicles	2,455,105	323,558	(114,763)	2,663,900
Total accumulated depreciation	131,715,771	\$ 12,712,327	\$ (114,763)	144,313,335
Total depreciable capital assets, net	297,158,187			292,824,053
Public utilities capital assets, net	327,875,293			330,006,314
<b>Solid Waste Management:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	1,553,589	\$ -	\$ -	1,553,589
Total non-depreciable capital assets	1,553,589	-	-	1,553,589
<b>Depreciable Capital Assets:</b>				
Buildings and building improvements	4,972,065	-	-	4,972,065
Furniture, fixtures, and equipment	3,125,154	-	-	3,125,154
Vehicles	555,024	-	-	555,024
Total depreciable capital assets	8,652,243	-	-	8,652,243
<b>Less Accumulated Depreciation:</b>				
Buildings and building improvements	1,130,462	68,021	-	1,198,483
Furniture, fixtures, and equipment	2,553,700	211,382	-	2,765,082
Vehicles	424,366	34,568	-	458,934
Total accumulated depreciation	4,108,528	\$ 313,971	\$ -	4,422,499
Total depreciable capital assets, net	4,543,715			4,229,744
Solid waste management capital assets, net	6,097,304			5,783,333
Business-type activities capital assets, net	\$ 333,972,597			\$ 335,789,647



## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

At June 30, 2022, commitments for the governmental and business-type activities consists of the following projects:

	<b>Project Authorization</b>	<b>Expended To Date</b>
Advanced Meter Infrastructure	\$ 14,982,043	\$ 12,193,168
West Central Transmission	7,980,499	7,980,499
Erwin Elementary School	31,399,857	28,274,621
Northwest Harnett Elementary	35,802,344	19,798,060
WHIP Transmission Line	1,086,784	1,086,784
South Central Transmission	764,533	764,533
Fort Bragg Water & WW	361,460	361,460
School Wastewater Extensions	3,354,205	2,848,308
North Harnett WW Upgrade	10,401,656	10,401,656
Total	\$ 106,133,381	\$ 83,709,089

#### I. Right-to-Use Leased Assets

The County has recorded 16 right-to-use leased assets. The assets are right-to-use assets for leased equipment, buildings, land and infrastructure. The related leases are discussed in the leases subsection of the long-term obligations section of this note. The right-to-use lease assets are amortized on a straight-line basis over the terms of the related leases.

	<b>Balance July 1, 2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2022</b>
<b>Governmental Activities:</b>				
<b>Right-to-Use Assets</b>				
Leased buildings	\$ -	\$ 218,040	\$ -	\$ 218,040
Leased infrastructure	-	344,037	-	344,037
Leased land	-	14,689	-	14,689
Leased equipment	-	564,550	-	564,550
Total depreciable capital assets	-	1,141,316	-	1,141,316
<b>Less Accumulated Amortization For:</b>				
Leased buildings	-	83,040	-	83,040
Leased infrastructure	-	31,485	-	31,485
Leased land	-	3,000	-	3,000
Leased equipment	-	128,398	-	128,398
Total accumulated amortization	-	\$ 245,923	\$ -	245,923
Right-to-use assets, net	\$ -			\$ 895,393

## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

#### Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2022 is composed of the following elements:

	<u>Governmental</u>	<u>Business-Type</u>		<u>Total Business-Type</u>
		<u>Water/Sewer</u>	<u>Solid Waste</u>	
Capital assets	\$ 103,488,193	\$ 330,006,314	\$ 5,783,333	\$ 335,789,647
Right to use leased assets	895,393	-	-	-
Total debt	210,115,190	41,472,316	1,018,284	42,490,600
Capital related deferred charge on refunding	1,983,899	478,665	-	478,665
Debt not related to capital assets	160,854,706	-	-	-
Capital related unspent debt proceeds	471,058	-	-	-
Total capital debt	<u>46,805,527</u>	<u>40,993,651</u>	<u>1,018,284</u>	<u>42,011,935</u>
Net investment in capital assets	<u>\$ 57,578,059</u>	<u>\$ 289,012,663</u>	<u>\$ 4,765,049</u>	<u>\$ 293,777,712</u>

#### J. Payables

Payables at the government-wide level at June 30, 2022 were as follows:

	<u>Accounts Payable Note Disclosure</u>					
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	<u>General Fund</u>	<u>Northwest Elementary School</u>	<u>Nonmajor</u>	<u>Public Utilities</u>	<u>Solid Waste</u>	<u>Total</u>
<b>Payables:</b>						
Accounts and vouchers						
Accounts and vouchers	\$ 3,129,552	\$ 5,663,132	\$ 2,904,339	\$ 1,407,872	\$ 436,023	\$ 13,540,918
Accrued payroll and related liabilities	1,708,339	-	17,881	355,311	51,811	2,133,342
Accrued interest payable	-	-	-	155,243	-	155,243
Total accounts payable and accrued liabilities	<u>\$ 4,837,891</u>	<u>\$ 5,663,132</u>	<u>\$ 2,922,220</u>	<u>\$ 1,918,426</u>	<u>\$ 487,834</u>	<u>\$ 15,829,503</u>

Adjustments to full-accrual include \$1,628,290 related to recording accrued interest on general long-term debt and accounts and vouchers related to the internal service funds of \$1,150,888.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### K. 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.

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.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The County uses a third-party administrator to process workers' compensation. At June 30, 2022, a liability for claims of \$234,261 included on the accompanying Statement of Net Position for governmental activities. An analysis for the County is presented below:

	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
Liability as of beginning of the year	\$ 427,942	\$ 719,196
Current year claims and changes in estimates	(42,598)	(45,590)
Actual claim payments	<u>(151,083)</u>	<u>(245,664)</u>
Liability as of end of the year	<u>\$ 234,261</u>	<u>\$ 427,942</u>

### L. Long-Term Obligations

#### Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On 07/01/2021, County of Harnett, NC entered into a 24-month lease as lessee for the use of Lillington Flatwoods EMS FAC. An initial lease liability was recorded in the amount of \$35,908. As of 06/30/2022, the value of the lease liability is \$17,908. County of Harnett, NC is required to make annual fixed payments of \$18,000. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2022 of \$35,908 with accumulated amortization of \$17,954 is included with buildings on the lease class activities table found below.

On 07/01/2021, County of Harnett, NC entered into a 24-month lease as lessee for the use of Angier Black River-EMS Facilities. An initial lease liability was recorded in the amount of \$15,959. As of 06/30/2022, the value of the lease liability is \$7,959. County of Harnett, NC is required to make annual fixed payments of \$8,000. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2022 of \$15,959 with accumulated amortization of \$7,980 is included with buildings on the lease class activities table found below.

On 07/01/2021, County of Harnett, NC entered into a 56-month lease as lessee for the use of Systel Ricoh Copier - ROD. An initial lease liability was recorded in the amount of \$18,772. As of 06/30/2022, the value of the lease liability is \$14,817. County of Harnett, NC is required to make monthly fixed payments of \$343. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2022 of \$18,772 with accumulated amortization of \$4,023 is included with equipment on the lease class activities table found below.

## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

On 07/01/2021, County of Harnett, NC entered into a 52-month lease as lessee for the use of Systel Copiers-Multi Dept. An initial lease liability was recorded in the amount of \$447,754. As of 06/30/2022, the value of the lease liability is \$345,700. County of Harnett, NC is required to make monthly fixed payments of \$8,775. The lease has an interest rate of 0.8930%. The value of the right to use asset as of 06/30/2022 of \$447,754 with accumulated amortization of \$103,328 is included with equipment on the lease class activities table found below.

On 07/01/2021, County of Harnett, NC entered into a 37-month lease as lessee for the use of Lucknow Prob & Parole-Sheriff. An initial lease liability was recorded in the amount of \$147,022. As of 06/30/2022, the value of the lease liability is \$99,582. County of Harnett, NC is required to make monthly fixed payments of \$3,900. The lease has an interest rate of 0.3870%. The value of the right to use asset as of 06/30/2022 of \$147,022 with accumulated amortization of \$47,683 is included with buildings on the lease class activities table found below. County of Harnett, NC has 2 extension option(s), each for 12 months.

On 07/01/2021, County of Harnett, NC entered into a 115-month lease as lessee for the use of American Tower - Radio System. An initial lease liability was recorded in the amount of \$344,037. As of 06/30/2022, the value of the lease liability is \$312,553. County of Harnett, NC is required to make monthly fixed payments of \$2,910. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2022 of \$344,037 with accumulated amortization of \$35,900 is included with infrastructure on the lease class activities table found below. County of Harnett, NC has 1 extension option(s), each for 60 months.

The commitments, stated below, are for a lease that has a commencement date subsequent to the reporting date. On 07/01/2022, County of Harnett, NC entered into a 60-month lease as lessee for the use of Quadient Mailing System-BOELEC. An initial lease liability was recorded in the amount of \$5,849. As of 06/30/2022, the value of the lease liability is \$5,849. County of Harnett, NC is required to make quarterly fixed payments of \$312. The lease has an interest rate of 2.7330%. The value of the right to use asset as of 06/30/2022 of \$5,849 with accumulated amortization of \$0 is included with equipment on the lease class activities table found below.

On 10/01/2021, County of Harnett, NC entered into a 60-month lease as lessee for the use of Anza Mailing System-Health. An initial lease liability was recorded in the amount of \$12,846. As of 06/30/2022, the value of the lease liability is \$10,934. County of Harnett, NC is required to make quarterly fixed payments of \$659. The lease has an interest rate of 1.0900%. The value of the right to use asset as of 06/30/2022 of \$12,846 with accumulated amortization of \$1,927 is included with equipment on the lease class activities table found below.

On 01/04/2022, County of Harnett, NC entered into a 60-month lease as lessee for the use of Quadient Mailing System. An initial lease liability was recorded in the amount of \$7,796. As of 06/30/2022, the value of the lease liability is \$7,016. County of Harnett, NC is required to make quarterly fixed payments of \$403. The lease has an interest rate of 1.4380%. The value of the right to use asset as of 06/30/2022 of \$7,796 with accumulated amortization of \$767 is included with equipment on the lease class activities table found below.

On 01/04/2022, County of Harnett, NC entered into a 60-month lease as lessee for the use of Quadient Mailing System-Tax. An initial lease liability was recorded in the amount of \$11,871.

## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

As of 06/30/2022, the value of the lease liability is \$10,684. County of Harnett, NC is required to make quarterly fixed payments of \$614. The lease has an interest rate of 1.4380%. The value of the right to use asset as of 06/30/2022 of \$11,871 with accumulated amortization of \$1,167 is included with equipment on the lease class activities table found below.

On 02/01/2022, County of Harnett, NC entered into a 60-month lease as lessee for the use of Quadient Mailing System-DSS. An initial lease liability was recorded in the amount of \$14,160. As of 06/30/2022, the value of the lease liability is \$12,744. County of Harnett, NC is required to make quarterly fixed payments of \$736. The lease has an interest rate of 1.6430%. The value of the right to use asset as of 06/30/2022 of \$14,160 with accumulated amortization of \$1,180 is included with equipment on the lease class activities table found below.

On 07/01/2021, County of Harnett, NC entered into a 24-month lease as lessee for the use of NORTHWEST HARNETT FIRE. An initial lease liability was recorded in the amount of \$9,575. As of 06/30/2022, the value of the lease liability is \$4,775. County of Harnett, NC is required to make annual fixed payments of \$4,800. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2022 of \$9,575 with accumulated amortization of \$4,788 is included with buildings on the lease class activities table found below.

On 07/01/2021, County of Harnett, NC entered into a 24-month lease as lessee for the use of Spout Springs EMS Facilities. An initial lease liability was recorded in the amount of \$9,575. As of 06/30/2022, the value of the lease liability is \$4,775. County of Harnett, NC is required to make annual fixed payments of \$4,800. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2022 of \$9,575 with accumulated amortization of \$4,788 is included with buildings on the lease class activities table found below.

On 07/01/2021, County of Harnett, NC entered into a 60-month lease as lessee for the use of Raul Aguirre Berdusco. An initial lease liability was recorded in the amount of \$14,689. As of 06/30/2022, the value of the lease liability is \$11,689. County of Harnett, NC is required to make annual fixed payments of \$3,000. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2022 of \$14,689 with accumulated amortization of \$2,938 is included with land on the lease class activities table found below.

On 07/01/2021, County of Harnett, NC entered into a 24-month lease as lessee for the use of Pitney Bowes Mailing System-Tax. An initial lease liability was recorded in the amount of \$15,795. As of 06/30/2022, the value of the lease liability is \$7,908. County of Harnett, NC is required to make quarterly fixed payments of \$1,983. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2022 of \$15,795 with accumulated amortization of \$7,897 is included with equipment on the lease class activities table found below.

On 07/01/2021, County of Harnett, NC entered into a 60-month lease as lessee for the use of Pitney Bowes Mail Machine-Finance. An initial lease liability was recorded in the amount of \$29,708. As of 06/30/2022, the value of the lease liability is \$26,241. County of Harnett, NC is required to make quarterly fixed payments of \$1,627. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2022 of \$35,557 with accumulated amortization of \$3,603 is included with equipment on the lease class activities table found below.

## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

**Governmental Activities:**

Year Ending June 30	Principal	Interest	Total
2023	\$ 218,704	\$ 7,174	\$ 225,878
2024	212,754	5,432	218,186
2025	168,754	3,730	172,484
2026	80,505	2,376	82,881
2027	41,878	1,787	43,665
2028-2032	178,539	2,945	181,484
Total	\$ 901,134	\$ 23,444	\$ 924,578

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
<b>Installment Purchases -</b>					
<b>Direct Placement:</b>					
Qualified School					
Construction Bonds (Taxable)	November 2012	\$ 29,435,000	4.638%	November 2035	\$ 25,496,833
Red Rock Science Center	June 2018	21,910,705	6.84%	June 2038	15,091,623
Qualified Zone Academy Bonds	May 2016	2,200,000	0.00%	May 2026	880,000
Total		\$ 54,335,205			\$ 41,468,456

## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The County's outstanding installment purchase from direct placement related to the 2012 Qualified School Construction Bonds in the amount of \$25,496,833 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 \$880,000 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.

The County's outstanding installment purchase from direct placement related to the 2018 installment purchase issue in the amount of \$15,091,623 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
<b>General Obligation Bonds:</b>					
Benhaven Elementary School	May 2017	\$ 29,500,000	3.000%	May 2037	\$ 22,125,000
Northwest Harnett Elementary	August 2021	43,000,000	3.000%	August 2041	43,000,000
Erwin Elementary School	July 2020	27,500,000	3.000%	Oct 2040	26,125,000
Total governmental activities		\$ 100,000,000			\$ 91,250,000

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
<b>Limited Obligation Bonds:</b>					
Government Services Complex	Oct 2019	\$ 21,145,000	2.600%	Oct 2039	\$ 19,025,000
Governmental Activities - 2020 LOBS	Sept 2020	51,410,000	2.520%	Dec 2028	37,515,000
Total governmental activities		\$ 72,555,000			\$ 56,540,000



# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

	<b>Business-Type - Limited Obligation Bonds</b>				<b>Amount</b>
	<b>Issue Date</b>	<b>Original Issue</b>	<b>Interest Rate</b>	<b>Final Maturity</b>	<b>Outstanding Business-Type</b>
<b>Limited Obligation Bonds:</b>					
Water and Sewer Fund	Sept 2020	\$ 165,000	2.520%	Dec 2028	\$ 110,000
Solid Waste Fund	Sept 2020	1,500,000	2.520%	Dec 2028	890,000
Total business-type		<u>\$ 1,665,000</u>			<u>\$ 1,000,000</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.

	<b>Enterprise - General Obligation Bonds</b>				<b>Amount</b>
	<b>Issue Date</b>	<b>Original Issue</b>	<b>Interest Rate</b>	<b>Final Maturity</b>	<b>Outstanding Business-Type</b>
<b>General Obligation Bonds:</b>					
South Central Water & Sewer 2013 Series A	January 2013	\$ 3,449,000	3.125%	June 2052	\$ 3,009,000
South Central Water & Sewer 2013 Series B	January 2013	3,937,000	3.125%	June 2052	3,440,000
South Central Water & Sewer 2013 Series C	January 2013	3,239,000	2.50%	June 2052	2,783,000
South Central Water & Sewer 2013 Series D	January 2013	2,586,000	2.50%	June 2052	2,220,000
South Central Refunding Series 2013	April 2013	10,395,000	2.5%-5.00%	June 2043	8,105,000
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	685,000
Northwest Refunding Series 2013	April 2013	1,085,000	2.00%-5.00%	June 2028	345,000
Southwest Refunding Series 2013	April 2013	2,315,000	3.00%-5.00%	June 2028	1,015,000
Southeast Refunding Series 2013	April 2013	1,000,000	2.00%-5.00%	June 2033	585,000
East Central Refunding Series 2013	April 2013	2,765,000	2.00%-5.00%	June 2035	1,795,000
Riverside Refunding Series 2013	April 2013	1,020,000	2.00%-5.00%	June 2041	800,000
Total		<u>\$ 33,276,000</u>			<u>\$ 24,782,000</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, 2022

### 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>
<b>Enterprise System Revenue Bond Loans:</b>					
Series 2020 (Tax Exempt)	Oct 2020	\$ 17,575,000	2.20%	June 2033	\$ 13,520,000
Total business-type activities revenue bond loans		<u>\$ 17,575,000</u>			<u>\$ 13,520,000</u>
<b>Limited Obligation Bonds Enterprise Fund Limited</b>					
Public Utilities Fund Series 2013	April 2013	\$ 20,065,000	2.00%-5.00%	June 2043	\$ 13,330,000
Total business-type activities special obligation bond loans		<u>\$ 20,065,000</u>			<u>\$ 13,330,000</u>

The following is a summary of changes in long-term obligations for the year ended June 30, 2022:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2022</u>	<u>Due in Less Than One Year</u>
<b>Governmental Activities:</b>					
Leases	\$ -	\$ 1,141,316	\$ 240,182	\$ 901,134	\$ 218,704
Installment purchases -					
Direct placement	43,576,296	-	2,107,840	41,468,456	1,838,153
Limited obligation bonds	65,115,000	-	8,575,000	56,540,000	8,480,000
General obligations	51,100,000	43,000,000	2,850,000	91,250,000	5,000,000
Premium	15,872,486	6,300,403	2,217,289	19,955,600	1,995,560
Total debt	<u>175,663,782</u>	<u>50,441,719</u>	<u>15,990,311</u>	<u>210,115,190</u>	<u>17,532,417</u>
Other long-term liabilities:					
Compensated absences	2,645,015	645,785	95,662	3,195,138	2,396,354
Net Law Enforcement Officers'					
Special Separation Allowance	4,440,897	375,020	407,183	4,408,734	-
Net pension (LGERS)	18,548,565	-	10,932,275	7,616,290	-
Net other post-employment benefits	46,421,170	-	7,202,696	39,218,474	-
Total	<u>\$ 247,719,429</u>	<u>\$ 51,462,524</u>	<u>\$ 34,628,127</u>	<u>\$ 264,553,826</u>	<u>\$ 19,928,771</u>

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2022</u>	<u>Due in Less Than One Year</u>
<b>Water and Sewer Fund:</b>					
Limited obligation bonds	\$ 14,335,000	\$ -	\$ 895,000	\$ 13,440,000	\$ 920,000
Premium	3,442,856	-	382,540	3,060,316	382,540
General obligations	11,694,000	-	242,000	11,452,000	249,000
Revenue bonds	<u>15,375,000</u>	<u>-</u>	<u>1,855,000</u>	<u>13,520,000</u>	<u>1,880,000</u>
Total debt	44,846,856	-	3,374,540	41,472,316	3,431,540
Other long-term liabilities:					
Compensated absences	547,513	364,123	105,596	806,040	604,530
Net pension (LGERS)	2,836,839	-	1,671,995	1,164,844	-
Net other post-employment benefits	<u>7,099,708</u>	<u>-</u>	<u>1,101,589</u>	<u>5,998,119</u>	<u>-</u>
Total	<u>\$ 55,330,916</u>	<u>\$ 364,123</u>	<u>\$ 6,253,720</u>	<u>\$ 49,441,319</u>	<u>\$ 4,036,070</u>

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2022</u>	<u>Due in Less Than One Year</u>
<b>Solid Waste Fund:</b>					
Limited obligation bonds	\$ 1,190,000	\$ -	\$ 300,000	\$ 890,000	\$ 305,000
Installment purchases - Direct placement	-	-	-	-	-
Premium	144,320	-	16,036	128,284	16,036
Special obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt	1,334,320	-	316,036	1,018,284	321,036
Other long-term liabilities:					
Accrued landfill closure and post-closure care costs	1,300,089	-	-	1,300,089	-
Compensated absences	59,304	32,984	16,972	75,316	56,487
Net pension (LGERS)	436,438	-	257,230	179,208	-
Net other post-employment benefits	<u>1,092,262</u>	<u>-</u>	<u>169,475</u>	<u>922,787</u>	<u>-</u>
Total	<u>\$ 4,222,413</u>	<u>\$ 32,984</u>	<u>\$ 759,713</u>	<u>\$ 3,495,684</u>	<u>\$ 377,523</u>

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The following is a summary of the future maturities for the long-term obligations as of June 30, 2022:

	<u>Installment Purchases</u>		<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<b>Governmental Activities:</b>						
2023	\$ 1,838,153	\$ 1,424,763	\$ 5,000,000	\$ 1,896,458	\$ -	\$ -
2024	1,852,600	1,425,806	5,000,000	1,652,400	-	-
2025	1,889,280	1,426,866	5,000,000	1,511,656	-	-
2026	2,273,714	1,429,043	5,000,000	1,369,156	-	-
2027	2,308,454	1,430,161	5,000,000	1,226,656	-	-
2028-2032	13,816,315	7,168,262	25,000,000	3,599,031	-	-
2033-2037	16,419,071	5,516,681	25,000,000	2,996,044	-	-
2038-2042	1,070,869	78,625	16,250,000	299,422	-	-
Total governmental activities	<u>41,468,456</u>	<u>19,900,207</u>	<u>91,250,000</u>	<u>14,550,823</u>	<u>-</u>	<u>-</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<b>Business-Type Activities:</b>						
2023	-	-	249,000	-	1,880,000	652,250
2024	-	-	255,000	-	1,930,000	596,600
2025	-	-	263,000	-	1,970,000	521,400
2026	-	-	270,000	-	2,020,000	444,200
2027	-	-	279,000	-	2,100,000	365,400
2028-2032	-	-	1,471,000	-	3,340,000	627,600
2033-2037	-	-	1,692,000	-	280,000	41,600
2038-2042	-	-	1,948,000	-	-	-
2043-2047	-	-	2,241,000	-	-	-
2048-2052	-	-	2,784,000	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>11,452,000</u>	<u>-</u>	<u>13,520,000</u>	<u>3,249,050</u>
Total government	<u>\$ 41,468,456</u>	<u>\$ 19,900,207</u>	<u>\$ 102,702,000</u>	<u>\$ 14,550,823</u>	<u>\$ 13,520,000</u>	<u>\$ 3,249,050</u>

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	Limited Obligation Bonds		Total Debt Due	
	Principal	Interest	Principal	Interest
<b>Governmental Activities:</b>				
2023	\$ 8,480,000	\$ 2,664,075	\$ 15,318,153	\$ 5,985,296
2024	8,420,000	2,360,550	15,272,600	5,438,756
2025	6,615,000	2,017,250	13,504,280	4,955,772
2026	6,140,000	1,705,950	13,413,714	4,504,149
2027	6,135,000	1,414,850	13,443,454	4,071,667
2028-2032	12,310,000	3,420,500	51,126,315	14,187,793
2033-2037	5,275,000	1,418,975	46,694,071	9,931,700
2038-2042	3,165,000	337,600	20,485,869	715,647
Total governmental activities	56,540,000	15,339,750	189,258,456	49,790,780
	Limited Obligation Bonds		Total Debt Due	
	Principal	Interest	Principal	Interest
<b>Business-Type Activities:</b>				
2023	1,225,000	586,725	3,354,000	1,238,975
2024	1,225,000	533,700	3,410,000	1,130,300
2025	1,070,000	483,000	3,303,000	1,004,400
2026	1,045,000	438,950	3,335,000	883,150
2027	1,065,000	394,025	3,444,000	759,425
2028-2032	3,335,000	1,425,850	8,146,000	2,053,450
2033-2037	2,560,000	897,088	4,532,000	938,688
2038-2042	2,485,000	453,125	4,433,000	453,125
2043-2047	320,000	54,375	2,561,000	54,375
2048-2052	-	-	2,784,000	-
Total business-type activities	14,330,000	5,266,838	39,302,000	8,515,888
Total government	\$ 70,870,000	\$ 20,606,588	\$ 228,560,456	\$ 58,306,668

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, 2022, such statutory limit for the County was \$792,142,945 providing a legal debt margin of approximately \$956,876,049.

As of June 30, 2022, 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, 2022, the amount of prior year defeased debt outstanding and removed from the County's liabilities amounted to \$24,082.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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 4% of net revenues. The total principal and interest remaining to be paid on the bonds is \$16,769,050. Principal and interest paid for the current year and total customer revenues were \$2,507,250 and \$49,139,362, 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>\$ 13,520,000</u>
Total	<u>\$ 13,520,000</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, 2022

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, 2022 is as follows:

Operating revenues	\$ 49,139,362
Operations and maintenance expenses	(25,548,563)
Operating income before depreciation & amortization	<u>23,590,799</u>
Less:	
Depreciation and amortization expense	(12,712,327)
Operating income	<u>10,878,472</u>
Non-operating revenues	1,149
Non-operating expenses	(1,262,648)
Net income	<u><u>\$ 9,616,973</u></u>
Determination of income available for debt service	
Net income	\$ 9,616,973
Adjustments:	
Bond interest expense	1,262,648
Bond service expense	<u>2,992,000</u>
Income available for debt service	13,871,621
20% of unrestricted net assets	<u>15,414,320</u>
Income available for debt service plus 20% of unrestricted net assets	<u><u>\$ 29,285,941</u></u>
Debt service requirements and coverage	
Parity debt service:	
Revenue bonds	\$ 2,507,250
Debt service coverage - parity indebtedness	11.681
Revenue bond covenant requirement	1.200
Other indebtedness:	
GO bonds, LOBS	<u>2,023,725</u>
Sum of parity and GO debt service	<u><u>\$ 4,530,975</u></u>
Debt service coverage - sum of parity and system GO indebtedness	6.463
Revenue bond covenant requirement	1.000

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### M. 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](http://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, 2022

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, 2022 was 12.04% of compensation for law enforcement officers and 11.410% 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 \$5,173,532 for the year ended June 30, 2022.

