

**HARNETT COUNTY
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2025

HARNETT COUNTY, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION

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February 09, 2026

Board of County Commissioners
Harnett County, North Carolina

We are pleased to present the Annual Comprehensive Financial Report ("ACFR") of Harnett County (the "County") for the fiscal year ended June 30, 2025. 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 principles 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 North Carolina OSBM, Standard Population Estimates have estimated Harnett County's population at 147,949. The county seat, the Town of Lillington, has a population of 5,255 while the City of Dunn, the largest municipality located in the County, has a population of 8,642. Also located within the County are the Town of Coats with a population of 2,241, Erwin with a population of 4,667 and Angier with a population of 6,586. All five municipalities comprise approximately 18.5% 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 generally accepted accounting principles in the United States, 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, they 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 29 public schools and a community college (Central Carolina Community College). The County has evaluated its relationship with each of these entities. The school administrative units and the community college are entities independent of the County because County allocations do not constitute a major portion of their revenues, and because the County has no authority to designate their management. These entities are excluded from this report. The notes to the combined financial statements provide a detailed explanation of the County's relationship to each of these entities and the reasons for their exclusion. The reader is referred to the annual financial reports issued by each of these entities.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. As a part of the County's single audit (discussed in more detail in a later paragraph), the independent

auditor performed a review of the County's internal control structure. This review was not an audit and no opinion was issued on the County's internal control structure.

LOCAL ECONOMY

Harnett County, located in the Research Triangle Region, is the 23rd largest county in North Carolina and has a current population of over 147,000, a 27% increase since 2010. The County is home to five municipalities - Angier, Coats, Dunn, Erwin, and Lillington – and expands to residents in Fuquay-Varina (Wake County) and Sanford (Lee County). The County Seat, Town of Lillington, is 30-miles to downtown Raleigh, North Carolina's capital city, and the western area of the county is contiguous to Fort Bragg, the nation's largest military installation.

Interstate 95 runs through City of Dunn, located in eastern Harnett County, and Interstate 40 is minutes away. The County is located under two hours to the Port of Wilmington, is under an hour drive to the Raleigh-Durham International Airport (RDU) and is home to Harnett Transload Intermodal.

From 2019 to 2024, jobs increased by 8.7% in Harnett County from 30,798 to 33,478. This change outpaced the national growth rate of 4.4% by 4.3%. The top growing industries, based on Jobs, are Retail, Construction, and Transportation and Warehousing.

Health Care, Manufacturing, and Professional/Business Services industry types fall well below the national average. These are industry sectors in which Harnett County Economic Development is expending most energy to grow in our market.

Regarding educational attainment, 16.3% of residents possess a Bachelor's Degree (5.2% below the national average) and 13.8% hold an Associate's Degree (4.9% above the national average). Campbell University and Central Carolina Community College are important assets that are located within the County and offer targeted credentials for industry sectors in which we are seeking to grow in our market.

Campbell University is home to more than 4,800 students across four campuses. Included in Campbell's offerings are professional tracks that correlate with our focused growth areas - business, engineering, and hard sciences, including medical and pharmaceuticals.

Central Carolina Community College (CCCC) offers credentials in more than 130 college-level programs and over 750 curriculum courses across its three campuses. Their E. Eugene Moore Manufacturing and Biotech Solutions Center is not only the largest training facility in the state, it rivals only one other on the East Coast. The College also provides a Small Business Center that helps start-ups and small businesses alike.

Across the Research Triangle Region, there are eight (8) community colleges and 12 colleges and universities, including Duke University, North Carolina State University, and UNC Chapel Hill.

Our talent pool in Harnett County plus contiguous counties is over 1.12 million. For a geographic area the size of Harnett County, there are 12.67% more Millennials (ages 25-39) in Harnett County than the national average. Retirement risk is low in the County. The County has 19.23% fewer retirees than the national average. Racial diversity is about average in Harnett County. The Veteran population is 56.24% higher than the national average. Our Property Crime is 15.61% less than the national average. (*Source: Lightcast Q3 2025*)

Tourism is impactful in Harnett County. In 2024, over \$128 million was spent in the county on Lodging, Food and Beverage, Recreation, Retail, and Transport. (*Source: Tourism Economics 2025*) Unique tourism assets include, but are not limited to, the Cape Fear River that runs through the heart of Harnett County, and is home to the Cape Fear River Adventures. Raven Rock State Park offers nearly 6,000 acres of parkland and 26 miles of hiking and

walking trails. Drake Landing provides premier sporting clay, pistol ranges, and Hunting Center. Over 40,000 people visit Drake Landing every year. Golf, community festivals, local theatres, and more play into the abundance of visitor activities each year. In 2025, a major junior golf tournament and the 2025 Diamond Youth Baseball World Series took place in the county, bringing thousands of visitors.

Harnett County Government continues to invest in growing the local economy and high-quality jobs for residents. The County has a four-person economic development team dedicated to performing activities needed to compete for and win new and expanding business and industry projects. Active highlights include:

- The County has invested over \$5 million as part of a partnership with Samet Corporation for acquisition and building lease costs, if required, for our first Class A industrial park. The park sits on 65-acres, of which Samet is currently constructing Building 1 on 15-acres, a 175,500 square foot speculative building. The park is projected to yield over 800,000 square feet of industrial space, and a real estate taxable investment of \$100 million.
- The County provided a local investment of \$5 million of a \$13.5 million post-secondary training project to transform an old school to that of Harnett Advanced Technology Training Center, a Central Carolina Community College training facility. Classes and training activities are scheduled to start at this location in 2026.
- Private developers are currently planning to bring 2.1 million square feet of industrial and logistics space to the market. We have six market-ready sites that account for over 300-acres. We have an additional seven sites of over 600-acres combined, in which we are working to transition from available land to market-ready industrial sites. Market-ready sites and industrial buildings allow our team to submit for new and expanding industrial projects.
- Cape Fear Valley Health broke ground on a new 8,850-square-foot adolescent behavioral health center at Brightwater Business Park in Lillington, bringing 16 inpatient beds for ages 12 to 17 to meet growing behavioral health needs in Harnett County and the region. The \$8.4 million project is expected to be completed by March 2026.
- Revels Turf & Tractor relocated and expanded in Harnett County, completing a new 30,090 square foot operation's facility. The 64-year, third-generation company is one of John Deere's largest global distributors.
- The Harnett Regional Jetport (HRJ) ranks 9th in North Carolina for economic output among 62 general aviation airports, according to the *2025 North Carolina: The State of Aviation* report. In 2023, it generated \$203.4 million in economic impact, supporting 700 jobs, \$59.4 million in personal income, and \$8.4 million in tax revenue. The County is continuing upgrades, including a new Airport Layout Plan for hangars and a runway extension to improve accessibility.

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 \$42,076,534 or 21.07% of total general fund expenditures and transfers out.

Harnett County continues to respond to the needs associated with being among the fastest growing counties in the state. Economic Development strategies and activities are focused on growing the local economy and spurring higher-paying job opportunities for residents. Primary activities include real estate/product development, business attraction, and supporting existing business and industry. We continue to identify buildings and sites that may be ideal for industrial and professional/business services and in market-ready condition for our team to promote. Our team has developed strong relationships with resource partners to support existing companies of varying types and sizes. Our partners have expertise ranging from start-ups, procurement, process improvement/lean planning, financial support, among other solutions.

Harnett Regional Water (HRW) is the largest county-owned water system in North Carolina. This said, HRW leadership is planning to double our water capacity, over a phased approach, due to projected usage specific to growing residential and nonresidential requirements.