*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, 2022, the County reported a liability of \$8,960,342 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2022, the County's proportion was 0.58427% (measured as of June 30, 2021), which was a decrease of 0.0264% from its proportion as of June 30, 2021 (measured as of June 30, 2020).

## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

For the year ended June 30, 2022, the County recognized pension expense of \$3,637,515. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,850,607	\$ -
Changes of assumptions	5,629,384	-
Net difference between projected and actual earnings on pension plan investments	-	12,801,638
Changes in proportion and differences between County contributions and proportionate share of contributions	1,190	711,159
County contributions subsequent to the measurement date	5,173,532	-
<b>Total</b>	<b>\$ 13,654,713</b>	<b>\$ 13,512,797</b>

\$5,173,532 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, 2023. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2023	\$ 559,422
2024	(546,506)
2025	(1,127,152)
2026	(3,917,380)
2027	-
Thereafter	-
<b>Total</b>	<b>\$ (5,031,616)</b>

**Actuarial Assumptions.** The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 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, 2022

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, 2020 valuation, with the exception of the discount rate, were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Opportunistic fixed income	7.0%	6.0%
Inflation sensitive	<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 as part of a study conducted in 2016, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. 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 3.05%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

**HARNETT COUNTY, NORTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Discount Rate.** The discount rate used to measure the total pension liability was 6.50%. 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 6.50%, 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 (5.50%) or one percentage point higher (7.50%) than the current rate:

	<b>1% Decrease (5.50%)</b>	<b>Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
County's proportionate share of the net pension liability (asset)	\$ 34,783,299	\$ 8,960,342	\$ (12,290,452)

**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, 2022

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	2.06 percent

The discount rate used to measure the total pension liability as of December 31, 2021 (measurement date) was 2.06%. 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, 2021.

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 Governmental Employees' Retirement System for the five-year period ended 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, 2022

*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 \$169,345 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, 2022, the County reported a net pension liability of \$4,408,734. The total pension liability was measured as of December 31, 2021 based on June 30, 2021 actuarial valuation. The net pension liability was rolled forward to December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$564,421.

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 704,266	\$ 16,101
Changes of assumptions	420,100	41,094
Net difference between projected and actual earnings on pension plan investments	-	26,253
County benefit payments and plan administrative expense made subsequent to the measurement date	91,436	-
Total	<u>\$ 1,215,802</u>	<u>\$ 83,448</u>

## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

\$91,436 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, 2023. 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
2023	\$ 209,142
2024	175,539
2025	184,193
2026	132,161
2027	135,716
Thereafter	204,167
Total	<u>\$ 1,040,918</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 2.06%, 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 (1.06%) or one percentage point higher (3.06%) than the current rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Net pension liability	<u>\$ 4,827,880</u>	<u>\$ 4,408,734</u>	<u>\$ 4,021,766</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, 2020	\$ 4,573,476	\$ 132,579	\$ 4,440,897
Service cost	274,892	-	274,892
Interest on the total pension liability	95,163	-	95,163
Differences between expected and actual experience in the measurement of the total pension liability	(18,248)	-	(18,248)
Changes of assumptions or other inputs	23,213	-	23,213
Contributions - employer	-	376,410	(376,410)
Net investment income	-	30,773	(30,773)
Benefit payments	(169,345)	(169,345)	-
Balance as of December 31, 2021	<u>\$ 4,779,151</u>	<u>\$ 370,417</u>	<u>\$ 4,408,734</u>

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

*Changes of Assumptions.* Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 2.12% at December 31, 2020 to 2.06% at December 31, 2021.

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)	\$ 8,960,342	\$ -	\$ (251,852)	\$ 8,708,490
Proportion of the net pension liability (asset)	0.58427%	NA	-1.31084%	-
Net pension liability	-	4,408,734	-	4,408,734
Pension expense	3,637,515	564,421	5,648	4,207,584



## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
<b>Deferred Outflows of Resources:</b>				
Differences between expected and actual experience	\$ 2,850,607	\$ 704,266	\$ 2,687	\$ 3,557,560
Changes of assumptions	5,629,384	420,100	18,365	6,067,849
Changes in proportion and differences between County contributions and proportionate share of contributions	1,190	-	6,923	8,113
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>5,173,532</u>	<u>91,436</u>	<u>16,834</u>	<u>5,281,802</u>
Total	<u>\$ 13,654,713</u>	<u>\$ 1,215,802</u>	<u>\$ 44,809</u>	<u>\$ 14,915,324</u>
<b>Deferred Inflows of Resources:</b>				
Differences between expected and actual experience	\$ -	\$ 16,101	\$ 3,054	\$ 19,155
Changes of assumptions	-	41,094	-	41,094
Net difference between projected and actual earnings on pension plan investments	12,801,638	26,253	773	12,828,664
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>711,159</u>	<u>-</u>	<u>22,691</u>	<u>733,850</u>
Total	<u>\$ 13,512,797</u>	<u>\$ 83,448</u>	<u>\$ 26,518</u>	<u>\$ 13,622,763</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, 2022

**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, 2022 were \$598,371, which consisted of \$383,224 from the County and \$215,147 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, 2022 were \$1,808,403, which consisted of \$770,898 from the County and \$1,037,505 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 Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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](http://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, 2022

**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 \$16,834 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$251,852 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021, the County’s proportion was 1.31084%, which was an increase of 0.090310% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense of \$5,648. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,687	\$ 3,054
Changes of assumptions	18,365	-
Net difference between projected and actual earnings on pension plan investments	-	773
Changes in proportion and differences between County contributions and proportionate share of contributions	6,923	22,691
County contributions subsequent to the measurement date	16,834	-
Total	\$ 44,809	\$ 26,518

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

\$16,834 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, 2023. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2023	\$ (2,468)
2024	(1,358)
2025	(590)
2026	5,873
2027	-
Thereafter	-
Total	<u>\$ 1,457</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 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, 2020 valuation was based on the results of an actuarial experience study as of December 31, 2019.

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 returns 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 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, 2021 is 1.4%.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. 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 3.05%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

**Discount Rate.** The discount rate used to measure the total pension liability was 3.00%. 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 3.00%, 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 (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension asset	\$ (200,047)	\$ (251,852)	\$ (295,385)

**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.

### N. 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

**HARNETT COUNTY, NORTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022 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, 2022

*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 \$1,107,150. 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, 2022:

<b>Asset Class</b>	<b>Anticipated Target Allocation 2022</b>	<b>Anticipated Target Allocation 2021</b>	<b>Long-Term Expected Real Rate of Return 2022</b>	<b>Long-Term Expected Real Rate of Return 2021</b>
Fixed income	46.00%	24.00%	1.60%	1.40%
Global equity	<u>54.00%</u>	<u>76.00%</u>	3.90%	5.30%
	<u>100.00%</u>	<u>100.00%</u>		

*Rate of Return.* For the year ended June 30, 2022, the annual money weighted rate of return on investments, net of investment expense, was -14.27 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, 2022

### Net OPEB Liability

The components of the net OPEB liability of the County at June 30, 2022 were as follows:

Total OPEB liability	\$ 47,072,624
Plan fiduciary net position	<u>933,244</u>
Net OPEB liability	<u>\$ 46,139,380</u>

Plan fiduciary net position as a percentage of the total OPEB liability	1.98%
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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	3.69 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, 2022, 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 Governmental 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, 2022

*Discount Rate.* The discount rate used to measure the total OPEB liability at June 30, 2022 was 3.69 percent, which was a change from the discount rate of 2.16% at June 30, 2021. 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, 2021 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, 2022, 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 (2.69 percent) or 1-percentage-point higher (4.69 percent) than the current discount rate:

	<b>1% Decrease (2.69%)</b>	<b>Discount Rate (3.69%)</b>	<b>1% Increase (4.69%)</b>
Net OPEB liability	\$ 51,827,778	\$ 46,139,380	\$ 41,226,741

*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, 2022, 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:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Net OPEB liability	\$ 41,995,390	\$ 46,139,380	\$ 51,070,427

*Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* At June 30, 2022, the County reported a net OPEB liability of \$46,139,380. 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, 2022 utilizing update procedures incorporating the actuarial assumptions.

## HARNETT COUNTY, NORTH CAROLINA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

At June 30, 2022, the components of the net OPEB liability of the County, measured as of June 30, 2022, were as follows:

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balances at June 30, 2021	\$ 55,470,291	\$ 857,151	\$ 54,613,140
Changes for the year:			
Service cost	2,824,703	-	2,824,703
Interest	1,188,509	-	1,188,509
Differences between expected and actual experience	(462,810)	-	(462,810)
Changes of assumptions	(11,054,614)	-	(11,054,614)
Contributions	-	1,107,150	(1,107,150)
Net investment income	-	(137,602)	137,602
Benefit payments	(893,455)	(893,455)	-
Net changes	(8,397,667)	76,093	(8,473,760)
Balances at June 30, 2022	\$ 47,072,624	\$ 933,244	\$ 46,139,380

*Changes of Assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 2.16 percent in 2021 to 3.69 percent in 2022.

For the year ended June 30, 2022, the County recognized OPEB expense of \$3,574,026. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,026,147	\$ 1,570,416
Changes of assumptions	6,795,757	10,647,666
Net difference between projected and actual earnings on pension plan investments	120,876	-
Total	\$ 7,942,780	\$ 12,218,082

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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
2023	\$ (386,168)
2024	(384,179)
2025	(127,220)
2026	(49,544)
2027	(539,346)
Thereafter	<u>(2,788,845)</u>
Total	<u>\$ (4,275,302)</u>

### O. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (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.

### P. 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, 2022

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, 2022 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 2022. Actual costs may be higher due to inflation, changes in technology, changes in regulations, or changes in landfill capacity.

#### **Q. Commitment and Contingencies**

The County had commitments under uncompleted construction contracts in the governmental and enterprise funds totaling \$21,824,292 at June 30, 2022.

#### **R. 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.

#### **S. Claims and Judgments**

At June 30, 2022, 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.

#### **T. 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, 2022

### U. Interfund Balances and Activities

Transfers in (out) for the year ended June 30, 2022, are summarized below:

From the General Fund to:

The WIA Youth Fund for the County's local contribution	\$ 15,670
The Shawtown Area Community Center Fund for the County's local contribution	117,175
The Jetport Master Plan Fund for the County's local contribution	41,436
The Airfield Lighting Rehabilitation for the County's local contribution	158,275
The Aircraft Apron and Helipad Design for the County's local contribution	477,633
The Jetport Terminal Project for the County's local contribution	5,574
The Former Benhaven Elementary Fund for capital costs	<u>160,496</u>
Total transfers out from the General Fund	<u>976,259</u>

From nonmajor governmental funds to:

The General Fund from the Government Complex South for reimbursable expenditures	53,337
The General Fund from the Article 44*524 Fund to close out fund	3,343,348
The General Fund from the Disaster Response Fund for public safety expenditures	516,316
The General Fund from Automation Enhancement and Preservation fund for eligible expenditures	6,600
The General Fund from Asset Forfeiture fund for public safety expenditures	94,567
The General Fund from Former Boone Trail to close fund	7,605
The General Fund from Greenway Development Master Plan to close fund	6,500
The General Fund from Brightwater Phase II to close fund	30,489
The Johnsonville Elementary Renovations Fund from Benhaven Elementary School for capital	673,958
The Former Benhaven Elementary from Benhaven Elementary School for capital	<u>500,000</u>
Total transfer out from nonmajor governmental funds	<u>5,232,720</u>

Total	<u>\$ 6,208,979</u>
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Interfund balances at June 30, 2022 consist of the following:

Due to the General Fund from:

Nonmajor governmental funds:

WIA Youth Program Fund	\$ 36,900
Jetport terminal	4,607
Public Safety Fund	140,309
Government complex park	68,572
Airfield lighting rehabilitation	69,882
Emergency watershed	919,518
Jetport master plan	<u>1,059</u>

Total due to the General Fund	<u>\$ 1,240,847</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.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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.

### 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, 2022. 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, 2022. 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 \$1,171,076 to the community college for operating purposes during the fiscal year ended June 30, 2022. 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, 2022. 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.

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The County remitted \$689,617 to the Authority during the fiscal year ended June 30, 2022.

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, 2022. 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.

#### 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, 2022.

#### 5. Stewardship, Compliance, and Accountability

##### A. Deficit Fund Balance of Individual Funds

###### Capital Project Funds:

Emergency Watershed	\$	118,138
Government Complex Park		68,572

The County plans to fully fund these projects in the subsequent year. The emergency watershed 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.

#### 6. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocate the funds as follows:

- 15% directly to the state ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund

# HARNETT COUNTY, NORTH CAROLINA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The County received \$244,702 as part of this settlement in fiscal year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2022. The MOA offered the County two options of expending the funds. The County opted for Option B, which allows a wide array of strategies to address the impact of the opioid epidemic.

### **7. Reimbursement for Pandemic-Related Expenditures**

In fiscal year 2020-2021, the American Rescue Plan Act (ARPA) established the coronavirus state and local fiscal recovery funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$26,411,744 of fiscal recovery funds to be paid in two equal installments. The first installment of \$13,205,872 was received in August 2021. The second installment of \$13,205,872 was received in August 2022. County staff and the Board of Commissioners have a plan in place for all funds and will begin to spending the funds on eligible costs in the 2023 fiscal year.

### **8. Change in Accounting Principle**

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.



## **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 SIX FISCAL YEARS

	Law Enforcement Officers' Special Separation Allowance					
	2022	2021	2020	2019	2018	2017
<b>Total Pension Liability:</b>						
Service cost	\$ 274,892	\$ 167,984	\$ 162,303	\$ 162,961	\$ 142,756	\$ 136,917
Interest on the total pension liability	95,163	105,206	100,633	86,560	91,776	83,758
Difference between expected and actual experience	(18,248)	732,965	251,811	37,464	53,115	-
Changes in assumptions or other inputs	23,213	415,679	103,797	(118,173)	201,437	(61,731)
Benefit payments	(169,345)	(151,068)	(160,938)	(125,872)	(129,094)	(125,866)
Net change in total pension liability	205,675	1,270,766	457,606	42,940	359,990	33,078
Total pension liability - beginning	4,573,476	3,302,710	2,845,104	2,802,164	2,442,174	2,409,096
Total pension liability - ending	<u>\$ 4,779,151</u>	<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>
<b>Plan Net Position:</b>						
Contributions - employer	\$ 376,410	\$ 151,068	\$ 160,938	\$ 225,872	\$ -	\$ -
Net investment income	30,773	14,587	17,859	133	-	-
Benefit payments	(169,345)	(151,068)	(160,938)	(125,872)	-	-
Net change in plan net position	237,838	14,587	17,859	100,133	-	-
Plan net position - beginning	132,579	117,992	100,133	-	-	-
Plan net position - ending	<u>\$ 370,417</u>	<u>\$ 132,579</u>	<u>\$ 117,992</u>	<u>\$ 100,133</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net pension liability - ending</b>	<u>\$ 4,408,734</u>	<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.

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 NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST SIX FISCAL YEARS**

	<b>Law Enforcement Officers' Special Separation Allowance</b>					
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 4,779,151	\$ 4,573,476	\$ 3,302,710	\$ 2,845,104	\$ 359,990	\$ 33,078
Plan net position	370,417	132,579	117,992	100,133	-	-
Net pension liability	<u>\$ 4,408,734</u>	<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	7.75%	2.90%	3.57%	3.52%	0.00%	0.00%
Covered payroll	\$ 7,369,562	\$ 7,369,562	\$ 6,861,542	\$ 6,388,148	\$ 6,106,799	\$ 5,599,863
Net pension liability as a percentage of covered payroll	59.82%	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 FOUR FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined employer contribution	\$ 707,486	\$ 678,843	\$ 437,750	\$ 382,129
Actual employer contributions	<u>190,347</u>	<u>358,069</u>	<u>158,954</u>	<u>228,205</u>
Annual contribution deficiency (excess)	<u>\$ 517,139</u>	<u>\$ 320,774</u>	<u>\$ 278,796</u>	<u>\$ 153,924</u>
Covered payroll	\$ 7,369,562	\$ 7,369,562	\$ 6,861,542	\$ 6,388,148
Actual contributions as a percentage of covered payroll	2.58%	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 FIVE FISCAL YEARS**

	<b>Other Post-Employment Benefits</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 2,824,702	\$ 2,268,814	\$ 2,219,756	\$ 1,586,770	\$ 1,784,904
Interest	1,188,510	1,198,788	1,546,413	1,398,120	1,015,623
Differences between expected and actual experience	(462,810)	(1,163,537)	(284,407)	1,971,907	(411,268)
Changes of assumptions or other inputs	(11,054,614)	(491,036)	7,577,536	3,735,612	(2,253,489)
Benefit payments	(893,455)	(1,173,035)	(817,408)	(89,940)	(387,869)
Net change in total OPEB liability	(8,397,667)	639,994	10,241,890	8,602,469	(252,099)
Total OPEB liability - beginning	55,470,291	54,830,297	44,588,407	35,985,938	33,934,132
Total OPEB liability - ending	<u>\$ 47,072,624</u>	<u>\$ 55,470,291</u>	<u>\$ 54,830,297</u>	<u>\$ 44,588,407</u>	<u>\$ 33,682,033</u>
	<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 1,107,150	\$ 1,851,427	\$ 817,408	\$ 189,940	\$ -
Net investment income	(137,602)	61,289	6,035	11,436	-
Benefit payments	(893,455)	(1,173,036)	(817,408)	(89,940)	-
Net change in plan fiduciary net position	76,093	739,680	6,035	111,436	-
Plan fiduciary net position - beginning	857,151	117,471	111,436	-	-
Plan fiduciary net position - ending	<u>\$ 933,244</u>	<u>\$ 857,151</u>	<u>\$ 117,471</u>	<u>\$ 111,436</u>	<u>\$ -</u>
<b>Net OPEB liability - ending</b>	<u>\$ 46,139,380</u>	<u>\$ 54,613,140</u>	<u>\$ 54,712,826</u>	<u>\$ 44,476,971</u>	<u>\$ 33,682,033</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	1.98%	1.55%	0.21%	0.25%	

**HARNETT COUNTY, NORTH CAROLINA**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 5,045,540	\$ 4,904,828	\$ 4,521,445	\$ 4,521,445
Contributions in relation to the actuarially determined contribution	1,107,150	1,851,427	817,408	189,940
Contribution deficiency (excess)	<u>\$ 3,938,390</u>	<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 FOUR FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	5.50%	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 NINE FISCAL YEARS\***

	<b>Local Governmental Employees' Retirement System</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Harnett County's proportion of the net pension liability (asset) (%)	0.58427%	0.61067%	0.63099%	0.63552%	0.62989%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ 8,960,342	\$ 21,821,842	\$ 17,231,846	\$ 15,076,709	\$ 9,622,975
Harnett County's covered payroll	\$ 42,254,273	\$ 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	21.21%	51.78%	41.70%	37.30%	25.21%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	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 NINE FISCAL YEARS\***

	<b>Local Governmental Employees' Retirement System</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
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 NINE FISCAL YEARS**

<b>Local Governmental Employees' Retirement System</b>					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 5,173,532	\$ 4,359,543	\$ 3,838,668	\$ 3,272,702	\$ 3,098,299
Contributions in relation to the contractually required contribution	<u>5,173,532</u>	<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>	<u>\$ -</u>
Harnett County's covered payroll	\$ 44,922,261	\$ 42,254,273	\$ 42,145,553	\$ 41,328,095	\$ 40,417,021
Contributions as a percentage of covered payroll	11.52%	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 NINE FISCAL YEARS**

<b>Local Governmental Employees' Retirement System</b>				
	<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 NINE FISCAL YEARS\***

	<b>Register of Deeds' Supplemental Pension Fund</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Harnett County's proportion of the net pension liability (asset) (%)	1.31084%	1.22053%	1.05699%	1.19995%	1.24961%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ (251,852)	\$ (279,721)	\$ (208,671)	\$ (198,748)	\$ (213,296)
Harnett County's covered payroll	\$ 77,464	\$ 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	-325.12%	-354.08%	-264.14%	-251.58%	-269.99%
Plan fiduciary net position as a percentage of the total pension liability**	156.53%	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 NINE FISCAL YEARS\***

	<b>Register of Deeds' Supplemental Pension Fund</b>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
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 NINE FISCAL YEARS**

<b>Register of Deeds' Supplemental Pension Fund</b>					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 16,834	\$ 15,732	\$ 11,687	\$ 9,726	\$ 10,269
Contributions in relation to the contractually required contribution	<u>16,834</u>	<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>	<u>\$ -</u>
Harnett County's covered payroll	\$ 86,685	\$ 77,464	\$ 79,000	\$ 79,000	\$ 79,000
Contributions as a percentage of covered payroll	19.42%	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 NINE FISCAL YEARS**

<b>Register of Deeds' Supplemental Pension Fund</b>				
	<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.**

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

**The ARPA Fund is used for the restricted funds related to federal funding provided through ARPA. These funds are restricted for their intended purpose under the grant terms.**

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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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Budget	Actual	Variance Over /Under	Actual
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Taxes	\$ 72,333,959	\$ 73,288,284	\$ 954,325	\$ 70,693,176
Penalties and interest	367,371	382,860	15,489	298,034
Total	<u>72,701,330</u>	<u>73,671,144</u>	<u>969,814</u>	<u>70,991,210</u>
<b>Other Taxes and Licenses:</b>				
Local option sales tax	35,179,779	44,617,913	9,438,134	39,711,979
Cable franchise license	170,000	282,908	112,908	177,156
Excise stamp - real property	730,000	1,565,634	835,634	1,012,527
Total	<u>36,079,779</u>	<u>46,466,455</u>	<u>10,386,676</u>	<u>40,901,662</u>
<b>Unrestricted Intergovernmental:</b>				
Controlled substance	14,000	15,078	1,078	43,235
<b>Restricted Intergovernmental:</b>				
Federal and state grants	23,124,867	20,846,605	(2,278,262)	19,447,549
Court facility fees	940,000	237,754	(702,246)	684,324
Total	<u>24,064,867</u>	<u>21,084,359</u>	<u>(2,980,508)</u>	<u>20,131,873</u>
<b>Permits and Fees:</b>				
Filing and registration fees	-	181	181	-
Dog warden fees	76,200	74,116	(2,084)	85,497
Register of Deeds' fees	615,000	684,783	69,783	788,649
Inspection fees	264,000	302,880	38,880	369,478
Other fees	1,600	2,702	1,102	1,600
Total	<u>956,800</u>	<u>1,064,662</u>	<u>107,862</u>	<u>1,245,224</u>
<b>Sales and Services:</b>				
Rents, concessions, and fees	2,783,522	3,588,793	805,271	2,241,043
Court costs and fees	174,000	205,682	31,682	154,571
Jail fees	34,000	28,147	(5,853)	28,893
Ambulance fees	5,140,000	5,963,411	823,411	4,933,295
Library fees	20,000	9,873	(10,127)	5,493
Health fees	852,800	1,686,585	833,785	2,840,098
Total	<u>9,004,322</u>	<u>11,482,491</u>	<u>2,478,169</u>	<u>10,203,393</u>
<b>Investment Earnings</b>	<u>250,000</u>	<u>(40,608)</u>	<u>(290,608)</u>	<u>72,957</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Budget	Actual	Variance Over /Under	Actual
<b>Other General Revenues:</b>				
Sale of assets	17,410	90,988	73,578	124,980
Miscellaneous revenues	4,545,798	5,297,992	752,194	3,658,787
Donations	87,105	128,376	41,271	96,581
Total	4,650,313	5,517,356	867,043	3,880,348
Total revenues	147,721,411	159,260,937	11,539,526	147,469,902
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Body:</b>				
Salaries and employee benefits	1,093,941	1,093,974		940,905
Other operating expenditures	745,566	348,324		531,975
Total	1,839,507	1,442,298	397,209	1,472,880
<b>Administration:</b>				
Salaries and employee benefits	840,834	790,614		694,952
Other operating expenditures	301,661	134,096		110,583
Total	1,142,495	924,710	217,785	805,535
<b>Legal Services:</b>				
Salaries and employee benefits	145,886	142,629		121,897
Other operating expenditures	35,404	26,086		27,956
Total	181,290	168,715	12,575	149,853
<b>Human Resources:</b>				
Salaries and employee benefits	363,278	338,595		331,936
Other operating expenditures	351,811	329,167		60,187
Total	715,089	667,762	47,327	392,123
<b>Board of Elections:</b>				
Salaries and employee benefits	483,329	395,369		398,557
Other operating expenditures	128,638	91,617		333,861
Capital outlay	131	131		-
Total	612,098	487,117	124,981	732,418
<b>Finance:</b>				
Salaries and employee benefits	971,551	935,714		787,039
Other operating expenditures	317,333	221,039		229,480
Total	1,288,884	1,156,753	132,131	1,016,519

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over /Under	2021
	Budget	Actual		Actual
<b>IT:</b>				
Salaries and employee benefits	1,383,591	1,367,547		1,247,313
Other operating expenditures	2,673,878	2,469,748		2,563,981
Capital outlay	246,000	236,154		696,592
Total	4,303,469	4,073,449	230,020	4,507,886
<b>Tax:</b>				
Salaries and employee benefits	1,855,875	1,281,466		1,330,678
Other operating expenditures	1,338,551	1,213,142		1,013,029
Total	3,194,426	2,494,608	699,818	2,343,707
<b>Register of Deeds:</b>				
Salaries and employee benefits	603,402	601,548		605,670
Other operating expenditures	161,589	131,456		125,676
Total	764,991	733,004	31,987	731,346
<b>Public Buildings:</b>				
Salaries and employee benefits	731,977	710,077		655,886
Other operating expenditures	2,403,260	2,363,242		2,621,867
Total	3,135,237	3,073,319	61,918	3,277,753
<b>General Services:</b>				
Salaries and employee benefits	190,992	185,449		173,381
Other operating expenditures	5,123	4,982		9,053
Total	196,115	190,431	5,684	182,434
<b>Transportation:</b>				
Salaries and employee benefits	1,820,059	1,242,691		1,018,070
Other operating expenditures	1,534,808	1,317,705		530,928
Capital outlay	278,272	277,642		158,047
Total	3,633,139	2,838,038	795,101	1,707,045
<b>GIS:</b>				
Salaries and employee benefits	678,887	622,790		569,348
Other operating expenditures	44,151	32,237		27,764
Total	723,038	655,027	68,011	597,112
Total general government	21,729,778	18,905,231	2,824,547	17,916,611

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over /Under	2021
	Budget	Actual		Actual
<b>Public Safety:</b>				
<b>Sheriff:</b>				
Salaries and employee benefits	12,914,634	12,358,527		11,374,206
Other operating expenditures	2,351,135	2,066,364		1,968,433
Capital outlay	464,866	194,890		825,037
Total	15,730,635	14,619,781	1,110,854	14,167,676
<b>Campbell Campus Deputies:</b>				
Salaries and employee benefits	511,314	480,769		441,893
Other operating expenditures	29,110	25,019		20,288
Total	540,424	505,788	34,636	462,181
<b>Communications:</b>				
Salaries and employee benefits	1,822,027	1,566,627		1,499,743
Other operating expenditures	216,612	187,608		178,792
Total	2,038,639	1,754,235	284,404	1,678,535
<b>Jail:</b>				
Salaries and employee benefits	4,176,533	3,647,699		3,778,564
Other operating expenditures	2,614,652	2,587,508		1,919,034
Total	6,791,185	6,235,207	555,978	5,697,598
<b>Child Support Enforcement:</b>				
Salaries and employee benefits	87,776	81,355		66,883
Other operating expenditures	4,475	3,671		2,500
Total	92,251	85,026	7,225	69,383
<b>Emergency Services:</b>				
Salaries and employee benefits	834,893	836,148		742,064
Other operating expenditures	206,988	188,421		175,300
Total	1,072,232	1,024,569	47,663	917,364
<b>Emergency Medical Services:</b>				
Salaries and employee benefits	7,904,728	7,576,495		6,900,349
Other operating expenditures	1,495,795	1,006,217		1,357,783
Capital outlay	6,947,383	1,472,618		134,166
Total	16,347,906	10,055,330	6,292,576	8,392,298



HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Budget	Actual	Variance Over /Under	Actual
<b>Rescue Districts:</b>				
Other operating expenditures	3,783,630	3,749,400	34,230	3,673,427
<b>Medical Examiner:</b>				
Other operating expenditures	488,580	117,701	370,879	88,680
<b>Emergency Services Grant:</b>				
Other operating expenditures	109,718	81,595		206,851
Total	109,718	81,595	28,123	206,851
<b>Animal Control:</b>				
Salaries and employee benefits	550,835	445,273		433,984
Other operating expenditures	178,043	113,889		124,131
Total	728,878	559,162	169,716	558,115
Total public safety	47,724,078	38,787,794	8,936,284	35,912,108
<b>Transportation Administration:</b>				
Airport:				
Other operating expenditures	606,006	261,357	344,649	706,269
<b>Transportation:</b>				
Airport:				
Other operating expenditures	-	-	-	205,204
Total transportation	606,006	261,357	344,649	911,473
<b>Environmental Protection:</b>				
<b>Soil and Water:</b>				
Salaries and employee benefits	238,554	236,773		210,525
Other operating expenditures	22,824	18,027		8,423
Total	261,378	254,800	6,578	218,948
<b>Environmental Protection Allocation:</b>				
Salaries and employee benefits				
Other operating expenditures	12,000	11,000		6,000
Total	12,000	11,000	1,000	6,000
Total environmental protection	273,378	265,800	7,578	224,948

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over /Under	2021
	Budget	Actual		Actual
<b>Economic and Physical Development:</b>				
<b>Economic Development:</b>				
Salaries and employee benefits	2,087,035	1,914,566		1,633,431
Other operating expenditures	1,015,766	823,807		688,032
Total	3,102,801	2,738,373	364,428	2,321,463
<b>Cooperative Extension:</b>				
Salaries and employee benefits	490,120	489,871		387,641
Other operating expenditures	68,129	30,641		20,742
Capital outlay	3,990	3,990		7,152
Total	562,239	524,502	37,737	415,535
<b>Forestry Program:</b>				
Operating expenditures	130,722	126,845	3,877	135,321
Total economic and physical development	3,795,762	3,389,720	406,042	2,872,319
<b>Human Services:</b>				
<b>Health:</b>				
Salaries and employee benefits	6,352,436	5,797,511		5,482,061
Other operating expenditures	4,744,747	1,909,510		1,775,486
Total	11,157,607	7,744,402	3,413,205	7,257,547
<b>Social Services:</b>				
Salaries and employee benefits	14,496,754	13,256,847		12,399,477
Other operating expenditures	1,485,898	1,312,878		888,331
Total	16,163,786	14,750,859	1,412,927	13,287,808
<b>Restitution:</b>				
Salaries and employee benefits	76,033	74,461		69,106
Operating expenditures	12,673	10,584		10,062
Total	88,706	85,045	3,661	79,168
<b>Veterans Services:</b>				
Salaries and employee benefits	301,396	290,938		260,317
Other operating expenditures	29,797	16,445		13,611
Total	331,193	307,383	23,810	273,928
<b>Mental Health:</b>				
Other operating expenditures	605,679	605,679		605,679
Total	605,679	605,679	-	605,679

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over /Under	2021
	Budget	Actual		Actual
<b>Public Assistance:</b>				
TANF	1,000	703		305
Aid to the aged and blind	717,000	550,578		608,394
Medicaid	7,000	417		4,146
Aid to the blind	-	-		5,228
County assistance	13,575	9,574		13,810
Crisis intervention	543,200	446,377		523,669
Adoption Assistance - IV-B	99,140	93,529		71,113
Adoption IV-B vendor	8,300	2,400		3,541
Adoption IV-E vendor	9,860	9,860		9,662
Adoption assistance -IV- E	170,000	98,789		116,994
Foster care - other	3,300	2,237		1,909
Title IV-E - foster care	836,000	819,272		663,535
Foster care county payments	38,500	10,935		37,959
State foster home care	554,000	555,476		611,771
Special services - foster care	183,500	176,238		4,186
Vendor transportation	70,000	41,833		50,857
Day care	798	472		-
All county clothing allowance	15,000	14,950		14,525
Professional services	2,400	500		3,757
WorkFirst - emergency cash	26,000	6,001		5,841
Contracted services	66,458	39,953		40,130
Child support enforcement	62,797	42,751		42,690
LIEAP	702,446	700,760		398,997
Donations	12,693	10,427		5,629
Food stamp issuance	42,000	22,014		22,845
Special needs adoption	3,000	4,120		2,248
Total	<u>4,187,967</u>	<u>3,660,166</u>	<u>527,801</u>	<u>3,263,741</u>
Total human services	<u>32,534,938</u>	<u>27,153,534</u>	<u>5,381,404</u>	<u>24,767,871</u>
<b>Cultural and Recreation:</b>				
<b>Parks and Recreation:</b>				
Salaries and employee benefits	925,604	827,758		710,454
Other operating expenditures	779,483	598,366		630,116
Capital outlay	25,000	10,963		122,837
Total	<u>1,730,087</u>	<u>1,437,087</u>	<u>293,000</u>	<u>1,463,407</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Budget	Actual	Variance Over /Under	Actual
<b>Libraries:</b>				
Salaries and benefits	1,309,580	1,193,357		968,178
Other operating expenditures	428,424	371,669		291,836
Capital outlay	-	-		99,872
Total	1,738,004	1,565,026	172,978	1,359,886
<b>Culture and Recreation Appropriations:</b>				
Other operating expenditures	150,000	150,000	-	150,000
Total cultural and recreation	3,618,091	3,152,113	465,978	2,973,293
<b>Education:</b>				
CCCC campus	1,760,077	1,502,947		1,359,842
CCCC campus capital outlay	75,000	-		-
Public schools - current expenses	25,532,777	25,532,777		24,680,603
Public schools - capital outlay	4,262,177	3,687,463		767,294
Total education	31,630,031	30,723,187	906,844	26,807,739
<b>Debt Service:</b>				
Principal retirement	13,773,052	13,773,022		10,640,825
Interest and fees	6,411,727	6,411,526		3,451,713
Bond issuance costs	-	-		450,583
Advance refunding escrow	-	-		1,971,040
Total debt service	20,184,779	20,184,548	231	16,514,161
Total expenditures	162,096,841	142,823,284	19,273,557	128,900,523
Revenues over (under) expenditures	(14,375,430)	16,437,653	30,813,083	18,569,379
<b>Other Financing Sources (Uses):</b>				
Transfer out	(18,324,061)	(976,259)	17,347,802	(3,504,671)
Transfer in	22,528,796	4,058,762	(18,470,034)	2,228,803
Long-term debt issued	350,000	231,966	(118,034)	51,410,000
Lease liability issued	-	1,141,316	1,141,316	-
Bond premium	-	-	-	7,124,840
Payment from escrow agent	-	-	-	(60,054,491)
Appropriated fund balance	9,820,695	-	(9,820,695)	-
Total other financing sources (uses)	14,375,430	4,455,785	(9,919,645)	(2,795,519)

**HARNETT COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over /Under</u>	<u>Actual</u>
Net change in fund balance	\$ <u>-</u>	20,893,438	\$ <u>20,893,438</u>	15,773,860
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>82,303,027</u>		<u>66,529,167</u>
End of year - June 30		<u>\$ 103,196,465</u>		<u>\$ 82,303,027</u>

## HARNETT COUNTY, NORTH CAROLINA

**MAJOR CAPITAL PROJECT FUND - NORTHWEST HARNETT ELEMENTARY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	<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>	
<b>Revenues:</b>					
Investment earnings	\$ -	\$ -	\$ 19,135	\$ 19,135	\$ 19,135
<b>Expenditures:</b>					
Education:					
Legal and administrative	2,198,393	1,432,500	322,420	1,754,920	443,473
Capital outlay	1,231,900	731,680	-	731,680	500,220
Construction	30,940,197	140,000	16,888,943	17,028,943	13,911,254
Contingency	1,149,337	-	-	-	1,149,337
Debt issue costs	282,517	-	282,517	282,517	-
Total expenditures	<u>35,802,344</u>	<u>2,304,180</u>	<u>17,493,880</u>	<u>19,798,060</u>	<u>16,004,284</u>
Revenues over (under) expenditures	<u>(35,802,344)</u>	<u>(2,304,180)</u>	<u>(17,474,745)</u>	<u>(19,778,925)</u>	<u>16,023,419</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	731,680	731,900	-	731,900	220
Bond proceeds	<u>35,070,664</u>	<u>-</u>	<u>35,070,664</u>	<u>35,070,664</u>	<u>-</u>
Total other financing sources (uses)	<u>35,802,344</u>	<u>731,900</u>	<u>35,070,664</u>	<u>35,802,564</u>	<u>220</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,572,280)</u>	17,595,919	<u>\$ 16,023,639</u>	<u>\$ 16,023,639</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>(1,572,280)</u>		
End of year - June 30			<u>\$ 16,023,639</u>		

## HARNETT COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2022

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
<b>Assets:</b>			
Cash and investments	\$ 4,496,960	\$ 6,643,585	\$ 11,140,545
Taxes receivable, net	71,584	-	71,584
Accounts receivable, net	1,131,133	1,172,936	2,304,069
Cash and cash equivalents, restricted	244,728	17,606,594	17,851,322
Total assets	<u>\$ 5,944,405</u>	<u>\$ 25,423,115</u>	<u>\$ 31,367,520</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 1,020,657	\$ 1,169,093	\$ 2,189,750
Accounts payable from restricted assets	-	732,470	732,470
Due to other funds	177,209	1,063,638	1,240,847
Unearned grant revenue	244,702	61,664	306,366
Total liabilities	<u>1,442,568</u>	<u>3,026,865</u>	<u>4,469,433</u>
<b>Deferred Inflows of Resources:</b>			
Property tax receivable	71,584	-	71,584
<b>Fund Balances:</b>			
Restricted for stabilization by state statute	1,131,133	1,172,936	2,304,069
Restricted for Register of Deeds	184,670	-	184,670
Restricted for general government	14,398	463,520	477,918
Restricted for education	-	17,073,872	17,073,872
Restricted for public safety	3,477,381	-	3,477,381
Restricted for health and human services	219,569	-	219,569
Committed for general government	-	233,341	233,341
Committed for economic development	-	909,617	909,617
Committed for culture and recreation	-	168,552	168,552
Committed for education	-	4,304,198	4,304,198
Assigned	48,780	-	48,780
Unassigned	(645,678)	(1,929,786)	(2,575,464)
Total fund balances	<u>4,430,253</u>	<u>22,396,250</u>	<u>26,826,503</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,944,405</u>	<u>\$ 25,423,115</u>	<u>\$ 31,367,520</u>

## HARNETT COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Nonmajor</b>		
	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 11,891,345	\$ -	\$ 11,891,345
Restricted intergovernmental	1,430,573	2,641,631	4,072,204
Permits and fees	1,327,224	-	1,327,224
Sales and services	314,891	-	314,891
Investment earnings	26	147,226	147,252
Total revenues	<u>14,964,059</u>	<u>2,788,857</u>	<u>17,752,916</u>
<b>Expenditures:</b>			
Current:			
General government	844,783	1,791,241	2,636,024
Public safety	13,239,963	341,225	13,581,188
Economic and physical development	-	1,826,116	1,826,116
Human services	56,900	-	56,900
Education	239,891	13,748,140	13,988,031
Total expenditures	<u>14,381,537</u>	<u>17,706,722</u>	<u>32,088,259</u>
Revenues over (under) expenditures	<u>582,522</u>	<u>(14,917,865)</u>	<u>(14,335,343)</u>
<b>Other Financing Sources (Uses):</b>			
Long-term debt issued	-	7,697,370	7,697,370
Premium issued	-	6,300,403	6,300,403
Transfers in	15,670	2,134,547	2,150,217
Transfers (out)	<u>(3,960,831)</u>	<u>(1,271,889)</u>	<u>(5,232,720)</u>
Total other financing sources (uses)	<u>(3,945,161)</u>	<u>14,860,431</u>	<u>10,915,270</u>
Net change in fund balances	(3,362,639)	(57,434)	(3,420,073)
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>7,792,892</u>	<u>22,453,684</u>	<u>30,246,576</u>
End of year - June 30	<u>\$ 4,430,253</u>	<u>\$ 22,396,250</u>	<u>\$ 26,826,503</u>



## 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.

**Opioid Settlement Fund** – accounts for the expenditures and revenues for opioid funds received.

**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, 2022

	<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>
<b>Assets:</b>						
Cash and investments	\$ -	\$ -	\$ 350,396	\$ 40,140	\$ 955,467	\$ 923,875
Taxes receivable, net	-	-	71,584	-	-	-
Accounts receivable, net	-	-	730,722	-	90,431	6,397
Restricted cash	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,152,702</u>	<u>\$ 40,140</u>	<u>\$ 1,045,898</u>	<u>\$ 930,272</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ 853,486	\$ 2,570	\$ -	\$ 4,027
Due to other funds	-	-	-	-	-	-
Unearned grant revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>853,486</u>	<u>2,570</u>	<u>-</u>	<u>4,027</u>
<b>Deferred Inflows of Resources:</b>						
Property tax receivable	-	-	71,584	-	-	-
<b>Fund Balances:</b>						
Restricted for stabilization						
by state statute	-	-	730,722	-	90,431	6,397
Restricted for Register of Deeds	-	-	-	-	-	-
Restricted for general government	-	-	-	-	-	-
Restricted for public safety	-	-	-	-	955,467	919,848
Restricted for human services	-	-	-	-	-	-
Assigned	-	-	-	37,570	-	-
Unassigned	-	-	(503,090)	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>227,632</u>	<u>37,570</u>	<u>1,045,898</u>	<u>926,245</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,152,702</u>	<u>\$ 40,140</u>	<u>\$ 1,045,898</u>	<u>\$ 930,272</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2022

	<u>Automation Enhancement and Preservation Fund</u>	<u>Emergency Response Planning Fund</u>	<u>Opioid Settlement Fund</u>	<u>Fines and Forfeitures Fund</u>	<u>Representative Payee Fund</u>	<u>Public Safety Fund</u>
<b>Assets:</b>						
Cash and investments	\$ 184,670	\$ 13,818	\$ -	\$ -	\$ 139,754	\$ 98,005
Taxes receivable, net	-	-	-	-	-	-
Accounts receivable, net	-	30	-	16,471	-	57,090
Restricted cash	-	-	244,728	-	-	-
Total assets	<u>\$ 184,670</u>	<u>\$ 13,848</u>	<u>\$ 244,728</u>	<u>\$ 16,471</u>	<u>\$ 139,754</u>	<u>\$ 155,095</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 2,608	\$ -	\$ 16,308	\$ 24,404	\$ 294
Due to other funds	-	-	-	-	-	140,309
Unearned grant revenue	-	-	244,702	-	-	-
Total liabilities	<u>-</u>	<u>2,608</u>	<u>244,702</u>	<u>16,308</u>	<u>24,404</u>	<u>140,603</u>
<b>Deferred Inflows of Resources:</b>						
Property tax receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>						
Restricted for stabilization by state statute	-	30	-	16,471	-	57,090
Restricted for Register of Deeds	184,670	-	-	-	-	-
Restricted for general government	-	-	-	-	-	-
Restricted for public safety	-	-	26	-	-	-
Restricted for human services	-	-	-	-	115,350	-
Assigned	-	11,210	-	-	-	-
Unassigned	-	-	-	(16,308)	-	(42,598)
Total fund balances	<u>184,670</u>	<u>11,240</u>	<u>26</u>	<u>163</u>	<u>115,350</u>	<u>14,492</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 184,670</u>	<u>\$ 13,848</u>	<u>\$ 244,728</u>	<u>\$ 16,471</u>	<u>\$ 139,754</u>	<u>\$ 155,095</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2022

	WIA Youth Program Fund	Veterans Court Fund	Asset Forfeiture Fund	Sheriff Execution Fund	Wings Over Harnett Fund	Electronics Management Fund	Total
<b>Assets:</b>							
Cash and investments	\$ -	\$ 127,851	\$ 1,619,983	\$ 28,603	\$ 5,982	\$ 8,416	\$ 4,496,960
Taxes receivable, net	-	-	-	-	-	-	71,584
Accounts receivable, net	108,403	100,423	21,166	-	-	-	1,131,133
Restricted cash	-	-	-	-	-	-	244,728
Total assets	<u>\$ 108,403</u>	<u>\$ 228,274</u>	<u>\$ 1,641,149</u>	<u>\$ 28,603</u>	<u>\$ 5,982</u>	<u>\$ 8,416</u>	<u>\$ 5,944,405</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 46,782	\$ 23,632	\$ 46,410	\$ 136	\$ -	\$ -	\$ 1,020,657
Due to other funds	36,900	-	-	-	-	-	177,209
Unearned grant revenue	-	-	-	-	-	-	244,702
Total liabilities	<u>83,682</u>	<u>23,632</u>	<u>46,410</u>	<u>136</u>	<u>-</u>	<u>-</u>	<u>1,442,568</u>
<b>Deferred Inflows of Resources:</b>							
Property tax receivable	-	-	-	-	-	-	71,584
<b>Fund Balances:</b>							
Restricted for stabilization by state statute	108,403	100,423	21,166	-	-	-	1,131,133
Restricted for Register of Deeds	-	-	-	-	-	-	184,670
Restricted for general government	-	-	-	-	5,982	8,416	14,398
Restricted for public safety	-	-	1,573,573	28,467	-	-	3,477,381
Restricted for human services	-	104,219	-	-	-	-	219,569
Assigned	-	-	-	-	-	-	48,780
Unassigned	(83,682)	-	-	-	-	-	(645,678)
Total fund balances	<u>24,721</u>	<u>204,642</u>	<u>1,594,739</u>	<u>28,467</u>	<u>5,982</u>	<u>8,416</u>	<u>4,430,253</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 108,403</u>	<u>\$ 228,274</u>	<u>\$ 1,641,149</u>	<u>\$ 28,603</u>	<u>\$ 5,982</u>	<u>\$ 8,416</u>	<u>\$ 5,944,405</u>

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HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022

	<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>
<b>Revenues:</b>						
Ad valorem taxes	\$ -	\$ -	\$ 11,891,345	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-	-	-	-
Permits and fees	-	-	-	(45)	866,878	373,283
Sales and services	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>11,891,345</u>	<u>(45)</u>	<u>866,878</u>	<u>373,283</u>
<b>Expenditures:</b>						
General government	-	-	-	-	-	-
Public safety	-	-	11,812,159	-	407,989	168,384
Health and human services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>11,812,159</u>	<u>-</u>	<u>407,989</u>	<u>168,384</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>79,186</u>	<u>(45)</u>	<u>458,889</u>	<u>204,899</u>
<b>Other Financing Sources (Uses):</b>						
Transfers (out)	(516,316)	(3,343,348)	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	<u>(516,316)</u>	<u>(3,343,348)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(516,316)	(3,343,348)	79,186	(45)	458,889	204,899
<b>Fund Balances:</b>						
Beginning of year - July 1	<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>
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,632</u>	<u>\$ 37,570</u>	<u>\$ 1,045,898</u>	<u>\$ 926,245</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, 2022

	<b>Automation Enhancement and Preservation Fund</b>	<b>Emergency Response Planning Fund</b>	<b>Opioid Settlement Fund</b>	<b>Fines and Forfeitures Fund</b>	<b>Representative Payee Fund</b>	<b>Public Safety Fund</b>
<b>Revenues:</b>						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-	-	56,900	204,132
Permits and fees	87,108	-	-	-	-	-
Sales and services	-	75,000	-	239,891	-	-
Investment earnings	-	-	26	-	-	-
Total revenues	<u>87,108</u>	<u>75,000</u>	<u>26</u>	<u>239,891</u>	<u>56,900</u>	<u>204,132</u>
<b>Expenditures:</b>						
General government	2,862	-	-	-	-	-
Public safety	-	102,567	-	-	-	204,014
Health and human services	-	-	-	-	56,900	-
Education	-	-	-	239,891	-	-
Total expenditures	<u>2,862</u>	<u>102,567</u>	<u>-</u>	<u>239,891</u>	<u>56,900</u>	<u>204,014</u>
Revenues over (under) expenditures	<u>84,246</u>	<u>(27,567)</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>118</u>
<b>Other Financing Sources (Uses):</b>						
Transfers (out)	(6,600)	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	<u>(6,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	77,646	(27,567)	26	-	-	118
<b>Fund Balances:</b>						
Beginning of year - July 1	<u>107,024</u>	<u>38,807</u>	<u>-</u>	<u>163</u>	<u>115,350</u>	<u>14,374</u>
End of year - June 30	<u>\$ 184,670</u>	<u>\$ 11,240</u>	<u>\$ 26</u>	<u>\$ 163</u>	<u>\$ 115,350</u>	<u>\$ 14,492</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, 2022

	<b>WIA Youth Program Fund</b>	<b>Veterans Court Fund</b>	<b>Asset Forfeiture Fund</b>	<b>Sheriff Execution Fund</b>	<b>Wings Over Harnett Fund</b>	<b>Electronics Management Fund</b>	<b>Total</b>
<b>Revenues:</b>							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,891,345
Restricted intergovernmental	539,294	475,523	2,775	151,949	-	-	1,430,573
Permits and fees	-	-	-	-	-	-	1,327,224
Sales and services	-	-	-	-	-	-	314,891
Investment earnings	-	-	-	-	-	-	26
Total revenues	<u>539,294</u>	<u>475,523</u>	<u>2,775</u>	<u>151,949</u>	<u>-</u>	<u>-</u>	<u>14,964,059</u>
<b>Expenditures:</b>							
General government	555,459	286,462	-	-	-	-	844,783
Public safety	-	-	392,901	151,949	-	-	13,239,963
Health and human services	-	-	-	-	-	-	56,900
Education	-	-	-	-	-	-	239,891
Total expenditures	<u>555,459</u>	<u>286,462</u>	<u>392,901</u>	<u>151,949</u>	<u>-</u>	<u>-</u>	<u>14,381,537</u>
Revenues over (under) expenditures	<u>(16,165)</u>	<u>189,061</u>	<u>(390,126)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582,522</u>
<b>Other Financing Sources (Uses):</b>							
Transfers (out)	-	-	(94,567)	-	-	-	(3,960,831)
Transfers in	<u>15,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,670</u>
Total other financing sources (uses)	<u>15,670</u>	<u>-</u>	<u>(94,567)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,945,161)</u>
Net change in fund balances	(495)	189,061	(484,693)	-	-	-	(3,362,639)
<b>Fund Balances:</b>							
Beginning of year - July 1	<u>25,216</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>
End of year - June 30	<u>\$ 24,721</u>	<u>\$ 204,642</u>	<u>\$ 1,594,739</u>	<u>\$ 28,467</u>	<u>\$ 5,982</u>	<u>\$ 8,416</u>	<u>\$ 4,430,253</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, 2022

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

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 1,749,566
Total revenues	-	-	-	1,749,566
<b>Expenditures:</b>				
Public safety:				
Operating expenditures	-	-	-	956,910
Total expenditures	-	-	-	956,910
Revenues over (under) expenditures	-	-	-	792,656
<b>Other Financing Sources (Uses):</b>				
Transfer in (out)	(516,322)	(516,316)	6	(2,000,000)
Appropriated fund balance	516,322	-	(516,322)	-
Total other financing sources (uses)	-	(516,316)	(516,316)	(2,000,000)
Net change in fund balance	\$ -	(516,316)	\$ (516,316)	(1,207,344)
<b>Fund Balance:</b>				
Beginning of year - July 1		516,316		1,723,660
End of year - June 30		\$ -		\$ 516,316

## 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, 2022

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

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Other Financing Sources (Uses):</b>				
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>(3,343,348)</u>	<u>(3,343,348)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,343,348)</u>	<u>\$ (3,343,348)</u>	<u>-</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>3,343,348</u>		<u>3,343,348</u>
End of year - June 30		<u>\$ -</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, 2022