Other planned investments include new schools, road improvements, parks and recreation, among other things. Finally, guided by the Harnett County 2032 Strategic Plan, County departments continue to strive to improve the level of services, experiences, and outcomes for our citizens. Harnett County Government continues to be recognized for multiple Best Practices across the state, and beyond. Said recognition is the result of outcome-focused activities by our dedicated 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

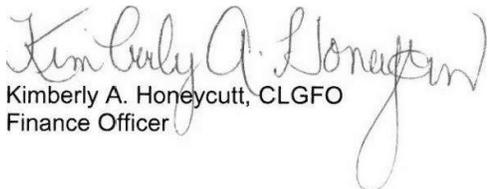
fund. All other transfers, as well as any revisions that alter the total expenditures of any fund, require prior approval by the board of commissioners. County management is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control 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

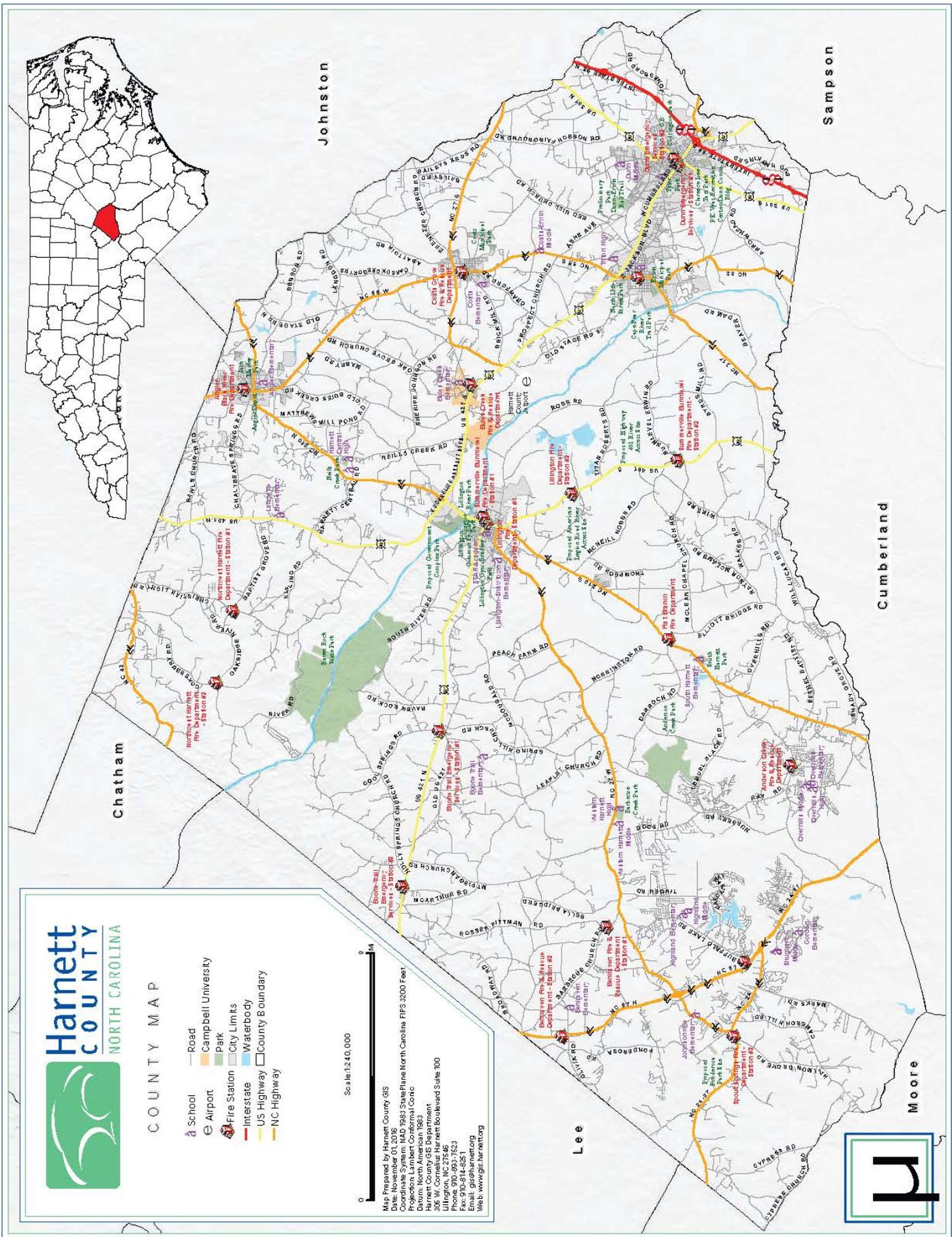
Preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Finance Department. Each member of the Finance Department has my sincere appreciation for their contributions. I would also like to thank the members of the Board of Commissioners and the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

Respectfully submitted,



Kimberly A. Honeycutt, CLGFO
Finance Officer

strong roots • new growth



Harnett COUNTY

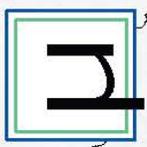
NORTH CAROLINA

COUNTY MAP

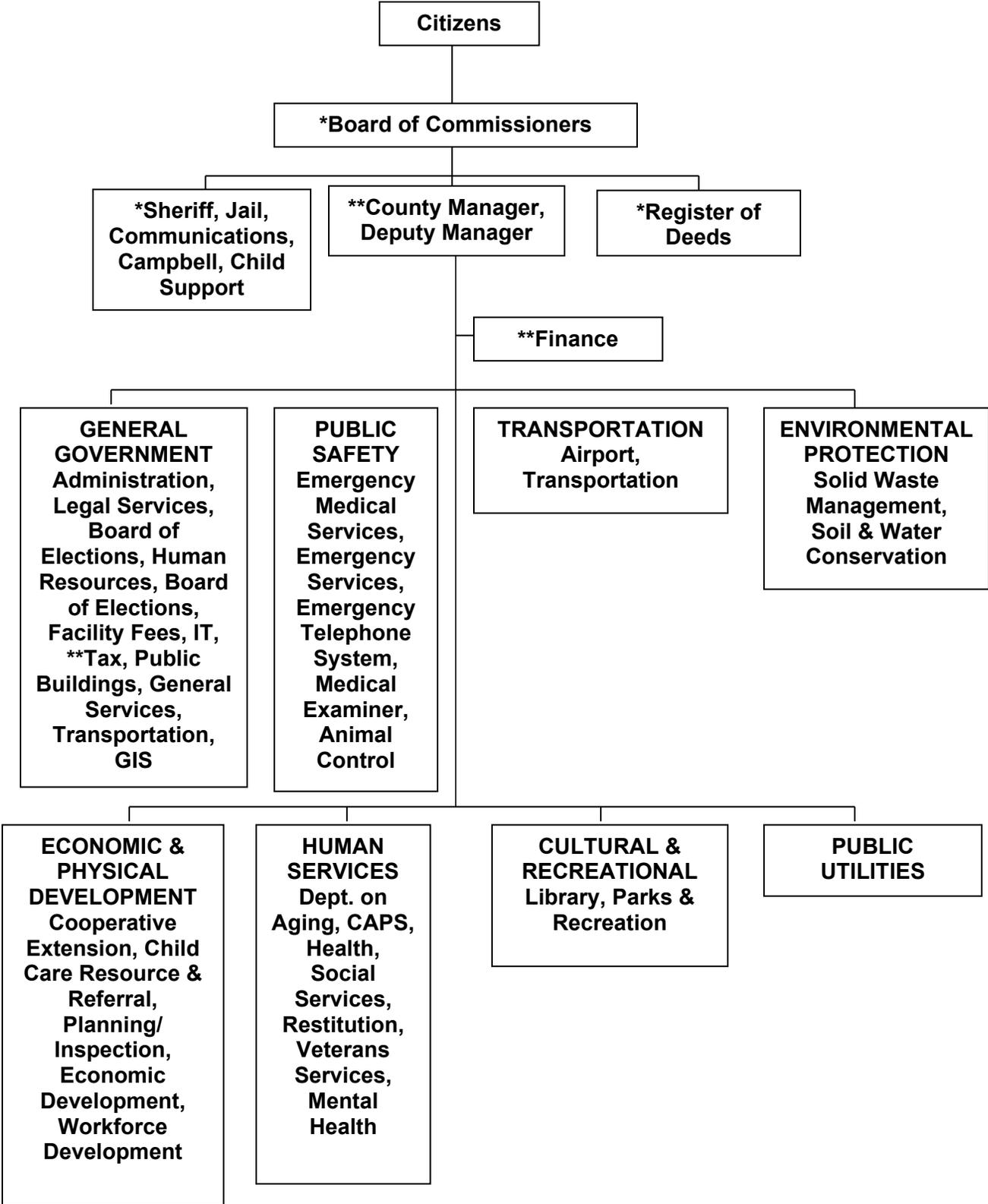
- School
- Campbell University
- Park
- City Limits
- Waterbody
- County Boundary
- Road
- Interstate
- Highway

Scale: 1:240,000

Map Prepared by Harnett County GIS
 Date: November 01, 2016
 Coordinate System: NAD 1983 StatePlane North Carolina FIPS 3200 Feet
 Data Source: Harnett County GIS
 Harnett County GIS Department
 305 W. Cornelius Harnett Boulevard Suite 100
 Lenoir, NC 27545
 Fax: 910-814-8351
 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



William Morris
Vice-Chairman

District 3



W. Brooks Matthews

District 4



Duncan Edward Jagers

District 5



Matthew Nicol
Chairman

County Officers

Brent Trout, County Manager
Coley Price, Deputy County Manager
Mike Morrow, Assistant County Manager
Lisa McFadden, Assistant County Manager
Kimberly A. Honeycutt, CLGFO, Finance Officer
Allen L. Coats, CLGFO, Deputy Finance Officer

Wayne A. Coats, Sheriff
Matthew Willis, Register of Deeds
Dwight Snow, County Attorney
Danny Moody, 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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Opioid Settlement Fund, Special Districts 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 the notes to the financial statements, for the fiscal year ended June 30, 2025, Harnett County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 101, *Compensated Absences*. 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. The 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 February 9, 2026, 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
February 9, 2026

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, 2025. 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.