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

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem taxes	\$ 13,015,645	\$ 11,891,345	\$ (1,124,300)	\$ 9,108,003
Other taxes and licenses	-	-	-	1,860,530
Total revenues	<u>13,015,645</u>	<u>11,891,345</u>	<u>(1,124,300)</u>	<u>10,968,533</u>
<b>Expenditures:</b>				
Public safety	13,015,645	11,812,159	1,203,486	10,656,665
Education	-	-	-	313,068
Total expenditures	<u>13,015,645</u>	<u>11,812,159</u>	<u>1,203,486</u>	<u>10,969,733</u>
Net change in fund balance	<u>\$ -</u>	79,186	<u>\$ 79,186</u>	(1,200)
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>148,446</u>		<u>149,646</u>
End of year - June 30		<u>\$ 227,632</u>		<u>\$ 148,446</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, 2022

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

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Permits and fees	\$ 250,000	\$ (45)	\$ (250,045)	\$ -
Total revenues	<u>250,000</u>	<u>(45)</u>	<u>(250,045)</u>	<u>-</u>
<b>Expenditures:</b>				
Public safety:				
Other expenditures	250,000	-	250,000	-
Total expenditures	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	(45)	<u>\$ (45)</u>	-
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>37,615</u>		<u>37,615</u>
End of year - June 30		<u>\$ 37,570</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Permits and fees	\$ 867,816	\$ 866,878	\$ (938)	\$ 893,534
Total revenues	<u>867,816</u>	<u>866,878</u>	<u>(938)</u>	<u>893,534</u>
<b>Expenditures:</b>				
Public safety:				
Operating expenditures	<u>901,894</u>	<u>407,989</u>	<u>493,905</u>	<u>796,742</u>
Total expenditures	<u>901,894</u>	<u>407,989</u>	<u>493,905</u>	<u>796,742</u>
Revenues over (under) expenditures	<u>(34,078)</u>	<u>458,889</u>	<u>492,967</u>	<u>96,792</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>34,078</u>	<u>-</u>	<u>(34,078)</u>	<u>-</u>
Total other financing sources (uses)	<u>34,078</u>	<u>-</u>	<u>(34,078)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>458,889</u>	<u>\$ 458,889</u>	<u>96,792</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>587,009</u>		<u>490,217</u>
End of year - June 30		<u>\$ 1,045,898</u>		<u>\$ 587,009</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, 2022**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Permits and fees	\$ 365,700	\$ 373,283	\$ 7,583	\$ 376,853
Total revenues	<u>365,700</u>	<u>373,283</u>	<u>7,583</u>	<u>376,853</u>
<b>Expenditures:</b>				
Public safety:				
Operating expenditures	<u>365,700</u>	<u>168,384</u>	<u>197,316</u>	<u>197,155</u>
Total expenditures	<u>365,700</u>	<u>168,384</u>	<u>197,316</u>	<u>197,155</u>
Net change in fund balance	<u>\$ -</u>	204,899	<u>\$ 204,899</u>	179,698
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>721,346</u>		<u>541,648</u>
End of year - June 30		<u>\$ 926,245</u>		<u>\$ 721,346</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Permits and fees	\$ 65,000	\$ 87,108	\$ 22,108	\$ 74,530
Total revenues	<u>65,000</u>	<u>87,108</u>	<u>22,108</u>	<u>74,530</u>
<b>Expenditures:</b>				
General government:				
Operating expenditures	<u>151,500</u>	<u>2,862</u>	<u>148,638</u>	<u>40,877</u>
Total expenditures	<u>151,500</u>	<u>2,862</u>	<u>148,638</u>	<u>40,877</u>
Revenues over (under) expenditures	<u>(86,500)</u>	<u>84,246</u>	<u>170,746</u>	<u>33,653</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	(6,600)	(6,600)	-	-
Appropriated fund balance	<u>93,100</u>	<u>-</u>	<u>(93,100)</u>	<u>-</u>
Total other financing sources (uses)	<u>86,500</u>	<u>(6,600)</u>	<u>(93,100)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>77,646</u>	<u>\$ 77,646</u>	<u>33,653</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>107,024</u>		<u>73,371</u>
End of year - June 30		<u>\$ 184,670</u>		<u>\$ 107,024</u>

## HARNETT COUNTY, NORTH CAROLINA

## OPIOID SETTLEMENT FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2022

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

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 26	\$ 26	\$ -
Total revenues	<u>-</u>	<u>26</u>	<u>26</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>26</u>	<u>\$ 26</u>	<u>-</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 26</u>		<u>\$ -</u>

## 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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
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>
<b>Expenditures:</b>				
Public safety:				
Salaries and fringe benefits	36,232	38,901	(2,669)	36,915
Other operating expenditures	<u>77,575</u>	<u>63,666</u>	<u>13,909</u>	<u>33,988</u>
Total expenditures	<u>113,807</u>	<u>102,567</u>	<u>11,240</u>	<u>70,903</u>
Revenues over (under) expenditures	<u>(38,807)</u>	<u>(27,567)</u>	<u>11,240</u>	<u>4,097</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>38,807</u>	<u>-</u>	<u>(38,807)</u>	<u>-</u>
Total other financing sources (uses)	<u>38,807</u>	<u>-</u>	<u>(38,807)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(27,567)</u>	<u>\$ (27,567)</u>	<u>4,097</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>38,807</u>		<u>34,710</u>
End of year - June 30		<u>\$ 11,240</u>		<u>\$ 38,807</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, 2022**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Penalties, fines and forfeitures	\$ 300,000	\$ 239,891	\$ (60,109)	\$ 60,373
Total revenues	<u>300,000</u>	<u>239,891</u>	<u>(60,109)</u>	<u>60,373</u>
<b>Expenditures:</b>				
General government:				
Payments of penalties, fines, and forfeitures to the Harnett County Board of Education	<u>300,000</u>	<u>239,891</u>	<u>60,109</u>	<u>65,160</u>
Total expenditures	<u>300,000</u>	<u>239,891</u>	<u>60,109</u>	<u>65,160</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(4,787)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>163</u>		<u>4,950</u>
End of year - June 30		<u>\$ 163</u>		<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, 2022**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 500,000	\$ 56,900	\$ (443,100)	\$ 401,078
Total revenues	<u>500,000</u>	<u>56,900</u>	<u>(443,100)</u>	<u>401,078</u>
<b>Expenditures:</b>				
Human services				
Payments made for the benefit of beneficiaries	<u>500,000</u>	<u>56,900</u>	<u>443,100</u>	<u>411,636</u>
Total expenditures	<u>500,000</u>	<u>56,900</u>	<u>443,100</u>	<u>411,636</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(10,558)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>115,350</u>		<u>125,908</u>
End of year - June 30		<u>\$ 115,350</u>		<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, 2022**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 203,640	\$ 204,132	\$ 492	\$ 267,547
Total revenues	<u>203,640</u>	<u>204,132</u>	<u>492</u>	<u>267,547</u>
<b>Expenditures:</b>				
Public safety:				
Other expenditures	209,177	204,014	5,163	259,436
Total expenditures	<u>209,177</u>	<u>204,014</u>	<u>5,163</u>	<u>259,436</u>
Revenues over (under) expenditures	<u>(5,537)</u>	<u>118</u>	<u>5,655</u>	<u>8,111</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	5,537	-	(5,537)	-
Total other financing sources (uses)	<u>5,537</u>	<u>-</u>	<u>(5,537)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>118</u>	<u>\$ 118</u>	<u>8,111</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>14,374</u>		<u>6,263</u>
End of year - June 30		<u>\$ 14,492</u>		<u>\$ 14,374</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, 2022

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

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 815,220	\$ 539,294	\$ (275,926)	\$ 407,020
Total revenues	<u>815,220</u>	<u>539,294</u>	<u>(275,926)</u>	<u>407,020</u>
<b>Expenditures:</b>				
General government:				
Operating expenditures	830,890	555,459	275,431	407,980
Total expenditures	<u>830,890</u>	<u>555,459</u>	<u>275,431</u>	<u>407,980</u>
Revenues over (under) expenditures	<u>(15,670)</u>	<u>(16,165)</u>	<u>(495)</u>	<u>(960)</u>
<b>Other Financing Sources (Uses):</b>				
Transfer in	15,670	15,670	-	-
Total other financing sources (uses)	<u>15,670</u>	<u>15,670</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(495)</u>	<u>\$ (495)</u>	<u>(960)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>25,216</u>		<u>26,176</u>
End of year - June 30		<u>\$ 24,721</u>		<u>\$ 25,216</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, 2022

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 1,950,000	\$ 1,664,193	\$ 475,523	\$ 2,139,716	\$ 189,716
Total revenues	<u>1,950,000</u>	<u>1,664,193</u>	<u>475,523</u>	<u>2,139,716</u>	<u>189,716</u>
<b>Expenditures:</b>					
General government:					
Operating expenditures	<u>2,050,000</u>	<u>1,756,096</u>	<u>286,462</u>	<u>2,042,558</u>	<u>7,442</u>
Total expenditures	<u>2,050,000</u>	<u>1,756,096</u>	<u>286,462</u>	<u>2,042,558</u>	<u>7,442</u>
Revenues over (under) expenditures	<u>(100,000)</u>	<u>(91,903)</u>	<u>189,061</u>	<u>97,158</u>	<u>197,158</u>
<b>Other Financing Sources (Uses):</b>					
Transfer in (out)	<u>100,000</u>	<u>107,484</u>	<u>-</u>	<u>107,484</u>	<u>7,484</u>
Total other financing sources (uses)	<u>100,000</u>	<u>107,484</u>	<u>-</u>	<u>107,484</u>	<u>7,484</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 15,581</u>	<u>189,061</u>	<u>\$ 204,642</u>	<u>\$ 204,642</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>15,581</u>		
End of year - June 30			<u>\$ 204,642</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, 2022  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ 2,775	\$ 2,775	\$ 79,223
Total revenues	-	2,775	2,775	79,223
<b>Expenditures:</b>				
General government:				
Operating expenditures	879,126	392,901	486,225	6,150
Total expenditures	879,126	392,901	486,225	6,150
Revenues over (under) expenditures	(879,126)	(390,126)	489,000	73,073
<b>Other Financing Sources (Uses):</b>				
Transfer (out)	(94,567)	(94,567)	-	(228,803)
Appropriated fund balance	973,693	-	(973,693)	-
Total other financing sources (uses)	879,126	(94,567)	(973,693)	(228,803)
Net change in fund balance	\$ -	(484,693)	\$ (484,693)	(155,730)
<b>Fund Balance:</b>				
Beginning of year - July 1		2,079,432		2,235,162
End of year - June 30		\$ 1,594,739		\$ 2,079,432

## 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, 2022

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

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 200,000	\$ 151,949	\$ (48,051)	\$ -
Total revenues	<u>200,000</u>	<u>151,949</u>	<u>(48,051)</u>	<u>-</u>
<b>Expenditures:</b>				
Public safety:				
Operating expenditures	200,000	151,949	48,051	-
Total expenditures	<u>200,000</u>	<u>151,949</u>	<u>48,051</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>	-
<b>Fund Balance:</b>				
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, 2022

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

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
<b>Fund Balance:</b>				
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, 2022**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
<b>Fund Balance:</b>				
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>

## 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.

**2022 G.O. Bonds Fund** – accounts for the construction and expenditures related to education needs.

**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, 2022

	<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>
<b>Assets:</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net	29,744	-	7,089	81,751	-	4,607
Restricted assets:						
Cash and cash equivalents	-	-	471,058	-	170,484	-
Total assets	<u>\$ 29,744</u>	<u>\$ -</u>	<u>\$ 478,147</u>	<u>\$ 81,751</u>	<u>\$ 170,484</u>	<u>\$ 4,607</u>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 15,447	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable from restricted assets	-	-	7,538	-	31,548	-
Unearned grant revenue	-	-	-	-	-	-
Due to other funds	1,059	68,572	-	69,882	-	4,607
Total liabilities	<u>16,506</u>	<u>68,572</u>	<u>7,538</u>	<u>69,882</u>	<u>31,548</u>	<u>4,607</u>
<b>Fund Balances:</b>						
Restricted for stabilization by state statute	29,744	-	7,089	81,751	-	4,607
Restricted for education	-	-	-	-	170,484	-
Restricted for general government	-	-	463,520	-	-	-
Committed for general government	-	-	-	-	-	-
Committed for culture and recreation	-	-	-	-	-	-
Committed for education	-	-	-	-	-	-
Committed for economic development	-	-	-	-	-	-
Unassigned	(16,506)	(68,572)	-	(69,882)	(31,548)	(4,607)
Total fund balances	<u>13,238</u>	<u>(68,572)</u>	<u>470,609</u>	<u>11,869</u>	<u>138,936</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 29,744</u>	<u>\$ -</u>	<u>\$ 478,147</u>	<u>\$ 81,751</u>	<u>\$ 170,484</u>	<u>\$ 4,607</u>



**HARNETT COUNTY, NORTH CAROLINA**

**NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2022**

	<u>Former Boone Trail</u>	<u>Shawtown Area Community Center</u>	<u>Broadband Development</u>	<u>Emergency Watershed Protection</u>	<u>2022 GO Bonds Series 2021</u>	<u>Campbell Stadium Sidewalk</u>
<b>Assets:</b>						
Cash and investments	\$ -	\$ 152,968	\$ 400,000	\$ -	\$ -	\$ 53,955
Accounts receivable, net	-	2,578	-	927,149	-	-
Restricted assets:						
Cash and cash equivalents	-	61,664	-	-	12,894,415	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 217,210</b>	<b>\$ 400,000</b>	<b>\$ 927,149</b>	<b>\$ 12,894,415</b>	<b>\$ 53,955</b>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ -	\$ 38,371	\$ -	\$ 125,769	\$ -	\$ -
Accounts payable from restricted assets	-	-	-	-	-	-
Unearned grant revenue	-	61,664	-	-	-	-
Due to other funds	-	-	-	919,518	-	-
<b>Total liabilities</b>	<b>-</b>	<b>100,035</b>	<b>-</b>	<b>1,045,287</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>						
Restricted for stabilization by state statute	-	2,578	-	927,149	-	-
Restricted for education	-	-	-	-	12,894,415	-
Restricted for general government	-	-	-	-	-	-
Committed for general government	-	-	-	-	-	-
Committed for culture and recreation	-	114,597	-	-	-	53,955
Committed for education	-	-	-	-	-	-
Committed for economic development	-	-	400,000	-	-	-
Unassigned	-	-	-	(1,045,287)	-	-
<b>Total fund balances</b>	<b>-</b>	<b>117,175</b>	<b>400,000</b>	<b>(118,138)</b>	<b>12,894,415</b>	<b>53,955</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 217,210</b>	<b>\$ 400,000</b>	<b>\$ 927,149</b>	<b>\$ 12,894,415</b>	<b>\$ 53,955</b>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2022

	<u>Oakridge River Rd Tower</u>	<u>Greenway Development Master Plan</u>	<u>Old Detention Center Demo</u>	<u>Erwin Elementary School</u>	<u>Johnsonville Elementary Renovations</u>
<b>Assets:</b>					
Cash and investments	\$ 36,943	\$ -	\$ 246,790	\$ -	\$ 3,474,229
Accounts receivable, net	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	3,872,589	-
Total assets	<u>\$ 36,943</u>	<u>\$ -</u>	<u>\$ 246,790</u>	<u>\$ 3,872,589</u>	<u>\$ 3,474,229</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 13,449	\$ -	\$ 649,334
Accounts payable from restricted assets	-	-	-	693,384	-
Unearned grant revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>13,449</u>	<u>693,384</u>	<u>649,334</u>
<b>Fund Balances:</b>					
Restricted for stabilization by state statute	-	-	-	-	-
Restricted for education	-	-	-	3,872,589	-
Restricted for general government	-	-	-	-	-
Committed for general government	-	-	233,341	-	-
Committed for culture and recreation	-	-	-	-	-
Committed for education	-	-	-	-	2,824,895
Committed for economic development	36,943	-	-	-	-
Unassigned	-	-	-	(693,384)	-
Total fund balances	<u>36,943</u>	<u>-</u>	<u>233,341</u>	<u>3,179,205</u>	<u>2,824,895</u>
Total liabilities and fund balances	<u>\$ 36,943</u>	<u>\$ -</u>	<u>\$ 246,790</u>	<u>\$ 3,872,589</u>	<u>\$ 3,474,229</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2022

	Former Benhaven Elementary	QSCB 2016 Capital Project Fund	Aircraft Apron and Helipad Design	2017 G.O Bonds Projects	Brightwater Phase II	Total
<b>Assets:</b>						
Cash and investments	\$ 1,806,026	\$ -	\$ 472,674	\$ -	\$ -	\$ 6,643,585
Accounts receivable, net	116,310	-	3,708	-	-	1,172,936
Restricted assets:						
Cash and cash equivalents	-	506	-	135,878	-	17,606,594
<b>Total assets</b>	<b>\$ 1,922,336</b>	<b>\$ 506</b>	<b>\$ 476,382</b>	<b>\$ 135,878</b>	<b>\$ -</b>	<b>\$ 25,423,115</b>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 326,723	\$ -	\$ -	\$ -	\$ -	\$ 1,169,093
Accounts payable from restricted assets	-	-	-	-	-	732,470
Unearned grant revenue	-	-	-	-	-	61,664
Due to other funds	-	-	-	-	-	1,063,638
<b>Total liabilities</b>	<b>326,723</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,026,865</b>
<b>Fund Balances:</b>						
Restricted for stabilization by state statute	116,310	-	3,708	-	-	1,172,936
Restricted for education	-	506	-	135,878	-	17,073,872
Restricted for general government	-	-	-	-	-	463,520
Committed for general government	-	-	-	-	-	233,341
Committed for culture and recreation	-	-	-	-	-	168,552
Committed for education	1,479,303	-	-	-	-	4,304,198
Committed for economic development	-	-	472,674	-	-	909,617
Unassigned	-	-	-	-	-	(1,929,786)
<b>Total fund balances</b>	<b>1,595,613</b>	<b>506</b>	<b>476,382</b>	<b>135,878</b>	<b>-</b>	<b>22,396,250</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,922,336</b>	<b>\$ 506</b>	<b>\$ 476,382</b>	<b>\$ 135,878</b>	<b>\$ -</b>	<b>\$ 25,423,115</b>

**HARNETT COUNTY, NORTH CAROLINA**

**NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022**

	<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>
<b>Revenues:</b>						
Restricted intergovernmental	\$ 106,535	\$ -	\$ -	\$ 1,274,438	\$ -	\$ 38,928
Investment earnings	-	-	19,821	-	-	-
Total revenues	<u>106,535</u>	<u>-</u>	<u>19,821</u>	<u>1,274,438</u>	<u>-</u>	<u>38,928</u>
<b>Expenditures:</b>						
Current:						
General government	-	-	494,897	-	-	-
Public safety	-	-	-	-	-	-
Economic and physical development	118,373	-	-	1,411,490	-	48,623
Education	-	-	-	-	(359,482)	-
Total expenditures	<u>118,373</u>	<u>-</u>	<u>494,897</u>	<u>1,411,490</u>	<u>(359,482)</u>	<u>48,623</u>
Revenues over (under) expenditures	<u>(11,838)</u>	<u>-</u>	<u>(475,076)</u>	<u>(137,052)</u>	<u>359,482</u>	<u>(9,695)</u>
<b>Other Financing Sources (Uses):</b>						
Long-term debt issued	-	-	-	-	-	-
Premium issued	-	-	-	-	-	-
Transfers in	41,436	-	-	158,275	-	5,574
Transfers (out)	-	-	(53,337)	-	(1,173,958)	-
Total other financing sources (uses)	<u>41,436</u>	<u>-</u>	<u>(53,337)</u>	<u>158,275</u>	<u>(1,173,958)</u>	<u>5,574</u>
Net change in fund balances	29,598	-	(528,413)	21,223	(814,476)	(4,121)
<b>Fund Balances:</b>						
Beginning of year - July 1	<u>(16,360)</u>	<u>(68,572)</u>	<u>999,022</u>	<u>(9,354)</u>	<u>953,412</u>	<u>4,121</u>
End of year - June 30	<u>\$ 13,238</u>	<u>\$ (68,572)</u>	<u>\$ 470,609</u>	<u>\$ 11,869</u>	<u>\$ 138,936</u>	<u>\$ -</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, 2022

	Former Boone Trail	Shawtown Area Community Center	Broadband Development	Emergency Watershed Protection	2022 GO Bonds Series 2021	Campbell Stadium Sidewalk
<b>Revenues:</b>						
Restricted intergovernmental	\$ -	\$ 38,661	\$ -	\$ 1,139,545	\$ -	\$ -
Investment earnings	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>38,661</u>	<u>-</u>	<u>1,139,545</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>						
Current:						
General government	-	38,661	-	1,257,683	-	-
Public safety	-	-	-	-	-	-
Economic and physical development	-	-	200,000	-	-	-
Education	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>38,661</u>	<u>200,000</u>	<u>1,257,683</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(118,138)</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>						
Long-term debt issued	-	-	-	-	6,594,012	-
Premium issued	-	-	-	-	6,300,403	-
Transfers in	-	117,175	-	-	-	-
Transfers (out)	<u>(7,605)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,605)</u>	<u>117,175</u>	<u>-</u>	<u>-</u>	<u>12,894,415</u>	<u>-</u>
Net change in fund balances	(7,605)	117,175	(200,000)	(118,138)	12,894,415	-
<b>Fund Balances:</b>						
Beginning of year - July 1	<u>7,605</u>	<u>-</u>	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>53,955</u>
End of year - June 30	<u>\$ -</u>	<u>\$ 117,175</u>	<u>\$ 400,000</u>	<u>\$ (118,138)</u>	<u>\$ 12,894,415</u>	<u>\$ 53,955</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, 2022

	Oakridge River Rd Tower	Greenway Development Master Plan	Old Detention Center Demo	Erwin Elementary School	Johnsonville Elementary Renovations
<b>Revenues:</b>					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	49,342	78,063
Total revenues	-	-	-	49,342	78,063
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	67,675	-	273,550	-	-
Economic and physical development	-	-	-	-	-
Education	-	-	-	11,643,586	1,941,360
Total expenditures	67,675	-	273,550	11,643,586	1,941,360
Revenues over (under) expenditures	(67,675)	-	(273,550)	(11,594,244)	(1,863,297)
<b>Other Financing Sources (Uses):</b>					
Long-term debt issued	-	-	-	-	1,103,358
Premium issued	-	-	-	-	-
Transfers in	-	-	-	-	673,958
Transfers (out)	-	(6,500)	-	-	-
Total other financing sources (uses)	-	(6,500)	-	-	1,777,316
Net change in fund balances	(67,675)	(6,500)	(273,550)	(11,594,244)	(85,981)
<b>Fund Balances:</b>					
Beginning of year - July 1	104,618	6,500	506,891	14,773,449	2,910,876
End of year - June 30	\$ 36,943	\$ -	\$ 233,341	\$ 3,179,205	\$ 2,824,895

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022

	Former Benhaven Elementary	QSCB 2016 Capital Project Fund	Aircraft Apron and Helipad Design	2017 G.O Bonds Projects	Brightwater Phase II	Total
<b>Revenues:</b>						
Restricted intergovernmental	\$ -	\$ -	\$ 43,524	\$ -	\$ -	\$ 2,641,631
Investment earnings	-	-	-	-	-	147,226
Total revenues	<u>-</u>	<u>-</u>	<u>43,524</u>	<u>-</u>	<u>-</u>	<u>2,788,857</u>
<b>Expenditures:</b>						
Current:						
General government	-	-	-	-	-	1,791,241
Public safety	-	-	-	-	-	341,225
Economic and physical development	-	-	47,630	-	-	1,826,116
Education	415,855	-	-	106,821	-	13,748,140
Total expenditures	<u>415,855</u>	<u>-</u>	<u>47,630</u>	<u>106,821</u>	<u>-</u>	<u>17,706,722</u>
Revenues over (under) expenditures	<u>(415,855)</u>	<u>-</u>	<u>(4,106)</u>	<u>(106,821)</u>	<u>-</u>	<u>(14,917,865)</u>
<b>Other Financing Sources (Uses):</b>						
Long-term debt issued	-	-	-	-	-	7,697,370
Premium issued	-	-	-	-	-	6,300,403
Transfers in	660,496	-	477,633	-	-	2,134,547
Transfers (out)	-	-	-	-	(30,489)	(1,271,889)
Total other financing sources (uses)	<u>660,496</u>	<u>-</u>	<u>477,633</u>	<u>-</u>	<u>(30,489)</u>	<u>14,860,431</u>
Net change in fund balances	244,641	-	473,527	(106,821)	(30,489)	(57,434)
<b>Fund Balances:</b>						
Beginning of year - July 1	<u>1,350,972</u>	<u>506</u>	<u>2,855</u>	<u>242,699</u>	<u>30,489</u>	<u>22,453,684</u>
End of year - June 30	<u>\$ 1,595,613</u>	<u>\$ 506</u>	<u>\$ 476,382</u>	<u>\$ 135,878</u>	<u>\$ -</u>	<u>\$ 22,396,250</u>

## 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, 2022**

	<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>	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 372,921	\$ 147,243	\$ 106,535	\$ 253,778	\$ (119,143)
Total revenues	<u>372,921</u>	<u>147,243</u>	<u>106,535</u>	<u>253,778</u>	<u>(119,143)</u>
<b>Expenditures:</b>					
General government:					
Legal and administrative	<u>414,357</u>	<u>163,603</u>	<u>118,373</u>	<u>281,976</u>	<u>132,381</u>
Total expenditures	<u>414,357</u>	<u>163,603</u>	<u>118,373</u>	<u>281,976</u>	<u>132,381</u>
Revenues over (under) expenditures	<u>(41,436)</u>	<u>(16,360)</u>	<u>(11,838)</u>	<u>(28,198)</u>	<u>13,238</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	<u>41,436</u>	<u>-</u>	<u>41,436</u>	<u>41,436</u>	<u>-</u>
Total other financing sources (uses)	<u>41,436</u>	<u>-</u>	<u>41,436</u>	<u>41,436</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (16,360)</u>	<u>29,598</u>	<u>\$ 13,238</u>	<u>\$ 13,238</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>(16,360)</u>		
End of year - June 30			<u>\$ 13,238</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, 2022

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ -
Miscellaneous	-	4,400	-	4,400	4,400
Total revenues	<u>400,000</u>	<u>404,400</u>	<u>-</u>	<u>404,400</u>	<u>4,400</u>
<b>Expenditures:</b>					
Culture and recreation:					
Engineering	135,000	105,160	-	105,160	29,840
Construction	<u>815,000</u>	<u>817,812</u>	<u>-</u>	<u>817,812</u>	<u>(2,812)</u>
Total expenditures	<u>950,000</u>	<u>922,972</u>	<u>-</u>	<u>922,972</u>	<u>27,028</u>
Revenues over (under) expenditures	<u>(550,000)</u>	<u>(518,572)</u>	<u>-</u>	<u>(518,572)</u>	<u>31,428</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	<u>550,000</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>550,000</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>	<u>(100,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (68,572)</u>	<u>-</u>	<u>\$ (68,572)</u>	<u>\$ (68,572)</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>(68,572)</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, 2022

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Investment earnings	\$ 270,315	\$ 245,192	\$ 19,821	\$ 265,013	\$ (5,302)
Total revenues	<u>270,315</u>	<u>245,192</u>	<u>19,821</u>	<u>265,013</u>	<u>(5,302)</u>
<b>Expenditures:</b>					
General government:					
Professional services	2,571,800	2,411,561	-	2,411,561	160,239
Construction	<u>24,001,008</u>	<u>23,190,439</u>	<u>494,897</u>	<u>23,685,336</u>	<u>315,672</u>
Total expenditures	<u>26,572,808</u>	<u>25,602,000</u>	<u>494,897</u>	<u>26,096,897</u>	<u>475,911</u>
Revenues over (under) expenditures	<u>(26,302,493)</u>	<u>(25,356,808)</u>	<u>(475,076)</u>	<u>(25,831,884)</u>	<u>470,609</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	1,363,332	1,363,332	-	1,363,332	-
Transfers out	(53,337)	-	(53,337)	(53,337)	-
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>26,302,493</u>	<u>26,355,830</u>	<u>(53,337)</u>	<u>26,302,493</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 999,022</u>	<u>(528,413)</u>	<u>\$ 470,609</u>	<u>\$ 470,609</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>999,022</u>		
End of year - June 30			<u>\$ 470,609</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, 2022**

	<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>	
<b>Revenues:</b>					
Restricted intergovernmental revenues	\$ 1,337,833	\$ 51,876	\$ 1,274,438	\$ 1,326,314	\$ (11,519)
Total revenues	<u>1,337,833</u>	<u>51,876</u>	<u>1,274,438</u>	<u>1,326,314</u>	<u>(11,519)</u>
<b>Expenditures:</b>					
General government:					
Construction	1,486,482	61,230	1,411,490	1,472,720	13,762
Total expenditures	<u>1,486,482</u>	<u>61,230</u>	<u>1,411,490</u>	<u>1,472,720</u>	<u>13,762</u>
Revenues over (under) expenditures	<u>(148,649)</u>	<u>(9,354)</u>	<u>(137,052)</u>	<u>(146,406)</u>	<u>2,243</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in (out)	148,649	-	158,275	158,275	9,626
Total other financing sources (uses)	<u>148,649</u>	<u>-</u>	<u>158,275</u>	<u>158,275</u>	<u>9,626</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (9,354)</u>	21,223	<u>\$ 11,869</u>	<u>\$ 11,869</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>(9,354)</u>		
End of year - June 30			<u>\$ 11,869</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, 2022**

	<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>		
<b>Revenues:</b>					
Investment earnings	\$ 800,000	\$ 710,467	\$ -	\$ 710,467	\$ (89,533)
Total revenues	<u>800,000</u>	<u>710,467</u>	<u>-</u>	<u>710,467</u>	<u>(89,533)</u>
<b>Expenditures:</b>					
Education:					
Legal and administrative	2,409,465	2,313,240	-	2,313,240	96,225
Construction	<u>22,076,956</u>	<u>22,374,086</u>	<u>(359,482)</u>	<u>22,014,604</u>	<u>62,352</u>
Total expenditures	<u>24,486,421</u>	<u>24,687,326</u>	<u>(359,482)</u>	<u>24,327,844</u>	<u>158,577</u>
Revenues over (under) expenditures	<u>(23,686,421)</u>	<u>(23,976,859)</u>	<u>359,482</u>	<u>(23,617,377)</u>	<u>69,044</u>
<b>Other Financing Sources (Uses):</b>					
Bond proceeds	29,500,000	29,500,000	-	29,500,000	-
Transfer in	-	43,850	-	43,850	43,850
Transfer out	<u>(8,343,248)</u>	<u>(7,143,248)</u>	<u>(1,173,958)</u>	<u>(8,317,206)</u>	<u>26,042</u>
Bond premium	<u>2,529,669</u>	<u>2,529,669</u>	<u>-</u>	<u>2,529,669</u>	<u>-</u>
Total other financing sources (uses)	<u>23,686,421</u>	<u>24,930,271</u>	<u>(1,173,958)</u>	<u>23,756,313</u>	<u>69,892</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 953,412</u>	<u>(814,476)</u>	<u>\$ 138,936</u>	<u>\$ 138,936</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>953,412</u>		
End of year - June 30			<u>\$ 138,936</u>		

## 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, 2022**

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 501,728	\$ 464,623	\$ 38,928	\$ 503,551	\$ 1,823
Total revenues	<u>501,728</u>	<u>464,623</u>	<u>38,928</u>	<u>503,551</u>	<u>1,823</u>
<b>Expenditures:</b>					
General government:					
Operating expenditures	<u>565,000</u>	<u>516,250</u>	<u>48,623</u>	<u>564,873</u>	<u>127</u>
Total expenditures	<u>565,000</u>	<u>516,250</u>	<u>48,623</u>	<u>564,873</u>	<u>127</u>
Revenues over (under) expenditures	<u>(63,272)</u>	<u>(51,627)</u>	<u>(9,695)</u>	<u>(61,322)</u>	<u>1,950</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	<u>63,272</u>	<u>55,748</u>	<u>5,574</u>	<u>61,322</u>	<u>(1,950)</u>
Total other financing sources (uses)	<u>63,272</u>	<u>55,748</u>	<u>5,574</u>	<u>61,322</u>	<u>(1,950)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,121</u>	<u>(4,121)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>4,121</u>		
End of year - June 30			<u>\$ -</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, 2022

	<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>	
<b>Expenditures:</b>					
General government:					
Construction	\$ 231,395	\$ 231,395	\$ -	\$ 231,395	\$ -
Total expenditures	<u>231,395</u>	<u>231,395</u>	<u>-</u>	<u>231,395</u>	<u>-</u>
Revenues over (under) expenditures	<u>(231,395)</u>	<u>(231,395)</u>	<u>-</u>	<u>(231,395)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	239,000	239,000	-	239,000	-
Transfer (out)	<u>(7,605)</u>	<u>-</u>	<u>(7,605)</u>	<u>(7,605)</u>	<u>-</u>
Total other financing sources (uses)	<u>231,395</u>	<u>239,000</u>	<u>(7,605)</u>	<u>231,395</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,605</u>	<u>(7,605)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>7,605</u>		
End of year - June 30			<u>\$ -</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, 2022

	<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>	
<b>Revenues:</b>					
Restricted intergovernmental revenues	\$ 100,325	\$ 10,000	\$ 38,661	\$ 48,661	\$ (51,664)
Total revenues	<u>100,325</u>	<u>10,000</u>	<u>38,661</u>	<u>48,661</u>	<u>(51,664)</u>
<b>Expenditures:</b>					
General government:					
Legal and administrative	217,500	10,000	38,661	48,661	168,839
Total expenditures	<u>217,500</u>	<u>10,000</u>	<u>38,661</u>	<u>48,661</u>	<u>168,839</u>
Revenues over (under) expenditures	<u>(117,175)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,175</u>
<b>Other Financing Sources (Uses):</b>					
Transfer in	117,175	-	117,175	117,175	-
Total other financing sources (uses)	<u>117,175</u>	<u>-</u>	<u>117,175</u>	<u>117,175</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>117,175</u>	<u>\$ 117,175</u>	<u>\$ 117,175</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 117,175</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, 2022**

	<u>Project</u> <u>Authorization</u>	<u>Actual</u>		<u>Total to</u> <u>Date</u>	<u>Variance</u> <u>Over/Under</u>
		<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>		
<b>Revenues:</b>					
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>
<b>Expenditures:</b>					
General government:					
Legal and administrative	443,400	-	-	-	443,400
Construction	<u>3,541,600</u>	<u>1,400,000</u>	<u>200,000</u>	<u>1,600,000</u>	<u>1,941,600</u>
Total expenditures	<u>3,985,000</u>	<u>1,400,000</u>	<u>200,000</u>	<u>1,600,000</u>	<u>2,385,000</u>
Revenues over (under) expenditures	<u>(2,000,000)</u>	<u>(1,400,000)</u>	<u>(200,000)</u>	<u>(1,600,000)</u>	<u>400,000</u>
<b>Other Financing Sources (Uses):</b>					
Transfer in	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 600,000</u>	<u>(200,000)</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>600,000</u>		
End of year - June 30			<u>\$ 400,000</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, 2022**

	<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>	
<b>Revenues:</b>					
Restricted intergovernmental revenues	\$ 3,730,518	\$ 22,663	\$ 1,139,545	\$ 1,162,208	\$ (2,568,310)
Total revenues	<u>3,730,518</u>	<u>22,663</u>	<u>1,139,545</u>	<u>1,162,208</u>	<u>(2,568,310)</u>
<b>Expenditures:</b>					
General government:					
Construction	4,145,020	22,663	1,257,683	1,280,346	2,864,674
Total expenditures	<u>4,145,020</u>	<u>22,663</u>	<u>1,257,683</u>	<u>1,280,346</u>	<u>2,864,674</u>
Revenues over (under) expenditures	<u>(414,502)</u>	<u>-</u>	<u>(118,138)</u>	<u>(118,138)</u>	<u>296,364</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in (out)	414,502	-	-	-	(414,502)
Total other financing sources (uses)	<u>414,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(414,502)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(118,138)</u>	<u>\$ (118,138)</u>	<u>\$ (118,138)</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ (118,138)</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, 2022**

	<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>		
<b>Expenditures:</b>					
Culture and recreation:					
Legal and administrative	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Engineering	120,000	146,045	-	146,045	(26,045)
Capital outlay	60,000	-	-	-	60,000
Total expenditures	<u>200,000</u>	<u>146,045</u>	<u>-</u>	<u>146,045</u>	<u>53,955</u>
Revenues over (under) expenditures	<u>(200,000)</u>	<u>(146,045)</u>	<u>-</u>	<u>(146,045)</u>	<u>53,955</u>
<b>Other Financing Sources (Uses):</b>					
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>\$ 53,955</u>	<u>-</u>	<u>\$ 53,955</u>	<u>\$ 53,955</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>53,955</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, 2022

	<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>	
<b>Expenditures:</b>					
Public safety:					
Engineering	\$ 400,000	\$ 304,157	\$ 2,800	\$ 306,957	\$ 93,043
Construction	475,000	416,225	64,875	481,100	(6,100)
Total expenditures	<u>875,000</u>	<u>720,382</u>	<u>67,675</u>	<u>788,057</u>	<u>86,943</u>
Revenues over (under) expenditures	<u>(875,000)</u>	<u>(720,382)</u>	<u>(67,675)</u>	<u>(788,057)</u>	<u>86,943</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	<u>875,000</u>	<u>825,000</u>	<u>-</u>	<u>825,000</u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>875,000</u>	<u>825,000</u>	<u>-</u>	<u>825,000</u>	<u>(50,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 104,618</u>	<u>(67,675)</u>	<u>\$ 36,943</u>	<u>\$ 36,943</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>104,618</u>		
End of year - June 30			<u>\$ 36,943</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, 2022**

	<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>	
<b>Expenditures:</b>					
Culture and recreation:					
Engineering	\$ 65,000	\$ 65,000	\$ -	\$ 65,000	\$ -
Total expenditures	<u>65,000</u>	<u>65,000</u>	<u>-</u>	<u>65,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>	<u>(65,000)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	71,500	71,500	-	71,500	-
Transfers out	<u>(6,500)</u>	<u>-</u>	<u>(6,500)</u>	<u>(6,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>65,000</u>	<u>71,500</u>	<u>(6,500)</u>	<u>65,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,500</u>	<u>(6,500)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>6,500</u>		
End of year - June 30			<u>\$ -</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, 2022**

	<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>	
<b>Expenditures:</b>					
Public Safety:					
Legal and administrative	\$ 34,900	\$ 2,000	\$ 4,000	\$ 6,000	\$ 28,900
Construction	840,100	-	269,550	269,550	570,550
Total expenditures	<u>875,000</u>	<u>2,000</u>	<u>273,550</u>	<u>275,550</u>	<u>599,450</u>
Revenues over (under) expenditures	<u>(875,000)</u>	<u>(2,000)</u>	<u>(273,550)</u>	<u>(275,550)</u>	<u>599,450</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	<u>875,000</u>	<u>508,891</u>	<u>-</u>	<u>508,891</u>	<u>(366,109)</u>
Total other financing sources (uses)	<u>875,000</u>	<u>508,891</u>	<u>-</u>	<u>508,891</u>	<u>(366,109)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 506,891</u>	<u>(273,550)</u>	<u>\$ 233,341</u>	<u>\$ 233,341</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>506,891</u>		
End of year - June 30			<u>\$ 233,341</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, 2022

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 4,626	\$ 49,342	\$ 53,968	\$ 53,968
Total revenues	-	4,626	49,342	53,968	53,968
<b>Expenditures:</b>					
Education:					
Legal and administrative	3,051,857	1,664,504	-	1,664,504	1,387,353
Engineering	2,090,201	-	217,614	217,614	1,872,587
Construction	26,257,799	14,966,531	11,425,972	26,392,503	(134,704)
Total expenditures	31,399,857	16,631,035	11,643,586	28,274,621	3,125,236
Revenues over (under) expenditures	(31,399,857)	(16,626,409)	(11,594,244)	(28,220,653)	3,179,204
<b>Other Financing Sources (Uses):</b>					
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	\$ -	\$ 14,773,449	(11,594,244)	\$ 3,179,205	\$ 3,179,205
<b>Fund Balance:</b>					
Beginning of year - July 1			14,773,449		
End of year - June 30			\$ 3,179,205		

## 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, 2022**

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Investment earnings	\$ -	\$ -	\$ 78,063	\$ 78,063	\$ 78,063
Total revenues	-	-	78,063	78,063	78,063
<b>Expenditures:</b>					
Education:					
Legal and administrative	510,000	294,997	112,781	407,778	102,222
Engineering	255,000	-	-	-	255,000
Construction	4,335,000	116,810	1,828,579	1,945,389	2,389,611
Total expenditures	5,100,000	411,807	1,941,360	2,353,167	2,746,833
Revenues over (under) expenditures	(5,100,000)	(411,807)	(1,863,297)	(2,275,104)	2,824,896
<b>Other Financing Sources (Uses):</b>					
Transfers in	3,996,642	3,322,683	673,958	3,996,641	(1)
Bond proceeds	1,103,358	-	1,103,358	1,103,358	-
Total other financing sources (uses)	5,100,000	3,322,683	1,777,316	5,099,999	(1)
Net change in fund balance	\$ -	\$ 2,910,876	(85,981)	\$ 2,824,895	\$ 2,824,895
<b>Fund Balance:</b>					
Beginning of year - July 1			2,910,876		
End of year - June 30			\$ 2,824,895		

## 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, 2022**

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 156,530	\$ -	\$ 156,530	\$ 156,530
Total revenues	-	156,530	-	156,530	156,530
<b>Expenditures:</b>					
Education:					
Legal and administrative	650,000	130,457	-	130,457	519,543
Engineering	545,700	13,329	53,100	66,429	479,271
Construction	704,300	561,772	362,755	924,527	(220,227)
Total expenditures	1,900,000	705,558	415,855	1,121,413	778,587
Revenues over (under) expenditures	(1,900,000)	(549,028)	(415,855)	(964,883)	935,117
<b>Other Financing Sources (Uses):</b>					
Transfers in	1,900,000	1,900,000	660,496	2,560,496	660,496
Total other financing sources (uses)	1,900,000	1,900,000	660,496	2,560,496	660,496
Net change in fund balance	\$ -	\$ 1,350,972	244,641	\$ 1,595,613	\$ 1,595,613
<b>Fund Balance:</b>					
Beginning of year - July 1			1,350,972		
End of year - June 30			\$ 1,595,613		



## 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, 2022**

	<b>Project Authorization</b>	<b>Actual</b>			<b>Variance Over/Under</b>
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	
<b>Revenues:</b>					
Investment earnings	\$ 242	\$ 174	\$ -	\$ 174	\$ (68)
Total revenues	<u>242</u>	<u>174</u>	<u>-</u>	<u>174</u>	<u>(68)</u>
<b>Expenditures:</b>					
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>
<b>Other Financing Sources (Uses):</b>					
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>
<b>Fund Balance:</b>					
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, 2022**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>					
Restricted intergovernmental revenues	\$ 4,562,526	\$ 252,598	\$ 43,524	\$ 296,122	\$ (4,266,404)
Total revenues	<u>4,562,526</u>	<u>252,598</u>	<u>43,524</u>	<u>296,122</u>	<u>(4,266,404)</u>
<b>Expenditures:</b>					
General government:					
Engineering	679,335	279,057	47,630	326,687	352,648
Construction	4,390,138	-	-	-	4,390,138
Total expenditures	<u>5,069,473</u>	<u>279,057</u>	<u>47,630</u>	<u>326,687</u>	<u>4,742,786</u>
Revenues over (under) expenditures	<u>(506,947)</u>	<u>(26,459)</u>	<u>(4,106)</u>	<u>(30,565)</u>	<u>476,382</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in (out)	506,947	29,314	477,633	506,947	-
Total other financing sources (uses)	<u>506,947</u>	<u>29,314</u>	<u>477,633</u>	<u>506,947</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,855</u>	473,527	<u>\$ 476,382</u>	<u>\$ 476,382</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>2,855</u>		
End of year - June 30			<u>\$ 476,382</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, 2022**

	<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>	
<b>Expenditures:</b>					
Education:					
Engineering	\$ 51,700	\$ 6,497	\$ -	\$ 6,497	\$ 45,203
Construction	982,300	784,804	106,821	891,625	90,675
Total expenditures	<u>1,034,000</u>	<u>791,301</u>	<u>106,821</u>	<u>898,122</u>	<u>135,878</u>
Revenues over (under) expenditures	<u>(1,034,000)</u>	<u>(791,301)</u>	<u>(106,821)</u>	<u>(898,122)</u>	<u>135,878</u>
<b>Other Financing Sources (Uses):</b>					
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>\$ 242,699</u>	<u>(106,821)</u>	<u>\$ 135,878</u>	<u>\$ 135,878</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>242,699</u>		
End of year - June 30			<u>\$ 135,878</u>		

## HARNETT COUNTY, NORTH CAROLINA

**2022 G.O. BONDS SERIES 2021**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	<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>	
<b>Expenditures:</b>					
Education:					
Construction	\$ 13,126,381	\$ -	\$ -	\$ -	\$ 13,126,381
Total expenditures	<u>13,126,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,126,381</u>
Revenues over (under) expenditures	<u>(13,126,381)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,126,381</u>
<b>Other Financing Sources (Uses):</b>					
Bond premium	6,300,403	-	6,300,403	6,300,403	-
Bond proceeds	<u>6,825,978</u>	<u>-</u>	<u>6,594,012</u>	<u>6,594,012</u>	<u>(231,966)</u>
Total other financing sources (uses)	<u>13,126,381</u>	<u>-</u>	<u>12,894,415</u>	<u>12,894,415</u>	<u>(231,966)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	12,894,415	<u>\$ 12,894,415</u>	<u>\$ 12,894,415</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 12,894,415</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, 2022**

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
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>
<b>Expenditures:</b>					
Economic and physical development:					
Engineering	120,642	120,642	-	120,642	-
Construction	<u>864,234</u>	<u>864,234</u>	<u>-</u>	<u>864,234</u>	<u>-</u>
Total expenditures	<u>984,876</u>	<u>984,876</u>	<u>-</u>	<u>984,876</u>	<u>-</u>
Revenues over (under) expenditures	<u>(484,876)</u>	<u>(484,876)</u>	<u>-</u>	<u>(484,876)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	515,365	515,365	-	515,365	-
Transfers out	<u>(30,489)</u>	<u>-</u>	<u>(30,489)</u>	<u>(30,489)</u>	<u>-</u>
Total other financing sources (uses)	<u>484,876</u>	<u>515,365</u>	<u>(30,489)</u>	<u>484,876</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 30,489</u>	<u>(30,489)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>30,489</u>		
End of year - June 30			<u>\$ -</u>		

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# ENTERPRISE FUNDS

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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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Water and sewer sales	\$ 36,850,000	\$ 41,410,701	\$ 4,560,701
Other operating revenues	964,797	7,728,661	6,763,864
Total operating revenues	<u>37,814,797</u>	<u>49,139,362</u>	<u>11,324,565</u>
Non-operating revenues:			
Interest earned on investments	<u>10,000</u>	<u>1,149</u>	<u>(8,851)</u>
Total revenues	<u>37,824,797</u>	<u>49,140,511</u>	<u>11,315,714</u>
<b>Expenditures:</b>			
Salaries and employee benefits	9,043,123	7,913,296	1,129,827
Sewage treatment	2,686,500	2,337,401	349,099
Other operating expenses	18,870,883	14,918,327	3,952,556
Capital outlay	-	731,228	(731,228)
Debt service:			
Debt principal	-	2,992,000	(2,992,000)
Interest and fees	<u>4,527,895</u>	<u>1,530,965</u>	<u>2,996,930</u>
Total expenditures	<u>35,128,401</u>	<u>30,423,217</u>	<u>4,705,184</u>
Revenues over (under) expenditures	<u>2,696,396</u>	<u>18,717,294</u>	<u>16,020,898</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated net position	2,217,039	-	(2,217,039)
Transfers in (out)	<u>(4,913,435)</u>	<u>308,737</u>	<u>5,222,172</u>
Total other financing sources (uses)	<u>(2,696,396)</u>	<u>308,737</u>	<u>3,005,133</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 19,026,031</u>	<u>\$ 19,026,031</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 19,026,031	
Reconciling items:			
Loss on sale of assets		(73,634)	
Debt principal		2,992,000	
Amortization of bond premium		382,540	
Amortization of deferred charge on refunding		(159,557)	
Change in accrued interest		45,334	
Increase in compensated absences		(258,527)	
Change in OPEB liability		1,101,589	
Change in deferred outflows of resources - OPEB		(191,368)	
Change in deferred inflows of resources - OPEB		(1,230,916)	
Change in deferred outflows - pension		237,005	
Change in net pension liability		1,671,995	
Change in deferred inflows - pension		(1,709,317)	
Contributed asset		7,720,599	
Capital contributions from projects		46,088	
Interest and fees from project		(871,421)	
Lease revenue from districts		871,421	
Intrafund transfers		(308,737)	
Capital outlay		731,228	
Depreciation		<u>(12,712,327)</u>	
Change in net position		<u>\$ 17,310,026</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Debt principal	\$ 542,000	\$ 542,000	\$ -
Interest and fees	<u>644,244</u>	<u>644,244</u>	<u>-</u>
Total expenditures	<u>1,186,244</u>	<u>1,186,244</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,186,244)</u>	<u>(1,186,244)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>			
Capital lease transfer in	<u>1,186,244</u>	<u>644,244</u>	<u>(542,000)</u>
Total other financing sources (uses)	<u>1,186,244</u>	<u>644,244</u>	<u>(542,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (542,000)</u>	<u>\$ (542,000)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (542,000)	
Reconciling items:			
Debt principal		<u>542,000</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Debt principal	\$ 110,000	\$ 110,000	\$ -
Interest and fees	<u>33,175</u>	<u>33,175</u>	<u>-</u>
Total expenditures	<u>143,175</u>	<u>143,175</u>	<u>-</u>
Revenues over (under) expenditures	<u>(143,175)</u>	<u>(143,175)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>			
Capital lease transfer in	<u>143,175</u>	<u>33,175</u>	<u>(110,000)</u>
Total other financing sources (uses)	<u>143,175</u>	<u>33,175</u>	<u>(110,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (110,000)</u>	<u>\$ (110,000)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (110,000)	
Reconciling items:			
Debt principal		<u>110,000</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Debt principal	\$ 60,000	\$ 60,000	\$ -
Interest and fees	<u>16,988</u>	<u>16,988</u>	<u>-</u>
Total expenditures	<u>76,988</u>	<u>76,988</u>	<u>-</u>
Revenues over (under) expenditures	<u>(76,988)</u>	<u>(76,988)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>			
Capital lease transfer in	<u>76,988</u>	<u>16,988</u>	<u>(60,000)</u>
Total other financing sources (uses)	<u>76,988</u>	<u>16,988</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>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Debt principal	\$ 165,000	\$ 165,000	\$ -
Interest and fees	<u>49,363</u>	<u>49,363</u>	<u>-</u>
Total expenditures	<u>214,363</u>	<u>214,363</u>	<u>-</u>
Revenues over (under) expenditures	<u>(214,363)</u>	<u>(214,363)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>			
Capital lease transfer in	<u>214,363</u>	<u>49,363</u>	<u>(165,000)</u>
Total other financing sources (uses)	<u>214,363</u>	<u>49,363</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>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Debt principal	\$ 55,000	\$ 55,000	\$ -
Interest and fees	<u>24,750</u>	<u>24,750</u>	<u>-</u>
Total expenditures	<u>79,750</u>	<u>79,750</u>	<u>-</u>
Revenues over (under) expenditures	<u>(79,750)</u>	<u>(79,750)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>			
Capital lease transfer in	<u>79,750</u>	<u>24,750</u>	<u>(55,000)</u>
Total other financing sources (uses)	<u>79,750</u>	<u>24,750</u>	<u>(55,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (55,000)</u>	<u>\$ (55,000)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (55,000)	
Reconciling items:			
Debt principal		<u>55,000</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Debt principal	\$ 125,000	\$ 125,000	\$ -
Interest and fees	<u>72,563</u>	<u>72,563</u>	<u>-</u>
Total expenditures	<u>197,563</u>	<u>197,563</u>	<u>-</u>
Revenues over (under) expenditures	<u>(197,563)</u>	<u>(197,563)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>			
Capital lease transfer in	<u>197,563</u>	<u>72,563</u>	<u>(125,000)</u>
Total other financing sources (uses)	<u>197,563</u>	<u>72,563</u>	<u>(125,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (125,000)</u>	<u>\$ (125,000)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (125,000)	
Reconciling items:			
Debt principal		<u>125,000</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Debt principal	\$ 25,000	\$ 25,000	\$ -
Interest and fees	<u>30,338</u>	<u>30,338</u>	<u>-</u>
Total expenditures	<u>55,338</u>	<u>55,338</u>	<u>-</u>
Revenues under expenditures	<u>(55,338)</u>	<u>(55,338)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>			
Capital lease transfer in	<u>55,338</u>	<u>30,338</u>	<u>(25,000)</u>
Total other financing sources (uses)	<u>55,338</u>	<u>30,338</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>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
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, 2022