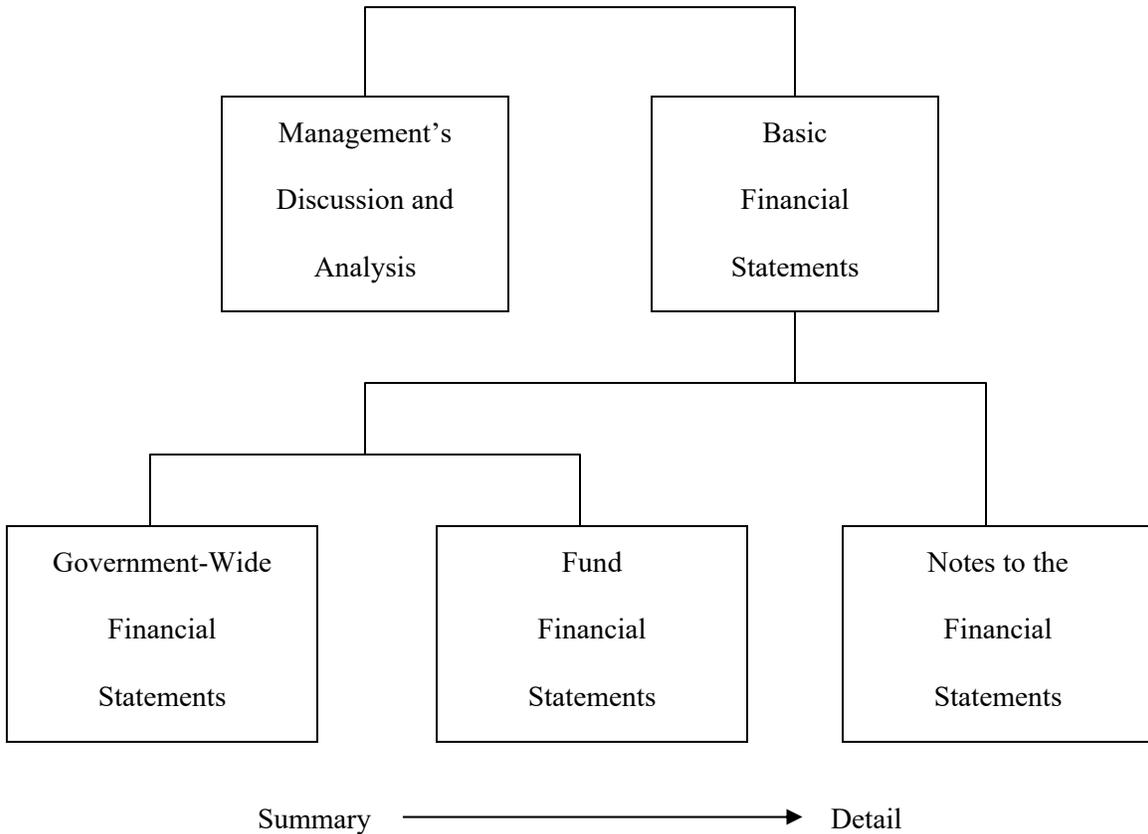
Financial Highlights

- 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 \$578,897,617 (net position).
- The government's total net position increased by \$90,572,676. 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 \$267,171,360, an increase of \$91,506,890 in comparison with the prior year. Approximately 16% of this total amount, or \$41,456,177, 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 \$42,076,534, or 21.26%, of total General Fund expenditures and transfers out for the fiscal year.
- Harnett County's long-term obligations increased by \$63,585,324 (33.18%) during the current fiscal year. This increase was due to the issuance of limited obligation bonds for Flatwoods Middle School in the current year.
- 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 N) 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 two 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. 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 seven internal service funds.

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.

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 \$578,897,617 as of June 30, 2025. The County’s net position increased by \$90,572,676 for the fiscal year ended June 30, 2025.

The largest portion totaling \$470,492,571 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 \$26,121,948 (4.51%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$82,283,098 is unrestricted.

Harnett County's Net Position
Figure 2

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Assets						
Cash and cash equivalents	\$ 193,081,412	\$ 177,212,722	\$ 130,965,136	\$ 119,871,302	\$ 324,046,548	\$ 297,084,024
Taxes receivable, net	843,287	746,803	-	-	843,287	746,803
Accounts receivable, net	12,942,280	13,646,343	8,251,156	7,464,666	21,193,436	21,111,009
Due from other governments	14,712,078	13,757,207	-	-	14,712,078	13,757,207
Internal balance	(3,173,911)	(3,046,727)	3,173,911	3,046,727	-	-
Note receivable	-	-	-	-	-	-
Inventories	53,666	43,746	1,152,433	921,732	1,206,099	965,478
Prepaid items	1,730,145	76,450	-	-	1,730,145	76,450
Restricted assets:						
Cash and cash equivalents	114,350,209	43,392,969	10,513,858	6,970,966	124,864,067	50,363,935
Net pension asset	174,798	190,155	-	-	174,798	190,155
Capital assets:						
Land and construction in progress	25,440,487	21,911,687	90,077,755	50,402,371	115,518,242	72,314,058
Other capital assets, net	95,201,577	93,691,499	306,958,154	292,835,504	402,159,731	386,527,003
Total assets	<u>455,356,028</u>	<u>361,622,854</u>	<u>551,092,403</u>	<u>481,513,268</u>	<u>1,006,448,431</u>	<u>843,136,122</u>
Deferred Outflows of Resources	<u>27,779,930</u>	<u>32,132,515</u>	<u>4,038,254</u>	<u>4,776,715</u>	<u>31,818,184</u>	<u>36,909,230</u>
Liabilities						
Accounts payable	18,917,321	13,097,262	1,964,702	5,386,373	20,882,023	18,483,635
Customer deposits	-	-	2,004,099	1,970,966	2,004,099	1,970,966
Unearned revenue	20,955,054	30,359,803	8,782,619	5,271,444	29,737,673	35,631,247
Current portion of compensated absences	5,057,358	2,617,093	1,334,084	607,267	6,391,442	3,224,360
Claims payable - current	150,000	150,000	-	-	150,000	150,000
Long-term liabilities:						
Non-current portion of compensated absences	12,287,556	872,364	3,524,145	202,423	15,811,701	1,074,787
Claims payable - non-current	42,993	130,908	-	-	42,993	130,908
Due in less than one year	20,352,366	15,992,851	3,603,000	3,581,000	23,955,366	19,573,851
Due in more than one year	303,491,621	239,102,867	42,371,180	46,160,397	345,862,801	285,263,264
Total liabilities	<u>381,254,269</u>	<u>302,323,148</u>	<u>63,583,829</u>	<u>63,179,870</u>	<u>444,838,098</u>	<u>365,503,018</u>
Deferred Inflows of Resources	<u>12,500,905</u>	<u>10,369,202</u>	<u>2,029,995</u>	<u>1,687,922</u>	<u>14,530,900</u>	<u>12,057,124</u>
Net Position						
Net investment in capital assets	96,577,815	93,716,477	373,914,756	313,218,578	470,492,571	406,935,055
Restricted for:						
Stabilization by state statute	19,676,060	20,790,849	-	-	19,676,060	20,790,849
Register of Deeds	390,950	291,002	-	-	390,950	291,002
General government	12,056	16,814	-	-	12,056	16,814
Education	8,375	396,131	-	-	8,375	396,131
Public safety	6,030,110	6,794,219	-	-	6,030,110	6,794,219
Human Services	4,397	25,881	-	-	4,397	25,881
Unrestricted	(33,318,979)	(40,968,354)	115,602,077	108,203,613	82,283,098	67,235,259
Total net position	<u>\$ 89,380,784</u>	<u>\$ 81,063,019</u>	<u>\$ 489,516,833</u>	<u>\$ 421,422,191</u>	<u>\$ 578,897,617</u>	<u>\$ 502,485,210</u>