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Expenditures:</b>					
Construction	\$ 935,151	\$ 935,151	\$ -	\$ 935,151	\$ -
Legal and administration	3,933	3,933	-	3,933	-
Engineering	147,700	147,700	-	147,700	-
Total expenditures	<u>1,086,784</u>	<u>1,086,784</u>	<u>-</u>	<u>1,086,784</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,086,784)</u>	<u>(1,086,784)</u>	<u>-</u>	<u>(1,086,784)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in - Enterprise Fund	1,215,650	1,215,650	-	1,215,650	-
Transfers out - Enterprise Fund	<u>(128,866)</u>	<u>-</u>	<u>(128,866)</u>	<u>(128,866)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,086,784</u>	<u>1,215,650</u>	<u>(128,866)</u>	<u>1,086,784</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 128,866</u>	<u>\$ (128,866)</u>	<u>\$ -</u>	<u>\$ -</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, 2022

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Expenditures:</b>					
Construction	\$ 583,097	\$ 583,097	\$ -	\$ 583,097	\$ -
Legal and administration	3,985	3,985	-	3,985	-
Engineering	152,000	152,000	-	152,000	-
Materials and supplies	24,126	24,126	-	24,126	-
Land	1,325	1,325	-	1,325	-
Total expenditures	<u>764,533</u>	<u>764,533</u>	<u>-</u>	<u>764,533</u>	<u>-</u>
Revenues over (under) expenditures	<u>(764,533)</u>	<u>(764,533)</u>	<u>-</u>	<u>(764,533)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in - Enterprise Fund	1,027,900	1,027,900	-	1,027,900	-
Transfers out - Enterprise Fund	<u>(263,367)</u>	<u>-</u>	<u>(263,367)</u>	<u>(263,367)</u>	<u>-</u>
Total other financing sources (uses)	<u>764,533</u>	<u>1,027,900</u>	<u>(263,367)</u>	<u>764,533</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 263,367</u>	<u>\$ (263,367)</u>	<u>\$ -</u>	<u>\$ -</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, 2022**

	<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>	
<b>Expenditures:</b>					
Construction	\$ 9,960,821	\$ 9,960,821	\$ -	\$ 9,960,821	\$ -
Legal and administration	65,835	65,835	-	65,835	-
Engineering	375,000	375,000	-	375,000	-
Total expenditures	<u>10,401,656</u>	<u>10,401,656</u>	<u>-</u>	<u>10,401,656</u>	<u>-</u>
Revenues over (under) expenditures	<u>(10,401,656)</u>	<u>(10,401,656)</u>	<u>-</u>	<u>(10,401,656)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in - Enterprise Fund	11,170,903	11,170,903	-	11,170,903	-
Transfers out - Enterprise Fund	<u>(769,247)</u>	<u>-</u>	<u>(769,247)</u>	<u>(769,247)</u>	<u>-</u>
Total other financing sources (uses)	<u>10,401,656</u>	<u>11,170,903</u>	<u>(769,247)</u>	<u>10,401,656</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 769,247</u>	<u>\$ (769,247)</u>	<u>\$ -</u>	<u>\$ -</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, 2022**

	<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>	
<b>Expenditures:</b>					
Construction	\$ 361,460	\$ 361,460	\$ -	\$ 361,460	\$ -
Total expenditures	<u>361,460</u>	<u>361,460</u>	<u>-</u>	<u>361,460</u>	<u>-</u>
Revenues over (under) expenditures	<u>(361,460)</u>	<u>(361,460)</u>	<u>-</u>	<u>(361,460)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in - Enterprise Fund	880,000	880,000	-	880,000	-
Transfers out - Enterprise Fund	<u>(518,540)</u>	<u>-</u>	<u>(518,540)</u>	<u>(518,540)</u>	<u>-</u>
Total other financing sources (uses)	<u>361,460</u>	<u>880,000</u>	<u>(518,540)</u>	<u>361,460</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 518,540</u>	<u>\$ (518,540)</u>	<u>\$ -</u>	<u>\$ -</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, 2022**

	<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>	
<b>Revenues:</b>					
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>
<b>Expenditures:</b>					
Construction	2,688,100	1,938,096	389,215	2,327,311	360,789
Legal and administration	10,000	-	-	-	10,000
Engineering	591,105	467,893	39,311	507,204	83,901
Materials and supplies	45,000	-	-	-	45,000
Land	20,000	13,793	-	13,793	6,207
Total expenditures	<u>3,354,205</u>	<u>2,419,782</u>	<u>428,526</u>	<u>2,848,308</u>	<u>505,897</u>
Revenues over (under) expenditures	<u>(2,854,205)</u>	<u>(1,919,782)</u>	<u>(428,526)</u>	<u>(2,348,308)</u>	<u>505,897</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in - Enterprise Fund	2,854,205	2,854,205	-	2,854,205	-
Total other financing sources (uses)	<u>2,854,205</u>	<u>2,854,205</u>	<u>-</u>	<u>2,854,205</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 934,423</u>	<u>\$ (428,526)</u>	<u>\$ 505,897</u>	<u>\$ 505,897</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, 2022

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
<b>Expenditures:</b>					
Construction	\$ 7,521,912	\$ 7,521,547	\$ 365	\$ 7,521,912	\$ -
Legal and administration	61,990	61,990	-	61,990	-
Engineering	350,000	350,000	-	350,000	-
Materials and supplies	17,209	17,209	-	17,209	-
Land	29,388	29,388	-	29,388	-
Total expenditures	<u>7,980,499</u>	<u>7,980,134</u>	<u>365</u>	<u>7,980,499</u>	<u>-</u>
Revenues over (under) expenditures	<u>(7,980,499)</u>	<u>(7,980,134)</u>	<u>(365)</u>	<u>(7,980,499)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in - Enterprise Fund	8,509,216	8,509,216	-	8,509,216	-
Transfers out - Enterprise Fund	<u>(528,717)</u>	<u>-</u>	<u>(528,717)</u>	<u>(528,717)</u>	<u>-</u>
Total other financing sources (uses)	<u>7,980,499</u>	<u>8,509,216</u>	<u>(528,717)</u>	<u>7,980,499</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 529,082</u>	<u>\$ (529,082)</u>	<u>\$ -</u>	<u>\$ -</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, 2022

	<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>	
<b>Revenues:</b>					
Restricted intergovernmental	\$ -	\$ 16,116	\$ 46,088	\$ 62,204	\$ 62,204
Total revenues	<u>-</u>	<u>16,116</u>	<u>46,088</u>	<u>62,204</u>	<u>62,204</u>
<b>Expenditures:</b>					
Construction	13,900,379	6,292,907	5,444,672	11,737,579	2,162,800
Legal and administration	1,000	-	-	-	1,000
Engineering	644,931	202,907	252,682	455,589	189,342
Materials and supplies	158,000	-	-	-	158,000
Contingency	<u>277,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,733</u>
Total expenditures	<u>14,982,043</u>	<u>6,495,814</u>	<u>5,697,354</u>	<u>12,193,168</u>	<u>2,788,875</u>
Revenues over (under) expenditures	<u>(14,982,043)</u>	<u>(6,479,698)</u>	<u>(5,651,266)</u>	<u>(12,130,964)</u>	<u>2,851,079</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in - Enterprise Fund	<u>14,982,043</u>	<u>14,000,000</u>	<u>-</u>	<u>14,000,000</u>	<u>(982,043)</u>
Total other financing sources (uses)	<u>14,982,043</u>	<u>14,000,000</u>	<u>-</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>\$ 7,520,302</u>	<u>\$ (5,651,266)</u>	<u>\$ 1,869,036</u>	<u>\$ 1,869,036</u>



## HARNETT COUNTY, NORTH CAROLINA

**NORTHWEST HARNETT UTILITY EXTENSION CAPITAL PROJECT  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	<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>	
<b>Expenditures:</b>					
Construction	\$ 1,869,000	\$ -	\$ -	\$ -	\$ 1,869,000
Engineering	304,900	-	138,380	138,380	166,520
Materials and supplies	204,100	-	-	-	204,100
Total expenditures	<u>2,378,000</u>	<u>-</u>	<u>138,380</u>	<u>138,380</u>	<u>2,239,620</u>
Revenues over (under) expenditures	<u>(2,378,000)</u>	<u>-</u>	<u>(138,380)</u>	<u>(138,380)</u>	<u>2,239,620</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in - Enterprise Fund	<u>2,378,000</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>(1,978,000)</u>
Total other financing sources (uses)	<u>2,378,000</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>(1,978,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 261,620</u>	<u>\$ 261,620</u>	<u>\$ 261,620</u>

## HARNETT COUNTY, NORTH CAROLINA

**NORTH HARNETT WWTP CAPACITY CAPITAL PROJECT  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	<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>	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 40,229,800	\$ -	\$ -	\$ -	\$ (40,229,800)
Total revenues	<u>40,229,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,229,800)</u>
<b>Expenditures:</b>					
Construction	50,000,000	-	-	-	50,000,000
Engineering	4,365,000	-	200,530	200,530	4,164,470
Total expenditures	<u>54,365,000</u>	<u>-</u>	<u>200,530</u>	<u>200,530</u>	<u>54,164,470</u>
Revenues over (under) expenditures	<u>(14,135,200)</u>	<u>-</u>	<u>(200,530)</u>	<u>(200,530)</u>	<u>13,934,670</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in - Enterprise Fund	14,135,200	-	1,500,000	1,500,000	(12,635,200)
Total other financing sources (uses)	<u>14,135,200</u>	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>(12,635,200)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,299,470</u>	<u>\$ 1,299,470</u>	<u>\$ 1,299,470</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Solid waste fees	\$ 7,893,588	\$ 8,289,271	\$ 395,683
Other operating revenues	12,500	13,086	586
Total operating revenues	<u>7,906,088</u>	<u>8,302,357</u>	<u>396,269</u>
<b>Non-Operating Revenues:</b>			
Restricted intergovernmental	335,000	333,365	(1,635)
Interest earned on investments	-	410	410
Total non-operating revenues	<u>335,000</u>	<u>333,775</u>	<u>(1,225)</u>
Total revenues	<u>8,241,088</u>	<u>8,636,132</u>	<u>395,044</u>
<b>Expenditures:</b>			
Salaries and employee benefits	1,264,679	1,184,745	79,934
Other operating expenses	5,460,470	4,612,574	847,896
Capital outlay	518,746	-	518,746
Debt service:			
Debt principal and interest	353,550	339,545	14,005
Total expenditures	<u>7,597,445</u>	<u>6,136,864</u>	<u>1,460,581</u>
Revenues over (under) expenditures	<u>643,643</u>	<u>2,499,268</u>	<u>1,855,625</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in (out)	(500,000)	-	500,000
Appropriated net position	(143,643)	-	143,643
Total other financing sources (uses)	<u>(643,643)</u>	<u>-</u>	<u>643,643</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,499,268</u>	<u>\$ 2,499,268</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Reconciliation from Budgetary Basis</b>			
<b>(Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 2,499,268	
Reconciling items:			
Debt principal		300,000	
Change in deferred outflows - pension		36,462	
Change in net pension liability		257,230	
Change in deferred inflows - pension		(262,972)	
Increase in compensated absences		(16,012)	
Change in OPEB liability		169,475	
Change in deferred outflows of resources - OPEB		(29,441)	
Change in deferred inflows of resources - OPEB		(189,371)	
Amortization of premium		16,036	
Depreciation		<u>(313,971)</u>	
Change in net position		<u>\$ 2,466,704</u>	

# INTERNAL SERVICE FUNDS

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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, 2022**

	<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>
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ 6,163,363	\$ 984,188	\$ 720,722	\$ 10,523,578
Accounts receivable	-	-	564	-
Total assets	<u>6,163,363</u>	<u>984,188</u>	<u>721,286</u>	<u>10,523,578</u>
<b>Liabilities:</b>				
Current liabilities:				
Claims payable	150,000	-	-	-
Accounts payable	8,790	-	5,040	1,083,979
Total current liabilities	<u>158,790</u>	<u>-</u>	<u>5,040</u>	<u>1,083,979</u>
Non-current liabilities:				
Claims payable	84,261	-	-	-
Total liabilities	<u>243,051</u>	<u>-</u>	<u>5,040</u>	<u>1,083,979</u>
<b>Net Position:</b>				
Unrestricted	<u>5,920,312</u>	<u>984,188</u>	<u>716,246</u>	<u>9,439,599</u>
Total net position	<u>\$ 5,920,312</u>	<u>\$ 984,188</u>	<u>\$ 716,246</u>	<u>\$ 9,439,599</u>

## HARNETT COUNTY, NORTH CAROLINA

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	<b>Dental Insurance Fund</b>	<b>Unemployment Insurance Fund</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 780,383	\$ 1,840,788	\$ 21,013,022
Accounts receivable	-	-	564
Total assets	<u>780,383</u>	<u>1,840,788</u>	<u>21,013,586</u>
<b>Liabilities:</b>			
Current liabilities:			
Claims payable	-	-	150,000
Accounts payable	53,079	-	1,150,888
Total current liabilities	<u>53,079</u>	<u>-</u>	<u>1,300,888</u>
Non-current liabilities:			
Claims payable	-	-	84,261
Total liabilities	<u>53,079</u>	<u>-</u>	<u>1,385,149</u>
<b>Net Position:</b>			
Unrestricted	<u>727,304</u>	<u>1,840,788</u>	<u>19,628,437</u>
Total net position	<u>\$ 727,304</u>	<u>\$ 1,840,788</u>	<u>\$ 19,628,437</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, 2022**

	<u>Workers' Compensation Fund</u>	<u>Group Insurance Fund</u>	<u>Employee Clinic Fund</u>	<u>Medical Insurance Fund</u>
<b>Operating Revenues:</b>				
County contribution	\$ 1,322,418	\$ 1,715,499	\$ 157,395	\$ 10,678,452
<b>Operating Expenses:</b>				
Benefits and premiums	349,600	1,435,925	127,582	9,831,492
Total expenditures	<u>349,600</u>	<u>1,435,925</u>	<u>127,582</u>	<u>9,831,492</u>
Operating income (loss)	972,818	279,574	29,813	846,960
<b>Net Position:</b>				
Beginning of year - July 1	<u>4,947,494</u>	<u>704,614</u>	<u>686,433</u>	<u>8,592,639</u>
End of year - June 30	<u>\$ 5,920,312</u>	<u>\$ 984,188</u>	<u>\$ 716,246</u>	<u>\$ 9,439,599</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, 2022**

	<u>Dental Insurance Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>
<b>Operating Revenues:</b>			
County contribution	\$ 520,837	\$ 108,675	\$ 14,503,276
<b>Operating Expenses:</b>			
Benefits and premiums	443,497	16,813	12,204,909
Total expenditures	<u>443,497</u>	<u>16,813</u>	<u>12,204,909</u>
Operating income (loss)	77,340	91,862	2,298,367
<b>Net Position:</b>			
Beginning of year - July 1	<u>649,964</u>	<u>1,748,926</u>	<u>17,330,070</u>
End of year - June 30	<u>\$ 727,304</u>	<u>\$ 1,840,788</u>	<u>\$ 19,628,437</u>

**HARNETT COUNTY, NORTH CAROLINA**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Workers' Compensation Fund</u>	<u>Group Insurance Fund</u>	<u>Employee Clinic Fund</u>	<u>Medical Insurance Fund</u>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 1,322,418	\$ 1,715,499	\$ 157,395	\$ 10,678,452
Cash paid to suppliers	<u>(539,325)</u>	<u>(1,435,925)</u>	<u>(124,928)</u>	<u>(9,953,658)</u>
Net cash provided (used) by operating activities	<u>783,093</u>	<u>279,574</u>	<u>32,467</u>	<u>724,794</u>
Net increase (decrease) in cash and cash equivalents	783,093	279,574	32,467	724,794
<b>Cash and Cash Equivalents:</b>				
Beginning of year - July 1	<u>5,380,270</u>	<u>704,614</u>	<u>688,255</u>	<u>9,798,784</u>
End of year - June 30	<u>\$ 6,163,363</u>	<u>\$ 984,188</u>	<u>\$ 720,722</u>	<u>\$ 10,523,578</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 972,818	\$ 279,574	\$ 29,813	\$ 846,960
Change in claims payable	<u>(189,725)</u>	<u>-</u>	<u>2,654</u>	<u>(122,166)</u>
Net cash provided (used) by operating activities	<u>\$ 783,093</u>	<u>\$ 279,574</u>	<u>\$ 32,467</u>	<u>\$ 724,794</u>

**HARNETT COUNTY, NORTH CAROLINA**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Dental Insurance Fund</b>	<b>Unemployment Insurance Fund</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 520,837	\$ 108,675	\$ 14,503,276
Cash paid to suppliers	(443,497)	(16,813)	(12,514,146)
Net cash provided (used) by operating activities	<u>77,340</u>	<u>91,862</u>	<u>1,989,130</u>
 Net increase (decrease) in cash and cash equivalents	 77,340	 91,862	 1,989,130
 <b>Cash and Cash Equivalents:</b>			
Beginning of year - July 1	<u>703,043</u>	<u>1,748,926</u>	<u>19,023,892</u>
 End of year - June 30	 <u>\$ 780,383</u>	 <u>\$ 1,840,788</u>	 <u>\$ 21,013,022</u>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 77,340	\$ 91,862	\$ 2,298,367
Change in claims payable	<u>-</u>	<u>-</u>	<u>(309,237)</u>
Net cash provided (used) by operating activities	<u>\$ 77,340</u>	<u>\$ 91,862</u>	<u>\$ 1,989,130</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, 2022**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
County contributions	\$ 180,900	\$ 157,395	\$ (23,505)
Total revenues	<u>180,900</u>	<u>157,395</u>	<u>(23,505)</u>
<b>Expenditures:</b>			
Benefits and premiums	180,900	127,582	53,318
Total expenditures	<u>180,900</u>	<u>127,582</u>	<u>53,318</u>
Change in net position	<u>\$ -</u>	29,813	<u>\$ 29,813</u>
<b>Net Position:</b>			
Beginning of year - July 1		<u>686,433</u>	
End of year - June 30		<u>\$ 716,246</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, 2022**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
County contributions	\$ 760,000	\$ 1,322,418	\$ 562,418
Total revenues	<u>760,000</u>	<u>1,322,418</u>	<u>562,418</u>
<b>Expenditures:</b>			
Benefits and premiums	760,000	349,600	410,400
Total expenditures	<u>760,000</u>	<u>349,600</u>	<u>410,400</u>
Change in net position	<u>\$ -</u>	972,818	<u>\$ 972,818</u>
<b>Net Position:</b>			
Beginning of year - July 1		<u>4,947,494</u>	
End of year - June 30		<u>\$ 5,920,312</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, 2022

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
County contributions	\$ 1,500,000	\$ 1,715,499	\$ 215,499
Total revenues	<u>1,500,000</u>	<u>1,715,499</u>	<u>215,499</u>
<b>Expenditures:</b>			
Benefits and premiums	<u>1,500,000</u>	<u>1,435,925</u>	<u>64,075</u>
Total expenditures	<u>1,500,000</u>	<u>1,435,925</u>	<u>64,075</u>
Change in net position	<u>\$ -</u>	279,574	<u>\$ 279,574</u>
<b>Net Position:</b>			
Beginning of year - July 1		<u>704,614</u>	
End of year - June 30		<u>\$ 984,188</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, 2022**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
County contributions	\$ 250,000	\$ 108,675	\$ (141,325)
Total revenues	<u>250,000</u>	<u>108,675</u>	<u>(141,325)</u>
<b>Expenditures:</b>			
Benefits and premiums	250,000	16,813	233,187
Total expenditures	<u>250,000</u>	<u>16,813</u>	<u>233,187</u>
Change in net position	<u>\$ -</u>	91,862	<u>\$ 91,862</u>
<b>Net Position:</b>			
Beginning of year - July 1		<u>1,748,926</u>	
End of year - June 30		<u>\$ 1,840,788</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, 2022**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
County contributions	\$ 10,962,000	\$ 10,678,452	\$ (283,548)
Total revenues	<u>10,962,000</u>	<u>10,678,452</u>	<u>(283,548)</u>
<b>Expenditures:</b>			
Benefits and premiums	11,262,000	9,831,492	1,430,508
Total expenditures	<u>11,262,000</u>	<u>9,831,492</u>	<u>1,430,508</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	300,000	-	(300,000)
Total other financing sources (uses)	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
Change in net position	<u>\$ -</u>	846,960	<u>\$ 846,960</u>
<b>Net Position:</b>			
Beginning of year - July 1		<u>8,592,639</u>	
End of year - June 30		<u>\$ 9,439,599</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, 2022**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
County contributions	\$ 550,000	\$ 520,837	\$ (29,163)
<b>Expenditures:</b>			
Benefits and premiums	550,000	443,497	106,503
Total expenditures	<u>550,000</u>	<u>443,497</u>	<u>106,503</u>
Change in net position	<u>\$ -</u>	77,340	<u>\$ 77,340</u>
<b>Net Position:</b>			
Beginning of year - July 1		<u>649,964</u>	
End of year - June 30		<u>\$ 727,304</u>	

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# FIDUCIARY FUNDS

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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, 2022

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 255,253	\$ 65,216	\$ 320,469
Taxes receivables for other governments, net	<u>176,638</u>	<u>-</u>	<u>176,638</u>
Total assets	<u>431,891</u>	<u>65,216</u>	<u>497,107</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	-	29,645	29,645
Due to other governments	<u>255,253</u>	<u>-</u>	<u>255,253</u>
Total liabilities	<u>255,253</u>	<u>29,645</u>	<u>284,898</u>
<b>Net Position:</b>			
Restricted for:			
Individuals, organizations, and other governments	<u>176,638</u>	<u>35,571</u>	<u>212,209</u>
Total net position	<u>\$ 176,638</u>	<u>\$ 35,571</u>	<u>\$ 212,209</u>

## HARNETT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
<b>Additions:</b>			
Ad valorem taxes for other governments	\$ 11,012,951	\$ -	\$ 11,012,951
Collections on behalf of inmates	-	634,640	634,640
Total additions	<u>11,012,951</u>	<u>634,640</u>	<u>11,647,591</u>
<b>Deductions:</b>			
Tax distributions to other governments	10,985,525	-	10,985,525
Payments on behalf of inmates	-	610,396	610,396
Total deductions	<u>10,985,525</u>	<u>610,396</u>	<u>11,595,921</u>
Net increase (decrease) in fiduciary net position	27,426	24,244	51,670
Net position, beginning	<u>149,212</u>	<u>11,327</u>	<u>160,539</u>
Net position, ending	<u>\$ 176,638</u>	<u>\$ 35,571</u>	<u>\$ 212,209</u>

**HARNETT COUNTY, NORTH CAROLINA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS**

**JUNE 30, 2022**

	<u>OPEB Trust Fund</u>	<u>LEO Trust Fund</u>	<u>Total Pension Trust Funds</u>
<b>Assets:</b>			
Restricted cash and cash equivalents	\$ 933,244	\$ 370,417	\$ 1,303,661
<b>Net Position:</b>			
Restricted for:			
Defined benefit pensions	-	370,417	370,417
Post-employment benefits other than pensions	<u>933,244</u>	<u>-</u>	<u>933,244</u>
Total net position	<u>\$ 933,244</u>	<u>\$ 370,417</u>	<u>\$ 1,303,661</u>

## HARNETT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 PENSION TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>OPEB Trust Fund</u>	<u>LEO Trust Fund</u>	<u>Total Pension Trust Funds</u>
<b>Additions:</b>			
Employer contributions:	\$ 1,107,150	\$ 376,410	\$ 1,483,560
Investment income:	<u>(137,602)</u>	<u>30,773</u>	<u>(106,829)</u>
Total additions	<u>969,548</u>	<u>407,183</u>	<u>1,376,731</u>
<b>Deductions:</b>			
Benefit payments	<u>893,455</u>	<u>169,345</u>	<u>1,062,800</u>
Change in net position	76,093	237,838	313,931
<b>Net Position:</b>			
Beginning of year, July 1	<u>857,151</u>	<u>132,579</u>	<u>989,730</u>
End of year, June 30	<u>\$ 933,244</u>	<u>\$ 370,417</u>	<u>\$ 1,303,661</u>



# **OTHER SCHEDULES**

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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, 2022

Fiscal Year	Uncollected Balance July 1, 2021	Additions	Collections and Credits	Uncollected Balance June 30, 2022
2021-2022	\$ -	\$ 74,074,566	\$ 73,674,943	\$ 399,623
2020-2021	397,434	-	212,462	184,972
2019-2020	206,415	-	77,314	129,101
2018-2019	88,317	-	25,139	63,178
2017-2018	69,559	-	16,774	52,785
2016-2017	56,670	-	10,272	46,398
2015-2016	46,941	-	8,518	38,423
2014-2015	37,808	-	6,565	31,243
2013-2014	78,416	-	6,537	71,879
2012-2013	90,710	-	15,480	75,230
2011-2012	66,128	-	66,128	-
Total	\$ 1,138,398	\$ 74,074,566	\$ 74,120,132	1,092,832
Less: allowance for uncollectible accounts - General Fund				566,338
Ad valorem taxes receivable, net - General Fund				\$ 526,494
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 73,671,144
Reconciling items:				
Interest collected				382,860
Taxes written off				66,128
Total collections and credits				\$ 74,120,132

## HARNETT COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2022

	County-Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 9,924,437,467	\$ 0.7500	\$ 74,433,281	\$ 63,826,416	\$ 10,606,865
Penalties	<u>9,721,067</u>		<u>72,908</u>	<u>72,908</u>	<u>-</u>
Total	<u>9,934,158,534</u>		<u>74,506,189</u>	<u>63,899,324</u>	<u>10,606,865</u>
<b>Discoveries:</b>					
Current years taxes	3,137,700	0.7500	41,836	41,836	-
Abatements	<u>(35,509,425)</u>		<u>(473,459)</u>	<u>(473,459)</u>	<u>-</u>
Total	<u>(32,371,725)</u>		<u>(431,623)</u>	<u>(431,623)</u>	<u>-</u>
Total property valuation	<u>\$ 9,901,786,809</u>				
<b>Net Levy</b>			74,074,566	63,467,701	10,606,865
Uncollected taxes at June 30, 2022			<u>(399,623)</u>	<u>(399,623)</u>	<u>-</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 73,674,943</u>	<u>\$ 63,068,078</u>	<u>\$ 10,606,865</u>
<b>Current Levy Collection Percentage</b>			<u>99.46%</u>	<u>99.37%</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.