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 \$205.6 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 99.32% 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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues:						
Program revenues:						
Charges for services	\$ 44,444,194	\$ 41,361,420	\$ 74,578,128	\$ 67,204,313	\$ 119,022,322	\$ 108,565,733
Operating grants and contributions	17,764,796	18,138,729	-	-	17,764,796	18,138,729
Capital grants and contributions	322,798	-	57,604,278	15,373,722	57,927,076	15,373,722
General revenues:						
Property taxes	104,404,630	97,422,538	-	-	104,404,630	97,422,538
Local option sales tax	51,758,110	49,246,273	-	-	51,758,110	49,246,273
Other taxes and licenses	6,138,563	5,547,160	453,884	418,366	6,592,447	5,965,526
Unrestricted intergovernmental	35,691	6,391	-	-	35,691	6,391
Investment earnings	13,919,275	14,379,421	1,520,959	1,305,288	15,440,234	15,684,709
Total revenues	<u>238,788,057</u>	<u>226,101,932</u>	<u>134,157,249</u>	<u>84,301,689</u>	<u>372,945,306</u>	<u>310,403,621</u>
Expenses:						
General government	27,903,570	25,058,853	-	-	27,903,570	25,058,853
Public safety	78,427,705	71,912,605	-	-	78,427,705	71,912,605
Transportation	279,229	483,361	-	-	279,229	483,361
Environmental protection	487,984	492,050	-	-	487,984	492,050
Economic and physical development	10,154,576	5,330,736	-	-	10,154,576	5,330,736
Human services	35,403,955	34,521,882	-	-	35,403,955	34,521,882
Cultural and recreation	6,530,916	5,539,151	-	-	6,530,916	5,539,151
Education	51,925,198	47,117,185	-	-	51,925,198	47,117,185
Interest on long-term debt	7,525,496	7,237,665	-	-	7,525,496	7,237,665
Landfill	-	-	8,736,285	7,620,496	8,736,285	7,620,496
Water and sewer	-	-	54,997,716	48,851,259	54,997,716	48,851,259
Total expenses	<u>218,638,629</u>	<u>197,693,488</u>	<u>63,734,001</u>	<u>56,471,755</u>	<u>282,372,630</u>	<u>254,165,243</u>
Change in net position	<u>20,149,428</u>	<u>28,408,444</u>	<u>70,423,248</u>	<u>27,829,934</u>	<u>90,572,676</u>	<u>56,238,378</u>
Net position, July 1	81,063,019	52,654,575	421,422,191	393,592,257	502,485,210	446,246,832
Restatement	<u>(11,831,663)</u>	<u>-</u>	<u>(2,328,606)</u>	<u>-</u>	<u>(14,160,269)</u>	<u>-</u>
Net position, July 1	<u>69,231,356</u>	<u>52,654,575</u>	<u>419,093,585</u>	<u>393,592,257</u>	<u>488,324,941</u>	<u>446,246,832</u>
Net position, June 30	<u>\$ 89,380,784</u>	<u>\$ 81,063,019</u>	<u>\$ 489,516,833</u>	<u>\$ 421,422,191</u>	<u>\$ 578,897,617</u>	<u>\$ 502,485,210</u>

Governmental Activities. Governmental activities increased the County's net position by \$20,149,428. Key elements of this increase are as follows:

Overall revenues for Governmental Activities increased to \$238,788,057 for fiscal year 2025 from \$226,101,932 for fiscal year 2024. A highlight of these include:

- The most notable change in the revenue of governmental activities from the previous fiscal year was a increase of \$6,982,092, or 7.2%, in property taxes. This was due to population growth and new construction increasing the tax base of the County. The County remains strong in its collection of taxes as evidenced by a collection rate to 99.32%.
- Harnett County has historically recognized strong collection percentages for ad valorem taxes. The collection rate continues to be strong with the fiscal year ending 2025 at a rate of 99.32% compared to a collection rate of 99.38% for the year ending 2024. Total property valuation grew from \$14,219,478,313 in fiscal year 2024 to \$15,221,468,484 in fiscal year 2025.
- Another significant impact in revenues was attributed to a \$3,082,774 or 7.5% increase in charges for services over the prior year. This change is mostly a result of an increase in ambulance fees and other departmental fees charged.
- Collections of local option sales tax remained strong for the Governmental Funds increasing to \$51,758,110 from \$49,246,273. The total sales tax revenue included allocations to the General Fund, Special Districts for Fire Protection and Education for the payment of debt service.

Overall expenses for Governmental Activities increased to \$218,636,729 for fiscal year 2025 from \$197,693,488 for fiscal year 2024. A highlight of these include:

- Expenses for Public Safety increased to \$78,427,705 from \$71,912,605 or 9.1%. 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. In addition, these expenses increased due to other operating expenses for public safety.
- Expenses for Education increased to \$51,925,198 from \$47,117,185 or 10.2%. This increase was due to additional allocation payments to the County school system to supplement the loss of State low wealth funding.
- Expenses for General Government increased to \$27,903,507 from \$25,058,853 or 11.35%. Contributing to this increase was additional funding for salaries as the County works to attract and retain personnel to address staffing shortages.
- Expenses for Economic and Physical Development increased to \$10,154,576 from \$5,330,736 or 90.5%. Contributing to this increase was due to funding in the amount of \$5 million for the Biotech & Small Business Incubator Center to be located in the City of Dunn and owned & operated by Harnett County.

Business-Type Activities. Business-type activities increased Harnett County's net position by \$70,423,248. 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 Capital 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 \$145,251,809, while total fund balance reached \$163,804,920. The County currently has an available fund balance of 73.38% of general fund expenditures and transfers out, while total fund balance represents 82.75% 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 2025, the County's tax collection rate was 99.32%. The Opioid Settlement fund increased governmental fund balance due to a large yearly distribution and investment earnings with minimal expenditures in the 2025 fiscal year. The Jetport Runway Extension fund increased governmental fund balance due to strong investment earnings in 2025. The General Fund's Unassigned Fund Balance decreased due to allocation of funding to the County school system in response to the loss of State low-wealth appropriations. However, Assigned Fund Balance increased, reflecting the County's continued commitment to funding obligations under the County's Capital Improvement Plan (CIP) discussed in more detail in the Budget Highlights section of this document.

At June 30, 2025, the governmental funds of Harnett County reported a combined fund balance of \$267,171,360, a 52.09% increase over last year. The primary reason for this increase was increases in local options sales tax and various other revenue streams as well as debt issuance for Flatwoods Middle School in the current year while keeping expenditures monitored and below budget.

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 \$7,281,057, and those for the Water and Sewer Fund equaled \$105,147,109. The total growth in net position for both funds was \$868,232 and \$69,427,832, 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 \$16,522,101. Following are the main components of this increase:

- \$8,148,324 was to budget additional funding for Economic and Physical Development expenditures which was mostly for Biotech & Small Business Incubator Center expenses, and minor adjustments for salaries.
- \$6,066,114 was to budget additional funding for Education expenditures to cover additional allocation payments to the County school system to supplement the loss of State low wealth funding.
- \$2,704,848 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, and purchases of vehicles and software for the Sheriff, Emergency Services, Animal Service, Planning and Social Services Departments.

Capital Assets. Harnett County’s capital assets for its governmental and business–type activities as of June 30, 2025, totals \$517,677,973 (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:

- Purchase of land for the Biotech & Small Business Incubator Center
- Construction on Flatwoods Middle School
- Purchases of vehicles for the Sheriff and Emergency Services Departments.
- Various Parks and Recreation projects.
- Purchase of land for future Harnett Regional Water service expansion
- Construction on North Regional Wastewater Treatment Plant Expansion

**Harnett County’s Capital Assets
(net of depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 8,529,001	\$ 5,437,238	\$ 5,562,819	\$ 2,760,532	\$ 14,091,820	\$ 8,197,770
Plant, distribution, and collection systems	-	-	291,667,556	277,429,001	291,667,556	277,429,001
Buildings	85,599,515	86,337,161	10,390,274	11,169,328	95,989,789	97,506,489
Land improvements	830,605	889,336	-	-	830,605	889,336
Equipment	562,991	847,356	3,521,065	2,896,230	4,084,056	3,743,586
Vehicles	5,906,958	4,245,054	1,379,259	1,340,945	7,286,217	5,585,999
Leased assets	2,301,508	1,372,592	-	-	2,301,508	1,372,592
Construction in progress	16,911,486	16,474,449	84,514,936	47,641,839	101,426,422	64,116,288
Total	<u>\$ 120,642,064</u>	<u>\$ 115,603,186</u>	<u>\$ 397,035,909</u>	<u>\$ 343,237,875</u>	<u>\$ 517,677,973</u>	<u>\$ 458,841,061</u>

Additional information on Harnett County’s capital assets can be found in Note 2 beginning on page 60 of this report.