<b>Contents</b>	<b>Page</b>
Financial Trends <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>	P-216
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	P-219
Debt Capacity <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>	P-230
Demographic and Economic Information <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>	P-234
Operating Information <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>	P-238

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 62,464,192	\$ 50,365,917	\$ 44,566,178	\$ 55,813,622	\$ (68,658,054)	\$ 54,269,404	\$ 51,755,245	\$ 40,586,139	\$ 45,363,315	\$ 57,578,059
Restricted	10,997,970	11,787,945	15,913,835	17,766,806	44,513,234	17,376,057	21,274,854	23,518,517	23,565,286	24,411,608
Unrestricted	(105,671,907)	(94,656,353)	(88,995,853)	(78,490,540)	35,023,661	(80,953,920)	(92,557,019)	(65,395,023)	(61,583,090)	(75,414,982)
Total governmental activities net position	\$ (32,209,745)	\$ (32,502,491)	\$ (28,515,840)	\$ (4,910,112)	\$ 10,878,841	\$ (9,308,459)	\$ (19,526,920)	\$ (1,290,367)	\$ 7,345,511	\$ 6,574,885
<b>Business-type activities</b>										
Net investment in capital assets	\$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	\$ 293,777,712
Restricted	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	86,258,794
Total business-type activities net position	\$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	\$380,036,506
<b>Primary Government</b>										
Net investment in capital assets	\$305,506,610	\$295,484,288	\$311,291,343	\$334,331,406	\$209,616,051	\$335,944,035	\$333,815,086	\$326,138,534	\$333,792,959	\$351,355,771
Restricted	10,997,970	11,787,945	15,913,835	17,766,806	44,513,234	17,376,057	21,274,854	23,518,517	23,565,286	24,411,608
Unrestricted	(63,579,216)	(39,315,551)	(44,922,848)	(35,894,434)	84,964,552	(31,325,369)	(36,248,720)	(1,966,126)	9,948,254	10,843,812
Total primary government net position	\$252,925,364	\$267,956,682	\$282,282,330	\$316,203,778	\$339,093,837	\$321,994,723	\$318,841,220	\$347,690,925	\$367,306,499	\$386,611,191

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 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	\$ 19,397,236
Public Safety	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	58,526,377
Transportation	344,069	276,823	952,006	927,620	999,651	1,183,864	2,164,719	1,925,372	2,570,391	414,281
Environmental Protection	135,892	138,994	170,630	182,736	181,452	166,931	178,917	226,440	224,948	265,800
Economic & physical development	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	4,715,574
Human Services	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	24,138,142
Cultural & Recreational	1,458,094	1,473,554	1,513,720	1,667,895	2,236,204	2,938,458	3,187,931	3,277,094	3,409,512	3,091,532
Education	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	62,205,098
Debt Service:										
Interest and fees	5,279,472	6,332,214	5,463,869	5,315,756	4,825,862	5,443,930	5,224,806	4,686,259	6,463,671	8,454,218
Total governmental activities expenses	115,703,247	122,279,630	114,361,867	113,176,852	125,005,643	144,597,711	140,039,283	144,698,374	156,891,623	181,208,258
Business type activities										
Water and Sewer	28,120,698	28,650,534	28,444,236	31,176,432	32,111,467	34,137,473	36,798,468	34,883,209	38,069,462	39,523,538
Solid Waste	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	6,243,062
Total business-type activities	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	45,766,600
Total primary government expenses	\$ 148,410,256	\$ 155,404,288	\$ 145,424,261	\$ 149,094,799	\$ 162,455,388	\$ 184,158,382	\$ 182,242,366	\$ 185,034,931	\$ 200,710,379	\$ 226,974,858
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General government	\$ 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	\$ 17,186,944
Public Safety	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	15,939,718
Transportation	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	4,148	8,085	10,766	20,714	24,814	4,175	-	-	-	-
Human services	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	4,580,612
Cultural and recreational	41,158	39,974	43,284	49,369	51,996	72,403	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
General government	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	3,066,559
Public Safety	1,899,606	747,873	648,901	1,022,612	579,565	1,101,278	1,086,874	3,142,783	1,772,491	2,234,445
Transportation	811,311	3,957,957	1,042,078	582,821	660,431	552,814	546,401	1,016,338	891,079	1,123,316
Environmental protection	-	-	26,965	30,426	30,426	25,169	24,702	45,947	40,284	50,783
Economic and physical development	89,601	41,017	41,395	45,512	34,825	18,697	18,773	34,919	30,616	38,595
Human services	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	2,121,377
Cultural and recreational	161,039	162,175	164,619	161,213	168,442	180,196	197,613	367,572	322,271	406,264
Education	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	730,636	978,203	517,082	39,584	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-
Cultural and recreational	-	-	-	-	-	29,078	-	-	-	-
Total governmental activities programs revenues	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	46,748,613



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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Business-type activities:</b>										
Charges for services:										
Water and Sewer	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	49,392,182
Solid Waste	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	8,348,325
Operating grants and contributions:										
Water and Sewer	-	-	-	268,549	75,793	28,680	-	-	-	-
Solid Waste	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
Water and Sewer	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	7,766,687
Solid Waste	-	30,000	-	-	-	-	-	-	-	-
Total business-type activities program revenues	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	65,507,194
Total primary government program revenues	\$ 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	\$ 112,255,807
Net (expense)/revenue	\$ (74,382,741)	\$ (82,433,836)	\$ (78,742,588)	\$ (68,966,324)	\$ (82,758,223)	\$ (106,246,236)	\$ (116,704,088)	\$ (95,792,832)	\$ (114,534,937)	\$ (134,459,645)
<b>Governmental activities</b>										
Business-type activities	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	19,740,594
Total primary government net expense	\$ (56,765,072)	\$ (66,947,612)	\$ (67,901,562)	\$ (58,127,224)	\$ (75,939,246)	\$ (100,031,017)	\$ (109,548,785)	\$ (85,612,944)	\$ (103,858,885)	\$ (114,719,051)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Ad valorem taxes	\$ 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	\$ 85,540,859
Local option sales tax	14,238,193	14,884,498	16,757,810	19,279,814	20,518,531	21,796,176	23,633,916	33,693,156	39,711,979	44,617,913
Other taxes	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	1,848,542
Unrestricted grants and contributions	45,956	38,861	67,514	41,665	120,415	56,135	4,994	14,153	43,235	15,078
Investment earnings	18,991	2,677	11,672	102,503	280,826	950,379	1,647,672	1,676,825	66,876	146,776
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital asset	-	-	-	-	-	-	-	-	-	-
Transfers	400,000	400,000	(2,030)	-	-	397,814	71,486	-	-	-
Total governmental activities	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	132,169,168
Business-type activities:										
Other taxes	227,228	237,297	234,276	268,129	282,599	258,016	282,191	283,640	299,010	333,365
Investment earnings	5,961	543	660	3,491	(470)	29,994	44,537	149,624	4,634	1,559
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital asset	-	-	-	-	-	-	-	-	-	-
Transfers	(400,000)	(400,000)	2,030	-	-	(397,814)	(71,486)	-	-	-
Total business-type activities	(166,811)	(162,160)	236,966	271,620	282,129	(109,804)	255,242	433,264	303,644	334,924
Total primary government	\$ 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	\$ 132,504,092
<b>Change in Net Position</b>										
Governmental activities	\$ 2,422,967	\$ (292,746)	\$ 7,891,294	\$ 23,605,725	\$ 16,897,315	\$ (3,369,887)	\$ (8,260,143)	\$ 18,236,553	\$ 8,505,020	\$ (2,290,477)
Business-type activities	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	20,075,518
Total primary government	\$ 19,873,825	\$ 15,031,318	\$ 18,969,286	\$ 34,716,445	\$ 23,998,421	\$ 2,735,528	\$ (849,598)	\$ 28,849,705	\$ 19,484,716	\$ 17,785,041

**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		
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		
2022	85,540,859	44,617,913	1,565,634	-	282,908	333,365	132,340,679		

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

	2013 <sup>1</sup>	2014 <sup>2</sup>	2015	2016	2017 <sup>3</sup>	2018 <sup>4</sup>	2019	2020 <sup>5</sup>	2021 <sup>6</sup>	2022 <sup>7</sup>
<b>General Fund</b>										
Non Spendable	\$ 451,088	\$ 111,181	\$ 159,625	\$ 1,418,606	\$ 232,245	\$ 216,378	\$ 249,757	\$ 2,637,760	\$ 2,199,381	\$ 2,210,399
Restricted	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	17,948,916
Committed	-	-	-	-	-	-	-	8,872,608	9,756,795	16,424,560
Assigned	-	3,193,811	2,600,000	-	-	422,916	2,433,321	8,363,192	12,577,649	24,949,812
Unassigned	17,959,942	18,732,095	19,417,388	26,311,973	32,547,008	32,201,423	29,737,935	31,349,433	40,218,952	41,662,778
<b>Total General Fund</b>	<b>\$ 27,844,179</b>	<b>\$ 31,298,039</b>	<b>\$ 33,673,076</b>	<b>\$ 39,696,606</b>	<b>\$ 41,847,828</b>	<b>\$ 43,178,492</b>	<b>\$ 43,620,214</b>	<b>\$ 66,529,167</b>	<b>\$ 82,303,327</b>	<b>\$ 103,196,465</b>
<b>All other governmental funds</b>										
Non Spendable	\$ 1,742	\$ -	\$ -	\$ 4,212	\$ 4,212	\$ 4,212	\$ -	\$ -	\$ -	\$ -
Restricted	23,331,386	12,479,663	8,809,048	7,594,332	37,153,665	19,255,559	17,985,905	22,791,271	24,303,276	45,485,914
Committed	471,969	440,695	24,102	122,485	181,634	197,814	492,117	5,254,119	5,065,015	5,575,041
Assigned	76,734	60,348	246,463	2,316,903	5,001,315	6,045,578	5,821,813	3,415,325	3,410,004	48,780
Unassigned	(444,222)	(1,869,528)	(881,516)	(895,755)	(618,241)	(1,857,918)	(1,386,783)	(7,402,400)	(4,103,999)	(8,238,596)
<b>Total all other governmental funds</b>	<b>\$ 23,437,609</b>	<b>\$ 11,111,178</b>	<b>\$ 8,198,097</b>	<b>\$ 9,142,177</b>	<b>\$ 41,722,585</b>	<b>\$ 23,645,245</b>	<b>\$ 22,913,052</b>	<b>\$ 24,058,315</b>	<b>\$ 28,674,296</b>	<b>\$ 42,871,139</b>

<sup>1</sup> 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.  
<sup>2</sup> 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.  
<sup>3</sup> 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.  
<sup>4</sup> 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.  
<sup>5</sup> 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.  
<sup>6</sup> 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.  
<sup>7</sup> The increase in Fund Balance for all other governmental funds is due to the cash on deposit with an escrow agent for the Northwest Harnett Elementary School Capital Project Fund.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Ad valorem taxes	\$ 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	\$ 85,562,489
Other taxes and licenses	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	46,466,455
Unrestricted intergovernmental	45,956	38,861	67,514	41,665	120,415	56,135	4,994	14,153	43,235	15,078
Restricted intergovernmental	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	25,156,563
Permits and fees	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	2,391,886
Sales and services	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	11,797,382
Investment earnings	18,991	2,677	11,672	102,503	280,826	950,379	1,647,672	1,676,825	66,876	146,776
Other general revenues	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	5,517,356
<b>Total revenues</b>	<b>115,433,988</b>	<b>121,889,139</b>	<b>124,026,022</b>	<b>131,485,625</b>	<b>137,407,419</b>	<b>138,031,149</b>	<b>141,419,379</b>	<b>160,891,523</b>	<b>163,525,229</b>	<b>177,053,985</b>
<b>Expenditures</b>										
General government	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	21,541,255
Public safety	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	52,368,982
Transportation	368,313	369,745	418,731	392,951	436,495	472,869	537,989	691,366	911,473	261,357
Environmental protection	123,598	128,133	165,801	182,736	181,452	166,931	178,917	226,440	224,948	265,800
Economic and physical development	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	5,215,836
Human services	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	27,210,434
Cultural and recreational	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	3,152,113
Education	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	62,205,098
Debt Service										
Principal	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	13,773,022
Interest and fees	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	6,411,526
<b>Total primary government expenses</b>	<b>\$ 120,376,586</b>	<b>\$ 136,658,963</b>	<b>\$ 125,078,124</b>	<b>\$ 127,558,125</b>	<b>\$ 134,705,458</b>	<b>\$ 157,534,129</b>	<b>\$ 141,781,336</b>	<b>\$ 162,665,165</b>	<b>\$ 174,666,104</b>	<b>\$ 192,405,423</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(4,942,598)</b>	<b>(14,769,824)</b>	<b>(1,052,102)</b>	<b>3,927,500</b>	<b>2,701,961</b>	<b>(19,502,980)</b>	<b>(361,957)</b>	<b>(1,773,642)</b>	<b>(11,140,875)</b>	<b>(15,351,438)</b>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Other financing sources (uses)</b>										
Bonds & capital lease issuance	\$ 329,485	\$ 5,497,253	\$ -	\$ 2,200,000	\$ 29,500,000	\$ 1,902,953	\$ -	\$ 21,145,000	\$ 78,910,000	\$ 43,000,000
Lease liability issued	-	-	-	-	-	-	-	-	-	1,141,316
Bond premium	52,029	-	-	-	2,529,669	-	-	3,847,498	11,024,698	6,300,403
Long-term debt refunded	30,210,515	-	29,486,750	37,018,000	-	-	-	-	-	-
Payment to escrow agents	-	-	(28,970,662)	(36,177,890)	-	-	-	835,360	(58,534,840)	-
Transfers in	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	6,208,979
Transfers out	(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)	(6,208,979)
Total other financing sources (uses)	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	50,441,719
Net change in fund balances	\$ 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	\$ 35,090,281
Debt service as a percentage of noncapital expenditures	9.69%	11.63%	12.48%	13.59%	13.33%	12.54%	13.53%	12.57%	11.28%	11.36%

**Harnett County, North Carolina**  
**General Governmental Tax Revenues by Source**<sup>1</sup>  
**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
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
2022	73,671,144	44,617,913	1,565,634	-	282,908	120,137,599

<sup>1</sup> 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 <sup>2</sup>	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value <sup>3</sup>	Assessed Value as a Percentage of Actual Value <sup>4</sup>
	Real Property	Public Service <sup>1</sup>	Motor Vehicle	Other					
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 <sup>5</sup>	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%
2022 <sup>5</sup>	13,156,315,725	265,131,929	1,320,326,972	547,579,329	951,547,635	14,337,806,320	0.591	9,036,008,187	158.67%

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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 Overlapping<sup>1</sup> Governments**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Harnett County	0.725	0.725	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.591
Municipalities:										
City of Dunn	0.500	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	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090
Downtown Revitalization	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012
Combined Rate	<b>1.245</b>	<b>1.245</b>	<b>1.270</b>	<b>1.270</b>	<b>1.270</b>	<b>1.270</b>	<b>1.270</b>	<b>1.270</b>	<b>1.270</b>	<b>1.111</b>
Town of Benson										
Satellite Properties	0.530	0.530	0.530	0.530	0.530	0.540	0.530	0.530	0.550	0.550
Combined Rate	<b>1.255</b>	<b>1.255</b>	<b>1.280</b>	<b>1.280</b>	<b>1.280</b>	<b>1.290</b>	<b>1.280</b>	<b>1.280</b>	<b>1.300</b>	<b>1.141</b>
Town of Broadway										
Satellite Properties	0.440	0.440	0.440	0.440	0.440	0.490	0.490	0.490	0.490	0.530
Combined Rate	<b>1.165</b>	<b>1.165</b>	<b>1.190</b>	<b>1.190</b>	<b>1.190</b>	<b>1.240</b>	<b>1.240</b>	<b>1.240</b>	<b>1.240</b>	<b>1.121</b>
Town of Lillington										
Satellite Properties	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520
Combined Rate	<b>1.245</b>	<b>1.245</b>	<b>1.270</b>	<b>1.270</b>	<b>1.270</b>	<b>1.270</b>	<b>1.270</b>	<b>1.270</b>	<b>1.270</b>	<b>1.111</b>
Town of Coats										
Satellite Properties	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.490
Combined Rate	<b>1.315</b>	<b>1.315</b>	<b>1.340</b>	<b>1.340</b>	<b>1.340</b>	<b>1.340</b>	<b>1.340</b>	<b>1.340</b>	<b>1.340</b>	<b>1.081</b>
Town of Angier										
Satellite Properties	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.490
Combined Rate	<b>1.255</b>	<b>1.255</b>	<b>1.280</b>	<b>1.280</b>	<b>1.280</b>	<b>1.280</b>	<b>1.280</b>	<b>1.280</b>	<b>1.280</b>	<b>1.081</b>
Town of Erwin										
Satellite Properties	0.480	0.480	0.480	0.510	0.510	0.510	0.510	0.510	0.510	0.480
Combined Rate	<b>1.205</b>	<b>1.205</b>	<b>1.230</b>	<b>1.260</b>	<b>1.260</b>	<b>1.260</b>	<b>1.260</b>	<b>1.260</b>	<b>1.260</b>	<b>1.071</b>



**Harnett County, North Carolina**  
**Property Tax Rates - Direct and Overlapping<sup>1</sup> Governments**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	<b>0.835</b>	<b>0.835</b>	<b>0.860</b>	<b>0.860</b>	<b>0.860</b>	<b>0.860</b>	<b>0.860</b>	<b>0.860</b>	<b>0.860</b>	<b>0.701</b>
Angier/Black River Fire District	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.075
Combined Rate	<b>0.795</b>	<b>0.795</b>	<b>0.820</b>	<b>0.820</b>	<b>0.820</b>	<b>0.820</b>	<b>0.820</b>	<b>0.820</b>	<b>0.820</b>	<b>0.666</b>
Benhaven Fire District	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.100	0.110	0.110
Combined Rate	<b>0.815</b>	<b>0.815</b>	<b>0.840</b>	<b>0.840</b>	<b>0.840</b>	<b>0.840</b>	<b>0.840</b>	<b>0.850</b>	<b>0.860</b>	<b>0.701</b>
Benson Banner Fire District	0.070	0.070	0.070	0.090	0.090	0.100	0.100	0.100	0.120	0.120
Combined Rate	<b>0.795</b>	<b>0.795</b>	<b>0.820</b>	<b>0.840</b>	<b>0.840</b>	<b>0.850</b>	<b>0.850</b>	<b>0.850</b>	<b>0.870</b>	<b>0.711</b>
Boone Trail Emergency Services	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.080
Combined Rate	<b>0.795</b>	<b>0.795</b>	<b>0.820</b>	<b>0.820</b>	<b>0.820</b>	<b>0.820</b>	<b>0.820</b>	<b>0.820</b>	<b>0.820</b>	<b>0.671</b>
Buies 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	<b>0.825</b>	<b>0.825</b>	<b>0.850</b>	<b>0.850</b>	<b>0.850</b>	<b>0.850</b>	<b>0.850</b>	<b>0.850</b>	<b>0.850</b>	<b>0.691</b>
Crains Creek	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Combined Rate	<b>0.825</b>	<b>0.825</b>	<b>0.850</b>	<b>0.850</b>	<b>0.850</b>	<b>0.850</b>	<b>0.850</b>	<b>0.850</b>	<b>0.850</b>	<b>0.691</b>
Coats-Grove Fire District	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.110	0.110
Combined Rate	<b>0.815</b>	<b>0.815</b>	<b>0.840</b>	<b>0.840</b>	<b>0.840</b>	<b>0.840</b>	<b>0.840</b>	<b>0.840</b>	<b>0.860</b>	<b>0.701</b>
Cypress Creek	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.950	0.950
Combined Rate	<b>0.810</b>	<b>0.810</b>	<b>0.835</b>	<b>0.835</b>	<b>0.835</b>	<b>0.835</b>	<b>0.835</b>	<b>0.835</b>	<b>1.700</b>	<b>1.541</b>
Duke (Erwin) Fire District	0.070	0.070	0.070	0.080	0.080	0.085	0.085	0.095	0.095	0.095
Combined Rate	<b>0.795</b>	<b>0.795</b>	<b>0.820</b>	<b>0.830</b>	<b>0.830</b>	<b>0.835</b>	<b>0.835</b>	<b>0.845</b>	<b>0.845</b>	<b>0.686</b>
Flat Branch Fire District	0.120	0.120	0.120	0.120	0.120	0.120	0.120	0.130	0.130	0.130
Combined Rate	<b>0.845</b>	<b>0.845</b>	<b>0.870</b>	<b>0.870</b>	<b>0.870</b>	<b>0.870</b>	<b>0.870</b>	<b>0.880</b>	<b>0.880</b>	<b>0.721</b>

**Harnett County, North Carolina  
Property Tax Rates - Direct and Overlapping<sup>1</sup> Governments**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Flatwoods Combined Rate	0.120 <b>0.845</b>	0.120 <b>0.845</b>	0.120 <b>0.870</b>	0.120 <b>0.870</b>	0.120 <b>0.870</b>	0.120 <b>0.870</b>	0.120 <b>0.870</b>	0.120 <b>0.870</b>	0.120 <b>0.870</b>	0.120 <b>0.711</b>
Godwin Falcon Combined Rate	0.100 <b>0.825</b>	0.100 <b>0.825</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.150 <b>0.900</b>	0.150 <b>0.741</b>
Northwest Harnett Fire District Combined Rate	0.080 <b>0.805</b>	0.080 <b>0.805</b>	0.080 <b>0.830</b>	0.080 <b>0.830</b>	0.080 <b>0.830</b>	0.080 <b>0.830</b>	0.080 <b>0.830</b>	0.080 <b>0.830</b>	0.080 <b>0.830</b>	0.080 <b>0.671</b>
Spout Springs Combined Rate	0.100 <b>0.825</b>	0.100 <b>0.825</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.120 <b>0.870</b>	0.120 <b>0.870</b>	0.120 <b>0.870</b>	0.120 <b>0.711</b>
Summerville Bunnlevel Combined Rate	0.080 <b>0.805</b>	0.080 <b>0.805</b>	0.080 <b>0.830</b>	0.080 <b>0.830</b>	0.080 <b>0.830</b>	0.080 <b>0.830</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.691</b>
West Area Fire District Combined Rate	0.100 <b>0.825</b>	0.100 <b>0.825</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.850</b>	0.100 <b>0.691</b>
West Johnston Fire District Combined Rate	- -	- -	0.070 <b>0.820</b>	0.070 <b>0.820</b>	0.070 <b>0.820</b>	0.070 <b>0.820</b>	0.070 <b>0.820</b>	0.070 <b>0.820</b>	0.070 <b>0.820</b>	0.070 <b>0.661</b>

<sup>1</sup> 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 the geographic boundaries of the special district).

Source: Harnett County Tax Department

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

Taxpayer	2022				2013			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	
Duke Energy Progress <sup>1</sup>	\$ 89,274,824	1	1.05%		65,693,544	1	0.92%	
Rooms to Go	68,758,142	2	0.81%					
Delhaize America, Inc	58,447,657	3	0.69%		27,449,380	3	0.39%	
South River EMC	38,921,532	4	0.46%		33,217,381	2	0.47%	
Wal-Mart Real Estate Business	28,834,944	5	0.34%		12,318,880	8	0.18%	
Piedmont Natural Gas Co., Inc.	24,557,980	6	0.29%					
Central EMC	20,962,729	7	0.25%		16,780,286	6	0.24%	
Anderson Creek Club Properties	11,614,140	8	0.14%					
H MS Kids Inc	11,172,948	9	0.13%					
Wincor	10,276,851	10	0.12%		11,643,090	9	0.17%	
Carolina Telephone					25,662,609	4	0.36%	
Food Lion Stores, Distribution					22,895,353	5	0.32%	
Oldcastle APG South Inc.					13,643,568	7	0.19%	
CSX Transportation					9,358,840	10	0.13%	
	<u>\$ 362,821,747</u>				<u>\$ 238,662,931</u>			<u>3.37%</u>

<sup>1</sup> 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
2013	\$ 53,497,265	\$ 52,209,047	97.59%	\$ 1,119,824	\$ 53,328,871	99.69%
2014	57,157,246	56,392,456	98.66%	692,911	57,085,367	99.87%
2015	58,578,502	58,254,988	99.45%	292,271	58,547,259	99.95%
2016	61,131,564	60,690,471	99.28%	402,670	61,093,141	99.94%
2017	62,808,873	62,470,305	99.46%	292,170	62,762,475	99.93%
2018	63,211,354	62,911,822	99.53%	246,747	63,158,569	99.92%
2019	65,988,291	65,733,131	99.61%	191,982	65,925,113	99.90%
2020	67,744,202	67,264,728	99.29%	350,373	67,615,101	99.81%
2021	70,935,348	70,537,914	99.44%	212,462	70,750,376	99.74%
2022	74,074,566	73,674,943	99.46%	-	73,674,943	99.46%

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 <sup>1</sup>
	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		
2013	\$ 215,511	\$ 145,136,042	\$ -	\$ -	\$ -	\$ 4,756,014	\$ 34,066,000	\$ 12,240,000	\$ 20,065,000	\$ 1,750,000	\$ 24,046,232	\$ 242,264,799	2,031
2014	5,850,448	137,149,779	-	-	630,642	3,399,694	33,321,000	11,650,000	19,695,000	1,594,000	21,419,030	234,709,593	1,922
2015	5,088,148	130,875,519	-	-	483,098	2,907,373	32,299,000	11,973,000	-	1,434,000	19,603,909	204,664,047	1,637
2016	3,803,938	130,613,196	-	-	333,175	2,140,436	30,900,000	11,218,000	18,095,000	1,270,000	17,008,978	215,382,723	1,700
2017	21,516,887	148,494,622	-	-	180,835	1,923,553	29,935,000	10,418,000	17,340,000	1,102,000	15,730,902	246,641,799	1,925
2018	20,710,289	108,667,200	-	-	26,041	1,712,075	28,949,000	9,585,000	16,570,000	929,000	14,452,826	229,626,431	1,754
2019	18,120,802	98,424,386	-	-	-	1,502,990	27,946,000	8,730,000	15,790,000	752,000	13,174,748	184,467,476	1,390
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	571,000	11,896,672	213,892,144	1,594
2021	15,902,930	27,542,067	65,115,000	51,100,000	-	-	11,694,000	15,375,000	15,525,000	-	-	202,253,997	1,487
2022	15,091,623	26,376,834	56,540,000	91,250,000	-	-	11,452,000	13,520,000	14,330,000	-	-	228,560,457	1,681

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, 2022**  
**(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>1</sup>	Estimated share of Overlapping Debt
Harnett County			
Debt repaid with property taxes	\$ 124,974,386	100%	\$ 124,974,386
Total direct debt			124,974,386
Municipality:			
Town of Angier	5,337,777	100%	5,337,777
Town of Coats	-	100%	-
City of Dunn	9,126,453	100%	9,126,453
Town of Erwin	-	100%	-
Town of Lillington	1,500,000	100%	1,500,000
Total overlapping debt			<u>15,964,230</u>
Total direct and overlapping debt			<u>\$ 140,938,616</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.