Long-Term Debt. As of June 30, 2025, Harnett County had total debt outstanding of \$255,194,084. Of this amount, \$86,935,000 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, 2025, the County’s outstanding debt consisted of:

Harnett County’s Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Installment purchases -						
Direct placement	\$ 35,939,084	\$ 38,025,760	\$ -	\$ -	\$ 35,939,084	\$ 38,025,760
General obligation bonds	76,250,000	81,250,000	10,685,000	10,948,000	86,935,000	92,198,000
Limited obligation bonds	113,590,000	39,640,000	10,990,000	12,035,000	124,580,000	51,675,000
Revenue bonds	-	-	7,740,000	9,710,000	7,740,000	9,710,000
Total	<u>\$ 225,779,084</u>	<u>\$ 158,915,760</u>	<u>\$ 29,415,000</u>	<u>\$ 32,693,000</u>	<u>\$ 255,194,084</u>	<u>\$ 191,608,760</u>

Harnett County’s total debt increased by \$63,585,324 (33.18%) during the past fiscal year, primarily due to large debt proceeds for Flatwoods Middle School 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 \$991,593,395.

Additional information on Harnett County’s long-term debt can be found in Note 2 beginning on page 65 of this report.

Accounting Change

During fiscal year 2025, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard requires governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is taken. The application of GASB 101 resulted in a restatement of \$(11,831,663) and \$(2,328,606) to the beginning net position of the governmental activities and business-type activities, respectively. As a result, amounts reported in Management’s Discussion and Analysis for Fiscal year 2025 are not comparable to those reported for fiscal year 2024, which have not been restated in the prior year comparative information. See Note 1 for additional information regarding the impact of the standard of the Current year’s financial statements.

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, 2025 has been estimated to be 4.2% which is unchanged from a rate of 4.2% 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’s next reappraisal is scheduled for January 1, 2026. The total property valuation for the fiscal year ended 2025 was \$15,221,468,484 up from \$14,219,478,313 for fiscal year ended 2024.
- Total sales tax collections continued to increase during the fiscal year ended June 30, 2025 to \$ 51,758,110 from \$49,246,273 from the year ended June 30, 2024, an increase of 5.1% over last year’s collections. The County will continue to monitor and budget conservatively.
- Harnett County’s population remained stable for the fiscal year. The North Carolina OSBM, Standard Population Estimates have estimated Harnett County’s population at 147,949.

Budget Highlights for the Fiscal Year Ending June 30, 2026

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 \$195,698,342 and include amounts appropriated for interfund transfers for debt service and capital reserve. The budget for the fiscal year 2026 increased due to an increase in current expense funding for Harnett County Schools and higher salary expenditures aimed at improving staff retention and meeting the County’s growing needs. Additionally, funds were allocated to contingency to cover preliminary projects. Once these projects are finalized, the funds will either be reallocated to the appropriate cost center or returned to fund balance. The County adopts a seven-year capital plan for the General Fund in the prior fiscal year and approves capital purchases as part of a defined CIP plan ([2026-2032 CIP Plan](#)) each fall for the upcoming year. This proactive 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 2025-2026 budget has been developed with the purpose of supporting the strategic goals and priorities of the County Commissioners. 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 County continues to experience rapid growth, and the Board of Commissioners understands this growth and the potential impact it has upon the County.

The proposed budget for fiscal year 2026 contains an appropriation of \$20,210,244 from fund balance. This appropriation includes funding to the Harnett County Board of Education that does not meet the policy definition of “one-time” appropriation. The Board of Commissioners are aware that this action may reduce the county’s unassigned targeted fund balance below 20% as defined in the Administrative & Financial Policy.

During the development of the 2025 budget, the County was notified by the State that it would lose a significant portion of low wealth funding for that fiscal year due to calculations using data set by the 2024 fiscal year. The low wealth funding is based upon a complex calculation of multiple historical data points to include the averages of local tax rates, per pupil funding, per capita income, and weighted sales assessment ratio.

Due to the historic increase in values between revaluation periods, the County sought to adjust its ad valorem tax rate as close to revenue neutral as was needed to maintain current operations. Despite efforts to adjust the property tax rate near revenue-neutral levels, a small difference of two cents would have preserved the county’s eligibility for full Low Wealth funding. Harnett County, among a few other counties, was adversely affected through no fault of its own and the County immediately sought legislative relief. While awaiting a determination, the County was prepared to utilize fund balance to meet the current potential funding shortfall in the 2025 year.

While preparing this budget, the County learned that more counties have since been affected, and is hopeful that a restructuring of the low wealth formula is forthcoming. A county-wide revaluation is underway to be effective for the 2027 budget year, and it is anticipated that the county-wide increase in property value may exceed 30%. The Harnett County Board of Commissioners feel that to adjust the tax rate prior to a revaluation year will be premature and have chosen to utilize fund balance to bridge the gap between the two years. The Board understands that while this use of fund balance for fiscal years 2025 and 2026 does not meet the definition in our policy, it is a justified temporary and strategic measure to address the funding request of the Harnett County Board of Education.

The Board of Commissioners is committed to addressing the noteworthy revenue shortfall and restoring reserves during the 2027 revaluation budget year while balancing fiscal responsibility and our commitment to education.

Business-Type Activities. Harnett Regional Water and Solid Waste increased fees for the 2025-2026 fiscal year. A complete list of the fees can be found on the county's website at <https://www.harnett.org/budget/downloads/fy26approvedbudget-website.pdf>, Attachment A. The rates for Expenditures for public utilities and solid waste for the fiscal year have been budgeted at \$50,595,000 and \$8,972,554 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.

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BASIC FINANCIAL STATEMENTS

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2025

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 193,081,412	\$ 130,965,136	\$ 324,046,548
Taxes receivable, net	843,287	-	843,287
Accounts receivable, net	5,379,505	8,251,156	13,630,661
Due from other governments	14,712,078	-	14,712,078
Lease receivable	5,585	-	5,585
Internal balance	(3,173,911)	3,173,911	-
Inventories	53,666	1,152,433	1,206,099
Prepaid items	1,730,145	-	1,730,145
Restricted assets:			
Cash and cash equivalents	114,350,209	10,513,858	124,864,067
Total current assets	326,981,976	154,056,494	481,038,470
Non-current assets:			
Net pension asset	174,798	-	174,798
Lease receivable	123,258	-	123,258
Accounts receivable, net	7,433,932	-	7,433,932
Capital assets:			
Land and construction in progress	25,440,487	90,077,755	115,518,242
Other capital assets, net	92,900,069	306,958,154	399,858,223
Right to use assets, net	2,301,508	-	2,301,508
Total capital assets	120,642,064	397,035,909	517,677,973
Total non-current assets	128,374,052	397,035,909	525,409,961
Total assets	455,356,028	551,092,403	1,006,448,431
Deferred Outflows of Resources:			
Pension deferrals	20,579,039	3,481,283	24,060,322
OPEB deferrals	3,156,166	556,971	3,713,137
Charge on refunding	4,044,725	-	4,044,725
Total deferred outflows of resources	27,779,930	4,038,254	31,818,184
Liabilities:			
Current liabilities:			
Accounts payable	14,445,083	1,964,702	16,409,785
Accounts payable from restricted assets	4,472,238	-	4,472,238
Customer deposits payable from restricted assets	-	2,004,099	2,004,099
Unearned revenue	-	272,860	272,860
Advance from grantors	20,955,054	8,509,759	29,464,813
Current portion of compensated absences	5,057,358	1,334,084	6,391,442
Claims payable current	150,000	-	150,000
Due within one year	20,352,366	3,603,000	23,955,366
Total current liabilities	65,432,099	17,688,504	83,120,603

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Non-current liabilities:			
Non-current portion of compensated absences	12,287,556	3,524,145	15,811,701
Claims payable, non-current	42,993	-	42,993
Net pension liability - LEOSSA	3,810,637	-	3,810,637
Net pension liability - LGERS	35,382,291	6,243,935	41,626,226
Net OPEB liability	38,529,052	6,799,244	45,328,296
Due in more than one year	225,769,641	29,328,001	255,097,642
Total non-current liabilities	315,822,170	45,895,325	361,717,495
Total liabilities	381,254,269	63,583,829	444,838,098
Deferred Inflows of Resources:			
Pension deferrals	973,963	28,115	1,002,078
OPEB deferrals	11,343,990	2,001,880	13,345,870
Lease deferrals	124,507	-	124,507
Prepaid taxes	58,445	-	58,445
Total deferred inflows of resources	12,500,905	2,029,995	14,530,900
Net Position:			
Net investment in capital assets	96,577,815	373,914,756	470,492,571
Restricted for:			
Stabilization by state statute	19,676,060	-	19,676,060
Register of Deeds' pension plan	174,798	-	174,798
Register of Deeds	216,152	-	216,152
General government	12,056	-	12,056
Education	8,375	-	8,375
Public safety	6,030,110	-	6,030,110
Human services	4,397	-	4,397
Unrestricted	(33,318,979)	115,602,077	82,283,098
Total net position	\$ 89,380,784	\$ 489,516,833	\$ 578,897,617

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 27,903,570	\$ 20,257,627	\$ 3,366,225	\$ -
Public safety	78,427,705	18,787,566	2,632,272	-
Transportation	279,229	-	1,605,164	-
Environmental protection	487,984	-	59,856	-
Economic and physical development	10,154,576	-	45,490	322,798
Human services	35,403,955	5,399,001	9,576,942	-
Cultural and recreational	6,530,916	-	478,847	-
Education	51,925,198	-	-	-
Interest on long-term debt	7,525,496	-	-	-
Total governmental activities	<u>218,638,629</u>	<u>44,444,194</u>	<u>17,764,796</u>	<u>322,798</u>
Business-Type Activities:				
Water and sewer	54,997,716	65,681,127	-	57,604,278
Solid waste	8,736,285	8,897,001	-	-
Total business-type activities	<u>63,734,001</u>	<u>74,578,128</u>	<u>-</u>	<u>57,604,278</u>
Total primary government	<u>\$ 282,372,630</u>	<u>\$ 119,022,322</u>	<u>\$ 17,764,796</u>	<u>\$ 57,927,076</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, 2025

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs:			
Primary Government:			
Governmental Activities:			
General government	\$ (4,279,718)	\$ -	\$ (4,279,718)
Public safety	(57,007,867)	-	(57,007,867)
Transportation	1,325,935	-	1,325,935
Environmental protection	(428,128)	-	(428,128)
Economic and physical development	(9,786,288)	-	(9,786,288)
Human services	(20,428,012)	-	(20,428,012)
Cultural and recreational	(6,052,069)	-	(6,052,069)
Education	(51,925,198)	-	(51,925,198)
Interest on long-term debt	(7,525,496)	-	(7,525,496)
Total governmental activities	(156,106,841)	-	(156,106,841)
Business-Type Activities:			
Water and sewer	-	68,287,689	68,287,689
Solid waste	-	160,716	160,716
Total business-type activities	-	68,448,405	68,448,405
Total primary government	(156,106,841)	68,448,405	(87,658,436)
General Revenues:			
Ad valorem taxes	104,404,630	-	104,404,630
Local option sales tax	51,758,110	-	51,758,110
Other taxes and licenses	6,138,563	453,884	6,592,447
Unrestricted intergovernmental revenues	35,691	-	35,691
Interest earned on investments, unrestricted	13,919,275	1,520,959	15,440,234
Total general revenues	176,256,269	1,974,843	178,231,112
Change in net position	20,149,428	70,423,248	90,572,676
Net Position:			
Beginning of year - July 1	81,063,019	421,422,191	502,485,210
Restatement	(11,831,663)	(2,328,606)	(14,160,269)
Beginning of year - restated	69,231,356	419,093,585	488,324,941
End of year - June 30	\$ 89,380,784	\$ 489,516,833	\$ 578,897,617

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

HARNETT COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	ARPA Fund	Opioid Settlement Fund	Special Districts Fund	Jetport Runway Extension	Flatwoods Middle School	Other Governmental Funds	Total Governmental Funds
Assets:								
Cash and investments	\$ 153,866,787	\$ 863,245	\$ -	\$ 405,086	\$ 956,599	\$ -	\$ 12,679,683	\$ 168,771,400
Taxes receivable, net	742,754	-	-	100,533	-	-	-	843,287
Accounts receivable, net	4,677,753	-	6,711,636	1,145,940	-	686	258,614	12,794,629
Due from other funds	161,623	-	-	-	-	-	-	161,623
Due from other governments	14,710,691	-	1,387	-	-	-	-	14,712,078
Lease receivable	128,843	-	-	-	-	-	-	128,843
Inventories	53,666	-	-	-	-	-	-	53,666
Prepaid items	92,681	-	-	-	-	-	-	92,681
Restricted assets:								
Restricted cash and cash equivalents	-	-	3,678,592	-	15,383,515	81,715,570	13,572,532	114,350,209
Total assets	\$ 174,434,798	\$ 863,245	\$ 10,391,615	\$ 1,651,559	\$ 16,340,114	\$ 81,716,256	\$ 26,510,829	\$ 311,908,416
Liabilities, Deferred Inflows of Resources, and Fund Balances:								
Liabilities:								
Accounts payable and accrued liabilities	\$ 8,556,533	\$ -	\$ 3,908	\$ 983,177	\$ -	\$ -	\$ 719,009	\$ 10,262,627
Accounts payable from restricted assets	-	-	-	-	-	3,832,848	639,390	4,472,238
Due to other funds	-	-	-	-	-	-	161,623	161,623
Advance from grantors	-	-	-	-	15,383,515	-	5,571,539	20,955,054
Total liabilities	8,556,533	-	3,908	983,177	15,383,515	3,832,848	7,091,561	35,851,542
Deferred Inflows of Resources:								
Prepaid taxes	58,445	-	-	-	-	-	-	58,445
Lease deferral	124,507	-	-	-	-	-	-	124,507
Unavailable revenue	1,147,639	-	6,711,636	-	-	-	-	7,859,275
Property tax receivable	742,754	-	-	100,533	-	-	-	843,287
Total deferred inflows of resources	2,073,345	-	6,711,636	100,533	-	-	-	8,885,514
Fund Balances:								
Non-spendable:								
Leases	4,336	-	-	-	-	-	-	4,336
Inventories	53,666	-	-	-	-	-	-	53,666
Prepaid items	92,681	-	-	-	-	-	-	92,681
Restricted:								
Restricted for stabilization by state statute	18,402,428	-	1,387	1,145,940	-	-	126,305	19,676,060
Restricted for Register of Deeds	-	-	-	-	-	-	216,152	216,152
Restricted for general government	-	-	-	-	-	-	12,056	12,056
Restricted for education	-	-	-	-	-	77,883,408	7,369,292	85,252,700
Restricted for public safety	-	-	3,674,684	-	-	-	2,355,426	6,030,110
Restricted for health and human services	-	-	-	-	-	-	4,397	4,397
Committed:								
Committed for general government	-	-	-	-	-	-	611,092	611,092
Committed for economic development	-	-	-	-	956,599	-	6,377,985	7,334,584
Committed for culture and recreation	-	-	-	-	-	-	846,685	846,685
Committed for education	-	-	-	-	-	-	1,469,496	1,469,496
Committed for debt service	33,391,937	-	-	-	-	-	-	33,391,937
Assigned	69,783,338	863,245	-	-	-	-	72,648	70,719,231
Unassigned	42,076,534	-	-	(578,091)	-	-	(42,266)	41,456,177
Total fund balances	163,804,920	863,245	3,676,071	567,849	956,599	77,883,408	19,419,268	267,171,360
Total liabilities, deferred inflows of resources, and fund balances	\$ 174,434,798	\$ 863,245	\$ 10,391,615	\$ 1,651,559	\$ 16,340,114	\$ 81,716,256	\$ 26,510,829	\$ 311,908,416

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

HARNETT COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - modified accrual	\$ 267,171,360
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	120,642,064
Net pension asset	174,798
Net pension liability - LGERS	(35,382,291)
Net pension liability - LEOSSA	(3,810,637)
Net OPEB liability	(38,529,052)
Deferred outflows of resources related to pensions are not reported in the funds.	20,579,039
Deferred outflows of resources related to OPEB are not reported in the funds.	3,156,166
Deferred inflows of resources related to pensions are not reported in the funds.	(973,963)
Deferred inflows of resources related to OPEB are not reported in the funds.	(11,343,990)
Deferred outflow related to bond refunding is not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,044,725
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	(246,122,007)
Compensated absences	(17,344,914)
Accrued interest payable	(2,182,786)
Consolidation of Internal Service Fund	20,599,710
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>8,702,562</u>
Net position of governmental activities (Exhibit A)	<u>\$ 89,380,784</u>