<sup>1</sup> 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 <sup>1</sup>	Direct Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirements		Coverage
				Principal	Interest	
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%
2022	47,804,229	25,548,563	22,255,666	1,855,000	652,250	887.65%
				<b>Total</b>	<b>Total</b>	

<sup>1</sup> Total operating revenues including interest

<sup>2</sup> 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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 587,486	\$ 586,243	\$ 624,066	\$ 634,974	\$ 651,844	\$ 654,277	\$ 699,838	\$ 703,537	\$ 752,682	\$ 752,682
Total net debt applicable to limit	\$ 195,973	\$ 189,739	\$ 260,392	\$ 100,000	\$ 259,449	\$ 228,452	\$ 215,850	\$ 352,698	\$ 209,015	\$ 209,015
Legal debt margin	\$ 391,513	\$ 396,504	\$ 363,674	\$ 534,974	\$ 392,395	\$ 425,825	\$ 483,988	\$ 350,839	\$ 543,667	\$ 543,667
Total net debt applicable to the limit as a percentage of debt limit	33.36%	32.37%	41.73%	15.75%	39.80%	34.92%	30.84%	50.13%	27.77%	27.77%

**Legal Debt Margin Calculation for Fiscal Year 2022**

Assessed Value	14,337,806,320
Debt Limit (8% of total assessed value)	1,147,024,506
Debt applicable to limit:	
Certificates of participation	-
Installment purchase	26,376,834
Revolving loan	-
General obligation bond	102,702,000
State bond loans	-
Revenue bonds	13,520,000
Limited obligation bond	70,870,000
Special obligation bond	-
Obligation under capital lease	15,091,623
Subtotal	228,560,457
Authorized and unissued debt	-
Total Gross Debt	228,560,457
Less: Statutory deductions	
Bonds issued and outstanding for water and sewer purposes	24,892,000
Revenue bonds	13,520,000
	38,412,000
Total amount of debt applicable to debt limit	190,148,457
Legal debt margin	\$956,876,049



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

Fiscal Year Ended June 30	Population		Median Household Income		Per Capita Income		Median Age		Unemployment Rate		School Enrollment		% School Enrollment in K-12 Grades	
2013	119,256		39,513		18,928		33.9		8.0%		37,793		62.8%	
2014	122,135		45,655		20,128		33.5		5.8%		36,452		63.2%	
2015	124,987		45,533		21,293		33.3		6.3%		35,743		71.9%	
2016	126,666		44,880		19,813		33.2		6.8%		36,366		67.3%	
2017	128,140		48,960		21,202		34.0		4.2%		38,130		66.2%	
2018	130,881		51,637		22,096		34.0		3.7%		38,222		66.6%	
2019	132,754		51,479		23,248		34.5		4.3%		38,839		64.3%	
2020	134,214		51,022		23,571		34.9		3.6%		36,516		68.7%	
2021	135,976		55,753		23,689		34.8		4.3%		37,986		66.1%	
2022	135,966		62,478		28,452		35.5		2.9%		36,825		68.5%	

Source: American Community Survey (ACS), 1-year estimates  
\* "School Enrollment" represents population 3 years and over enrolled in school

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

Customer	2022			Contract Expiration
	Gallons Used (000's)	Annual Revenues	Percentage of Total Water Revenues	
Ft. Bragg Main Base	1,713,972	\$2,360,795	6.00%	2046
Town of Holy Springs	1,172,985	2,404,619	6.10%	2040
Town of Fuquay-Varina	1,010,428	2,189,382	5.60%	2040
Johnston County	496,563	1,017,955	2.60%	2056
Moore County	449,753	921,995	2.30%	2042
Town of Angler	389,233	951,772	2.40%	2046
Town of Lillington	366,273	887,577	2.20%	Automatic Renewal
	<u>5,599,207</u>	<u>\$10,734,095</u>	<u>27.20%</u>	

Source: Harnett Regional Water Department

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

<b>Employer</b>	<b>Employment Type</b>	<b>2022</b>		<b>2013</b>	
		<b>Employment Range</b>	<b>Employment Range</b>	<b>Employment Range</b>	<b>Employment Range</b>
Harnett County Public Schools	Educational Services	1,000 +	1,000 +	1,000 +	1,000 +
Campbell University	Educational Services	1,000 +	1,000 +	1,000 +	1,000 +
Food Lion Distribution Center	Retail Trade	1,000 +	1,000 +	1,000 +	1,000 +
County of Harnett	Public Administration	500 - 999	500 - 999	500 - 999	500 - 999
Harnett Health System (Betsy Johnson)	Health Care and Social Assistance	500 - 999	500 - 999	500 - 999	500 - 999
Wal-Mart Associates, Inc.	Retail Trade	500 - 999	500 - 999	250 - 499	250 - 499
Carlie C's Operation Center, Inc.	Retail Trade	250 - 499	250 - 499	250 - 499	250 - 499
Rooms to Go	Retail Trade	250 - 499	250 - 499	250 - 499	250 - 499
NC Department of Public Safety	Public Administration	250 - 499	250 - 499	250 - 499	250 - 499
Champion Home Builders Inc	Manufacturing	100 - 249	100 - 249	100 - 249	100 - 249
Central Carolina Community College	Educational Services	100 - 249	100 - 249	100 - 249	100 - 249
Edwards Brothers, Inc	Manufacturing	100 - 249	100 - 249	100 - 249	100 - 249

Source: NC Department of Commerce, Labor and Economic Analysis Division (LEAD), Demand Driven Date Delivery System (D4)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	101	101	103.47	103.47	114.07	114.07	123.25	115	115	124
Public Safety	286.5	298.5	303.5	317	340	340	357.5	353	353	360
Environmental Protection	2	2	3	3	3	3	3	3	3	3
Economic and Physical Development	37	38	24	24	24.75	24.75	31.63	27	27	26
Human Services	259.5	257.5	256.25	256.25	264.18	264.18	263	256	256	262
Cultural & Recreation	13	13	14	14	21	21	22	25	25	27
Water and Wastewater	100	101	101.5	101.5	105.2	105.2	105	104	104	109
Solid Waste	13	14	15.28	15.28	16	16	17	17	17	17
<b>Total</b>	<b>812</b>	<b>825</b>	<b>821</b>	<b>834.5</b>	<b>888.2</b>	<b>888.2</b>	<b>922.38</b>	<b>900</b>	<b>900</b>	<b>928</b>

Source: Harnett County Budget Office

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Fire</b>										
Number of calls answered	6,507	6,707	5,783	6,926	8,897	8,740	7,889	6,927	7,312	8,416
<b>Emergency Medical Services</b>										
Number of Calls Answered	27,923	28,128	28,260	20,920	22,327	23,330	24,359	23,978	25,440	27,580
<b>Number of Transports</b>										
Scheduled	8,234	8,577	6,336	8,963	10,829	9,513	9,572	8,503	6,973	6,624
<b>Sheriff</b>										
Number of law violations:										
Arrests	10,000	11,014	10,650	8,228	8,228	3,223	3,896	2,540	3,533	3,458
Traffic violations	5,423	4,249	4,574	4,757	4,757	4,608	6,179	2,726	515	287
<b>Inspections</b>										
Number of permits issued	2,329	2,794	2,242	2,800	2,926	2,399	3,311	2,489	3,816	3,913
<b>Culture and Recreation</b>										
Circulation	344,394	266,376	356,210	312,489	291,329	315,945	296,710	273,084	226,643	366,200
<b>Utilities</b>										
Water System:										
Daily average treatment in gallons	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	17,165,610
Sewer System:										
Daily average treatment in gallons	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	7,953,607

Source: Information provided by various county departments

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Fire</b>										
Number of Stations	19	19	20	20	20	20	20	20	20	20
<b>Emergency Medical Services</b>										
Number of Ambulances	27	27	27	28	31	32	33	34	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	3
<b>Sheriff</b>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	176	176	176	181	177	177	177	172	150	150
<b>Culture and Recreation</b>										
Number of libraries	6	6	6	6	7	7	7	7	7	7
Library collections	237,630	209,709	226,870	249,268	269,880	300,199	327,852	336,106	399,016	453,733
Number of Parks	6	6	6	7	8	8	8	8	9	9
Park acreage	1,101	1,101	1,101	1,215	1,222	1,222	1,222	1,222	1,426	1,426
Number of Ball Fields	6	6	6	6	8	8	8	8	10	10
Number of tennis courts	12	12	12	12	12	12	12	12	12	12
Number of playground areas	1	2	2	2	3	3	3	3	4	5
Number of soccer fields	2	2	2	2	2	2	2	2	5	5
Number of County owned senior centers	1	1	1	1	1	1	1	1	1	1
<b>Utilities</b>										
<b>Water System:</b>										
Miles of water main	2,221	2,239	2,239	1,433	1,438	1,451	1,456	1,523	1,465	1,489
Number of service connections	42,274	42,900	43,555	44,274	44,568	45,110	45,709	46,704	47,647	49,421
Number of fire hydrants	4,571	4,603	4,603	4,605	4,630	4,977	5,090	5,102	5,147	5,201

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sewer System:</b>										
Miles of sanitary sewer	341	354	354	362	364	406	408	417	421	429
Number of treatment plants	3	2	2	2	2	2	2	2	2	2
Number of service connections	10,920	11,421	11,970	12,515	12,688	13,031	13,218	13,191	13,751	14,010
Maximum daily capacity of treatment plant in gallons	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	22,500,000
<b>Facilities and services not included in primary government:</b>										
<b>Education:</b>										
Number of schools	27	27	28	28	28	29	29	28	28	29
Number of teachers	1,335	1,335	1,227	1,252	1,260	1,257	1,257	1,239	1,241	1,230
Number of students	19,868	19,847	20,099	20,252	20,357	20,306	20,097	19,940	19,012	19,337
Universities	1	1	1	1	1	1	1	1	1	1
Community colleges	1	1	1	1	1	1	1	1	1	1
<b>Hospitals:</b>										
Number of hospitals	2	2	2	2	2	2	2	2	2	2
Number of patient beds	151	151	151	151	151	151	151	151	131	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 (*Government Auditing Standards*), 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 27, 2023.

### **Report on 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 material weaknesses 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 were not identified.

## **Report on 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 results 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  
January 27, 2023

# 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**

#### ***Opinion on Each Major Federal Program***

We have audited Harnett County, North Carolina's compliance with the types of compliance requirements identified as subject to audit 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 Harnett County's major federal programs for the year ended June 30, 2022. 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.

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 federal programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Harnett County and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Harnett County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Harnett County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Harnett County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Harnett County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Harnett County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Harnett County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Harnett County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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  
January 27, 2023

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# 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**

#### ***Opinion on Each Major State Program***

We have audited Harnett County, North Carolina's compliance, with the types of compliance requirements identified as subject to audit 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 Harnett County's major state programs for the year ended June 30, 2022. 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.

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, 2022.

#### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Harnett County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Harnett County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Harnett County's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Harnett County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Harnett County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Harnett County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Harnett County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Harnett County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 combination of deficiencies, in internal control over compliance, such that there is a 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 combination of deficiencies, in internal 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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  
January 27, 2023

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# HARNETT COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2022

### 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>Federal Assistance Listing Number</u>
Medicaid Cluster	93.778
Supplemental Nutrition Assistance Program Cluster	10.561
Emergency Watershed Protection Program	10.923
Foster Care, Adoption, and Guardianship Assistance Cluster	93.658, 93.659
Special Supplemental Nutrition Program for Women Infants, and Children	10.557

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, 2022

### 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  
Public School Building Capital Fund  
State Aid to Airports  
Foster Care, Adoption and Guardianship Assistance Cluster

### 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, 2022**

None

## HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2022

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
<b>FEDERAL AWARD EXPENDITURES</b>					
<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	\$ 1,168,310	\$ -	\$ -
Total SNAP Cluster			<u>1,168,310</u>	<u>-</u>	<u>-</u>
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, and Children (Note 4)	10.557	5NC700705	644,054	-	-
Total of Public Health			<u>644,054</u>	<u>-</u>	<u>-</u>
National Resource Conservation Service Emergency Watershed Protection Program	10.923	NR204532XXXXC044	856,568	-	-
<u>Total U.S. Department of Agriculture</u>			<u>2,668,932</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	2020-DJ-BX-0862	11,056	-	-
COVID - 19 Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-1405	3,763	-	-
Equitable Sharing Program	16.922	NC0430000	392,901	-	-
Drug Court Discretionary Grant Program	16.585	2020-VC-BX-0128	113,829	-	-
Drug Court Discretionary Grant Program	16.585	2019-VC-BX-0081	130,132	-	-
Drug Enforcement Agency					
Alcohol, Tobacco, and Firearms Training Assistance Program	16.012	G17GA0004A	6,494	-	-
<u>Total U.S. Department of Justice Office</u>			<u>658,175</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Labor</u>					
Department of Labor/Employment and Training					
Passed-through Central Carolina Community WIOA Cluster					
WIA/WIOA Adult Program	17.258	13-2040-02	246,783	-	-
WIA/WIOA Youth Activities	17.259	13-2040-02	209,314	-	-
WIA/WIOA Dislocated Worker Formula Grant	17.278	13-2040-02	83,760	-	-
Total WIOA Cluster			<u>539,857</u>	<u>-</u>	<u>-</u>
<u>Total U.S. Department of Labor</u>			<u>539,857</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	120,475	141,427	-
Nutrition Services Incentive Program	93.053	UNKNOWN	42,489	-	-
COVID 19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	2001NCSSC3-00	2,682	-	-
COVID 19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	16-701-250	765	829	-
COVID 19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	16-701-33	31,521	34,148	-
COVID 19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	16-701-171	166	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	16-701-33	124,895	125,882	-
Total Aging Cluster			<u>322,993</u>	<u>302,286</u>	<u>-</u>
Special Programs for the Aging:					
National Family Caregiver Support, Title III, Part E	93.052	17-701	25,923	1,951	-
National Family Caregiver Support, Title III, Part E - Supplemental Nutrition Funding (HDC5)	93.052	17-701	46,656	-	-
COVID-19 National Family Caregiver Support, Title III, Part E -Nutrition	93.052	17-701	48,857	-	-
COVID-19 National Family Caregiver Support, Title III, Part E - In-Home Aid	93.052	17-701	2,244	-	-
Total Administration For Community Living			<u>446,673</u>	<u>304,237</u>	<u>-</u>



## HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2022

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
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	191,112	-	-
Passed through Chatham County Partnership of Children Child Care and Development Block Grant - Discretionary	93.575	3289204013	22,455	-	-
Total Child Care Development Fund Cluster			213,567	-	-
Total Subsidized Child Care Cluster			213,567	-	-
Division of Social Services Foster Care Adoption Cluster, and Guardianship Assistance Cluster: (Note 3) Foster Care - Title IV-E - Administration	93.658	1501NCFOST,1601NCFOST	496,042	135,778	-
Adoption Assistance - Administration	93.659	1501NCADPT,1601NCADPT	20,109	2,082	-
Direct Benefit Payments: Foster Care - Title IV-E	93.658	1501NCFOST,1601NCFOST	564,361	129,255	-
Total Foster Care Adoption Cluster, and Guardianship Assistance Cluster (Note 3)			1,080,512	267,115	-
Temporary Assistance for Needy Families Division of Social Services Administration: Temporary Assistance for Needy Families - TANF	93.558	G1602NCTANF & 1702NCTANF	884,088	-	-
Division of Public Health Temporary Assistance for Needy Families - TANF	93.558	G1602NCTANF & 1702NCTANF	16,203	-	-
Total TANF			900,291	-	-
Direct Benefit Payments: Low-Income Home Energy Assistance	93.568	G16B1NCLIEA & G17B1NCLIEA	1,840,767	-	-
John H Chafee Foster Care Independence Program for Successful Transition to Adulthood	93.674	G1501NC1420,G1601NC1420	1,247	-	-
Administration: <u>Special Children Adoption Fund Cluster (Note 3):</u> MaryLee Allen Promoting Safe and Stable Families	93.556	G1501NCFPSS & G1601NCFPSS	10,762	-	-
Stephanie Tubb Jones Child Welfare Services Program	93.645	G1501NCCWSS & G1601NCCWSS	40,213	-	-
Total Special Children Adoption Fund Cluster			50,975	-	-
<u>Refugee and Entrant Assistance Cluster (Note 3):</u> Refugee and Entrant Assistance - State Replacement Designee Administered Programs	93.566	1601NCRMA	598	-	-
Total Refugee and Entrant Assistance Cluster			598	-	-
Child Support Enforcement	93.563	1604NC4005	1,256,679	-	-
Social Services Block Grant - In Home Services	93.667	G1601NCSOSR & G1701NCSOSR	41,215	-	-
Social Services Block Grant - Adult Protective Services	93.667	G1601NCSOSR & G1701NCSOSR	6,410	-	-
Social Services Block Grant - Adult Day Care	93.667	G1601NCSOSR & G1701NCSOSR	3,987	5,645	-
Social Services Block Grant - Adult Day Care Over 60	93.667	G1601NCSOSR & G1701NCSOSR	8,095	13,371	-
Social Services Block Grant - Other Services	93.667	G1601NCSOSR & G1701NCSOSR	304,403	-	-
Social Services Block Grant - CPS TANF to SSBG	93.667	G1601NCSOSR & G1701NCSOSR	142,301	-	-
John H Chafee Foster Care Independence Program for Successful Transition to Adulthood	93.674	G1501NC1420,G1601NC1420	9,685	2,421	-
Total Division of Administration for Children & Families			5,860,732	288,552	-
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	3,255,803	11,525	-
Total Medicaid Cluster			3,255,803	11,525	-

## HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2022

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	68,017	3,540	-
Total for Centers for Medicare and Medicaid Services			3,323,820	15,065	-
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	92,970	-	-
Immunization Cooperative Agreements	93.268	3H23IP000759-04	34,330	-	-
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	288,938	-	-
Preventive Health and Health Services Block Grant	93.991	INB01OT009160-01-00	30,607	-	-
NC Cooperative Agreement for Emergency Response: Public Health COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response	93.354	NU90TP922104	77,511	-	-
Total Public Health Crisis Response			77,511	-	-
Total Centers for Disease Control and Prevention Health Resources and Service Administration			563,135	-	-
Maternal and Child Health Services Block Grant to the States Total Health Resources and Service Administration	93.994	BO4MC29320	133,772	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	63,183	-	-
Total Office of Assistant Secretary for Health		FPHPA046226-02-00	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	22,498	-	-
<u>Total N.C. Department of Insurance</u>			22,498	-	-
<u>Total U.S. Department of Health and Human Services</u>			10,413,813	613,460	-
<u>Corporation for National and Community Service</u> AmeriCorps Seniors Retired and Senior Colunteer Program Total Corporation for National and Community Service	94.002	15SRSNC005	23,750	-	-
National Endowment for the Humanities Passed-Through the N.C. Department of Cultural Resources COVID 19 Grants to States Total National Endowment for the Humanities	45.310	NC-21-325	20,528	-	-
<u>U.S. Department of Transportation</u> Passed-through the N.C. Department of Transportation Airport Improvement Program - Airport Terminal Airport Improvement Program - Airport Terminal Airport Improvement Program - Runway Approach Clearance	20.106	36237.25.15.1	37,726	-	-
	20.106	36237.25.19.1	1,202	-	-
	20.106	36237.25.19.2	106,535	-	-
Formula Grants for Rural Areas and Tribal Transit Program COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	20.509	36233.50.23.1	208,974	13,060	-
	20.509	49233.30.1.2	543,223	-	-
<u>Total U.S. Department of Transportation</u>			897,660	13,060	-
<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 Homeland Security Grant Program Emergency Management Performance Grants Emergency Management Performance Grants Total N.C. Dept. of Crime Control and Public Safety	97.067	EMW-2020-SS-00023/MOA 2040028	84	-	-
	97.067	EMW-2021-SS-00039-2140021	36,000	-	-
	97.042	EMA-2021-EP-00015	27,190	27,190	-
	97.042	EMA-2021-EP-00014	15,319	-	-
			78,593	27,190	-

## HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2022

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
<u>U.S Election Assistance Commission</u>					
Passed Through NC State Board of Elections					
HAVA Election Security Grants	90.404	NC20101001-043	131	-	-
<u>Total U.S Election Assistance Commission</u>			<u>131</u>	<u>-</u>	<u>-</u>
<b>TOTAL FEDERAL AWARD EXPENDITURES</b>			<b>15,301,439</b>	<b>653,710</b>	<b>-</b>
<b>STATE AWARD EXPENDITURES</b>					
<u>N.C. Department of Agriculture &amp; Consumer Services</u>					
Division of Soil and Water Conservation					
Emergency Watershed Protection Program			-	282,979	-
<u>Total N.C. Department of Agriculture &amp; Consumer Services</u>			<u>-</u>	<u>282,979</u>	<u>-</u>
<u>N.C. Department of Natural and Cultural Resources</u>					
State Aid to Public Libraries					
NC Arts Council		FY2021-2022	-	177,898	-
NC Division of Parks & Recreation		FY2022-92868	-	34,656	-
PARTF - Government Complex Park Phase I			-	38,661	-
<u>Total N.C. Department of Natural and Cultural Resources</u>			<u>-</u>	<u>251,215</u>	<u>-</u>
<u>N.C. Department of Health and Human Services</u>					
Division of Public Health:					
Woman Health Service Fund					
Family Planning			-	11,597	-
Child Health			-	12,014	-
Maternal Health (Prenatal)			-	24,969	-
Integrated Targeted Testing Services			-	10,403	-
Public Health Capacity Building			-	50,000	-
Tuberculosis Control			-	112,781	-
Food and Lodging			-	33,969	-
HIV/STD State			-	17,932	-
General Communicable Disease Control			-	50,897	-
School Nurse Funding Initiative			-	4,001	-
Sexually Transmitted Diseases (DRUGS)			-	150,000	-
Public Health Nursing			-	717	-
Healthy Communities			-	600	-
<u>Total Division of Public Health</u>			<u>-</u>	<u>483,627</u>	<u>-</u>
<u>Division of Social Services</u>					
Division of Social Services					
Administration:					
State Child Welfare/CPS/CS LD			-	172,614	-
Duke Energy			-	1,266	-
Smart Start			-	41,870	-
AFDC Incent/Prog Integrity			-	580	-
Direct Benefit Payments:					
State Foster Home Program			-	240,477	-
<u>Total Division of Social Services</u>			<u>-</u>	<u>456,807</u>	<u>-</u>
<u>Total N.C. Department of Health and Human Services</u>			<u>-</u>	<u>940,434</u>	<u>-</u>
<u>N.C. Department of Public Safety</u>					
Division of Juvenile Justice					
CBA-Juvenile Restitution		543-10591	-	76,405	-
CBA-JCPC ADM		543-11433	-	5,163	-
Harnett United Pal		1443-23559	-	47,840	-
Pal Career Readiness		243-23210	-	106,342	-
Extended Learning Program		543-23077	-	4,295	-
Re-Entry-Healthy Choice		543-10619	-	40,000	-
Teen Court at Risk Youth		543-11764	-	40,000	-
Division of Emergency Management					
2020 Tier II LEPC Grant		T2-2021-2170030	-	1,000	-
<u>Total N.C. Department of Public Safety</u>			<u>-</u>	<u>321,045</u>	<u>-</u>

## HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2022

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 Transportation</u>					
Passed-Through the N.C. Department of Transportation State Aid to Airports DOT Cluster		36244.35.7.1 & 36244.35.8.1	-	1,317,962	-
Rural Operating Assistance Program (ROAP): Work First Transportation Grant		FY 2021-2022	-	30,147	-
Rural General Public Program (RGP) Elderly and Disabled Transportation Assistance Program (EDTAP)		FY2021-2022	-	136,822	-
Total DOT Cluster		FY2021-2022	-	91,438	-
			-	258,407	-
<u>Total N.C. Department of Transportation</u>					
			-	1,576,369	-
<u>NC Department of Public Instruction</u>					
Public School Building Capital Fund (Lottery)			-	1,200,000	-
<u>Total NC Department of Instruction</u>					
			-	1,200,000	-
<u>NC Department of Military and Veterans Affairs</u>					
Division of Veterans Affairs			-	2,109	-
<u>Total NC Department of Military and Veterans Affairs</u>					
			-	2,109	-
<b>TOTAL STATE AWARD EXPENDITURES</b>			-	4,574,151	-
<b>TOTAL FEDERAL/STATE AWARD EXPENDITURES</b>			<b>\$ 15,301,439</b>	<b>\$ 5,227,861</b>	<b>\$ -</b>

**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, 2022. 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.