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General	ARPA Fund	Opioid Settlement Fund	Special Districts Fund	Jetport Runway Extension	Flatwoods Middle School	Other Governmental Funds	Total Governmental Funds
Revenues:								
Ad valorem taxes	\$ 89,690,101	\$ -	\$ -	\$ 14,618,045	\$ -	\$ -	\$ -	\$ 104,308,146
Other taxes and licenses	53,798,335	-	-	4,098,338	-	-	-	57,896,673
Unrestricted intergovernmental revenues	35,691	-	-	-	-	-	-	35,691
Restricted intergovernmental revenues	23,726,120	5,458,945	977,513	-	216,486	-	2,933,860	33,312,924
Permits and fees	1,326,197	-	-	-	-	-	565,438	1,891,635
Sales and services	15,826,039	-	-	-	-	-	562,284	16,388,323
Investment earnings	11,690,405	863,244	121,558	-	736,406	-	507,662	13,919,275
Other general revenues	7,629,607	-	-	-	-	-	22,899	7,652,506
Total revenues	203,722,495	6,322,189	1,099,071	18,716,383	952,892	-	4,592,143	235,405,173
Expenditures:								
Current:								
General government	26,705,116	-	-	-	-	-	600,352	27,305,468
Public safety	53,551,695	-	76,309	17,899,046	-	-	3,204,888	74,731,938
Transportation	1,323,864	-	-	-	-	-	-	1,323,864
Environmental protection	483,669	-	-	-	-	-	-	483,669
Economic and physical development	11,974,453	-	-	-	239,336	-	381,651	12,595,440
Human services	34,656,971	-	-	-	-	-	1,633,788	36,290,759
Cultural and recreation	6,280,164	-	-	-	-	-	162,768	6,442,932
Education	38,315,429	-	-	448,047	-	6,946,772	6,214,950	51,925,198
Debt service:								
Principal repayments	14,906,344	-	-	-	-	-	-	14,906,344
Interest and fees	5,915,947	-	-	-	-	-	-	5,915,947
Total expenditures	194,113,652	-	76,309	18,347,093	239,336	6,946,772	12,198,397	231,921,559
Revenues over (under) expenditures	9,608,843	6,322,189	1,022,762	369,290	713,556	(6,946,772)	(7,606,254)	3,483,614
Other Financing Sources (Uses):								
Long-term debt issued	-	-	-	-	-	80,565,000	-	80,565,000
Subscription liability issued	1,705,751	-	-	-	-	-	-	1,705,751
Bond premium	-	-	-	-	-	5,752,525	-	5,752,525
Transfers to other funds	(5,543,011)	(7,542,804)	-	-	-	-	(4,284,943)	(17,370,758)
Transfers from other funds	7,662,762	-	-	-	-	-	9,707,996	17,370,758
Total other financing sources (uses)	3,825,502	(7,542,804)	-	-	-	86,317,525	5,423,053	88,023,276
Net change in fund balances	13,434,345	(1,220,615)	1,022,762	369,290	713,556	79,370,753	(2,183,201)	91,506,890
Fund Balances:								
Beginning of year - July 1 as previously presented	150,370,575	2,083,860	2,653,309	198,559	243,043	-	20,115,124	175,664,470
Change within financial reporting entity (nonmajor to major)	-	-	-	-	-	(1,487,345)	1,487,345	-
Beginning of year - restated	150,370,575	2,083,860	2,653,309	198,559	243,043	(1,487,345)	21,602,469	175,664,470
End of year - June 30	\$ 163,804,920	\$ 863,245	\$ 3,676,071	\$ 567,849	\$ 956,599	\$ 77,883,408	\$ 19,419,268	\$ 267,171,360

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, 2025

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)	\$ 91,506,890
<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	96,484
Grant revenues	704,451
<p>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.</p>	
Pension expense - LEOSSA	(105,643)
Pension expense - LGERS	(3,428,736)
Pension expense - ROD	(8,747)
OPEB plan expense	(547,575)
<p>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.</p>	
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)
<p>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.</p>	
Depreciation and amortization expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(4,705,335)
<p>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.</p>	
Consolidation of Internal Service Fund	<u>851,158</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 20,149,428</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from Final Budget Over/Under</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Ad valorem taxes	\$ 86,760,145	\$ 86,760,145	\$ 89,690,101	\$ 2,929,956
Other taxes and licenses	46,255,107	46,255,107	53,798,335	7,543,228
Unrestricted intergovernmental revenues	3,000	3,000	35,691	32,691
Restricted intergovernmental revenues	22,887,734	24,901,793	23,726,120	(1,175,673)
Permits and fees	1,068,291	1,081,476	1,326,197	244,721
Sales and services	13,197,865	13,891,755	15,826,039	1,934,284
Investment earnings	4,000,000	5,500,000	11,690,405	6,190,405
Other general revenues	5,394,832	5,632,935	7,629,607	1,996,672
Total revenues	<u>179,566,974</u>	<u>184,026,211</u>	<u>203,722,495</u>	<u>19,696,284</u>
Expenditures:				
General government	33,284,105	29,936,132	26,705,116	3,231,016
Public safety	55,651,946	58,356,794	53,551,695	4,805,099
Transportation	1,597,225	1,606,666	1,323,864	282,802
Environmental protection	527,100	528,094	483,669	44,425
Economic and physical development	4,771,059	12,919,383	11,974,453	944,930
Human services	38,513,881	40,018,480	34,656,971	5,361,509
Cultural and recreation	6,810,428	7,218,264	6,280,164	938,100
Education	35,044,209	41,110,323	38,315,429	2,794,894
Debt service:				
Principal repayments	13,873,758	14,906,676	14,906,344	332
Interest and fees	5,921,902	5,916,902	5,915,947	955
Total expenditures	<u>195,995,613</u>	<u>212,517,714</u>	<u>194,113,652</u>	<u>18,404,062</u>
Revenues over (under) expenditures	<u>(16,428,639)</u>	<u>(28,491,503)</u>	<u>9,608,843</u>	<u>38,100,346</u>
Other Financing Sources (Uses):				
Transfers to other funds	(13,567,826)	(21,702,058)	(5,543,011)	16,159,047
Transfers from other funds	11,000,000	11,455,269	7,662,762	(3,792,507)
Subscription liability issued	-	1,705,751	1,705,751	-
Appropriated fund balance	<u>18,996,465</u>	<u>37,032,541</u>	<u>-</u>	<u>(37,032,541)</u>
Total other financing sources (uses)	<u>16,428,639</u>	<u>28,491,503</u>	<u>3,825,502</u>	<u>(24,666,001)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>13,434,345</u>	<u>\$ 13,434,345</u>
Fund Balance:				
Beginning of year - July 1			<u>150,370,575</u>	
End of year - June 30			<u>\$ 163,804,920</u>	

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

HARNETT COUNTY, NORTH CAROLINA

MAJOR SPECIAL REVENUE FUND - OPIOID SETTLEMENT FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2025

	2025			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:				
Investment earnings	\$ -	\$ -	\$ 121,558	\$ 121,558
Restricted intergovernmental	<u>1,000,000</u>	<u>977,513</u>	<u>977,513</u>	<u>-</u>
Total revenues	<u>1,000,000</u>	<u>977,513</u>	<u>1,099,071</u>	<u>121,558</u>
Expenditures:				
Public safety:				
Operating expenditures	<u>1,000,000</u>	<u>977,513</u>	<u>76,309</u>	<u>901,204</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,022,762	<u>\$ 1,022,762</u>
Fund Balance:				
Beginning of year - July 1			<u>2,653,309</u>	
End of year - June 30			<u>\$ 3,676,071</u>	

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

HARNETT COUNTY, NORTH CAROLINA

**MAJOR SPECIAL REVENUE FUND - ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	2025			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:				
Restricted intergovernmental	\$ 5,458,945	\$ 5,458,945	\$ 5,458,945	\$ -
Investment earnings	-	-	863,244	863,244
Total revenues	<u>5,458,945</u>	<u>5,458,945</u>	<u>6,322,189</u>	<u>863,244</u>
Revenues over (under) expenditures	<u>5,458,945</u>	<u>5,458,945</u>	<u>6,322,189</u>	<u>863,244</u>
Other Financing Sources (Uses):				
Transfer in (out)	(5,458,945)	(7,542,804)	(7,542,804)	-
Appropriated fund balance	-	2,083,859	-	(2,083,859)
Total other financing sources (uses)	<u>(5,458,945)</u>	<u>(5,458,945)</u>	<u>(7,542,804)</u>	<u>(2,083,859)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,220,615)	<u>\$ (1,220,615)</u>
Fund Balance:				
Beginning of year - July 1			<u>2,083,860</u>	
End of year - June 30			<u>\$ 863,245</u>	

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

HARNETT COUNTY, NORTH CAROLINA

**MAJOR SPECIAL REVENUE FUND - SPECIAL DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	2025			
	Original Budget	Final Budget	Actual	Variance Over/Under
Revenues:				
Ad valorem taxes	\$ 14,819,031	\$ 17,559,710	\$ 14,618,045	\$ (2,941,665)
Other taxes and licenses	3,000,000	3,974,355	4,098,338	123,983
Total revenues	<u>17,819,031</u>	<u>21,534,065</u>	<u>18,716,383</u>	<u>(2,817,682)</u>
Expenditures:				
Public safety	17,369,031	21,077,038	17,899,046	3,177,992
Education	450,000	457,027	448,047	8,980
Total expenditures	<u>17,819,031</u>	<u>21,534,065</u>	<u>18,347,093</u>	<u>3,186,972</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	369,290	<u>\$ 369,290</u>
Fund Balance:				
Beginning of year - July 1			<u>198,559</u>	
End of year - June 30			<u>\$ 567,849</u>	

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

HARNETT COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>	
Assets:				
Current assets:				
Cash and cash investments	\$ 120,530,790	\$ 10,434,346	\$ 130,965,136	\$ 24,310,012
Accounts receivable, net	7,726,677	524,479	8,251,156	18,808
Prepaid items	-	-	-	1,637,464
Inventory	1,152,433	-	1,152,433	-
Restricted assets:				
Cash and investments, restricted	10,513,858	-	10,513,858	-
Total current assets	<u>139,923,758</u>	<u>10,958,825</u>	<u>150,882,583</u>	<u>25,966,284</u>
Non-current assets:				
Land and construction in progress	88,479,166	1,598,589	90,077,755	-
Other capital assets, net	299,862,276	7,095,878	306,958,154	-
Total non-current assets	<u>388,341,442</u>	<u>8,694,467</u>	<u>397,035,909</u>	<u>-</u>
Total assets	<u>528,265,200</u>	<u>19,653,292</u>	<u>547,918,492</u>	<u>25,966,284</u>
Deferred Outflows of Resources:				
Pension deferrals	3,017,113	464,170	3,481,283	-
OPEB deferrals	482,708	74,263	556,971	-
Total deferred outflows of resources	<u>3,499,821</u>	<u>538,433</u>	<u>4,038,254</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	1,343,330	466,129	1,809,459	1,999,670
Claims payable	-	-	-	150,000
Accrued interest	155,243	-	155,243	-
Advance from grantors	8,509,759	-	8,509,759	-
Prepaid fees	212,271	60,589	272,860	-
Customer deposits payable from restricted assets	2,004,099	-	2,004,099	-
Compensated absences, current	1,212,636	121,448	1,334,084	-
Current portion of long-term debt	3,460,000	143,000	3,603,000	-
Total current liabilities	<u>16,897,338</u>	<u>791,166</u>	<u>17,688,504</u>	<u>2,149,670</u>
Non-current liabilities:				
Compensated absences, non-current	3,265,957	258,188	3,524,145	-
Claims payable	-	-	-	42,993
Non-current portion of long-term debt	27,770,255	1,557,746	29,328,001	-
Net OPEB liability	5,892,678	906,566	6,799,244	-
Net pension liability	5,411,409	832,526	6,243,935	-
Total non-current liabilities	<u>42,340,299</u>	<u>3,555,026</u>	<u>45,895,325</u>	<u>42,993</u>
Total liabilities	<u>59,237,637</u>	<u>4,346,192</u>	<u>63,583,829</u>	<u>2,192,663</u>

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

HARNETT COUNTY, NORTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>	
Deferred Inflows of Resources:				
OPEB deferrals	1,734,963	266,917	2,001,880	-
Pension deferrals	24,366	3,749	28,115	-
Total deferred inflows of resources	<u>1,759,329</u>	<u>270,666</u>	<u>2,029,995</u>	-
Net Position:				
Net investment in capital assets	365,620,946	8,293,810	373,914,756	-
Unrestricted	<u>105,147,109</u>	<u>7,281,057</u>	<u>112,428,166</u>	<u>23,773,621</u>
Total net position	<u>\$ 470,768,055</u>	<u>\$ 15,574,867</u>	<u>486,342,922</u>	<u>\$ 23,773,621</u>
Adjustment to reflect consolidation of internal service funds			<u>3,173,911</u>	
Net position			<u>\$ 489,516,833</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, 2025

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
Operating Revenues:				
Charges for services	\$ 51,032,365	\$ 8,853,648	\$ 59,886,013	\$ -
County contributions	-	-	-	19,861,149
Other operating revenues	14,541,145	23,786	14,564,931	-
Total operating revenues	<u>65,573,510</u>	<u>8,877,434</u>	<u>74,450,944</u>	<u>19,861,149</u>
Operating Expenses:				
Water distribution and sewage treatment	38,945,426	-	38,945,426	-
Solid waste	-	7,763,000	7,763,000	-
Benefits and premiums	-	-	-	18,882,807
Depreciation	14,954,018	981,449	15,935,467	-
Total operating expenses	<u>53,899,444</u>	<u>8,744,449</u>	<u>62,643,893</u>	<u>18,882,807</u>
Operating income (loss)	<u>11,674,066</u>	<u>132,985</u>	<u>11,807,051</u>	<u>978,342</u>
Non-Operating Revenues (Expenses):				
Solid waste disposal tax	-	453,884	453,884	-
Interest earned on investments	1,247,760	273,199	1,520,959	-
Interest and fees	(1,098,272)	8,164	(1,090,108)	-
Total non-operating revenues (expenses)	<u>149,488</u>	<u>735,247</u>	<u>884,735</u>	<u>-</u>
Income (loss) before capital contributions	11,823,554	868,232	12,691,786	978,342
Capital contributions	<u>57,604,278</u>	<u>-</u>	<u>57,604,278</u>	<u>-</u>
Change in net position	<u>69,427,832</u>	<u>868,232</u>	<u>70,296,064</u>	<u>978,342</u>
Net Position:				
Beginning of year - July 1	403,291,430	15,084,034		22,795,279
Restatement	(1,951,207)	(377,399)		-
Beginning of year - restated	<u>401,340,223</u>	<u>14,706,635</u>		<u>22,795,279</u>
End of year - June 30	<u>\$ 470,768,055</u>	<u>\$ 15,574,867</u>		<u>\$ 23,773,621</u>
Adjustment to reflect consolidation of internal service funds			<u>127,184</u>	
Change in net position			<u>\$ 70,423,248</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, 2025

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
Cash Flows from Operating Activities:				
Cash received from customers	\$ 68,248,550	\$ 8,927,078	\$ 77,175,628	\$ 19,844,592
Cash paid for goods and services	(29,959,588)	(7,100,679)	(37,060,267)	(20,349,509)
Cash paid to employees for services	(9,451,861)	(1,610,009)	(11,061,870)	-
Other revenues	-	453,884	453,884	-
Customer deposits paid	33,133	-	33,133	-
Net cash provided (used) by operating activities	<u>28,870,234</u>	<u>670,274</u>	<u>29,540,508</u>	<u>(504,917)</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(40,582,777)	(1,552,876)	(42,135,653)	-
Principal paid on long-term debt	(3,158,000)	(120,000)	(3,278,000)	-
Interest and fees	(1,098,272)	26,007	(1,072,265)	-
Capital contributions	30,061,177	-	30,061,177	-
Net cash provided (used) by capital and related financing activities	<u>(14,777,872)</u>	<u>(1,646,869)</u>	<u>(16,424,741)</u>	<u>-</u>
Cash Flows from Investing Activities:				
Interest on investments	1,247,760	273,199	1,520,959	-
Net increase (decrease) in cash and cash equivalents	15,340,122	(703,396)	14,636,726	(504,917)
Cash and Cash Equivalents:				
Beginning of year - July 1	115,704,526	11,137,742	126,842,268	24,814,929
End of year - June 30	<u>\$ 131,044,648</u>	<u>\$ 10,434,346</u>	<u>\$ 141,478,994</u>	<u>\$ 24,310,012</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 11,674,066	\$ 132,985	\$ 11,807,051	\$ 978,342
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	14,954,018	981,449	15,935,467	-
Other revenues	-	453,884	453,884	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(975,074)	33,437	(941,637)	(16,557)
Increase (decrease) in accounts payable and accrued liabilities	(2,498,303)	(951,195)	(3,449,498)	145,762
Increase (decrease) in unearned revenues	3,512,810	(1,636)	3,511,174	-
(Increase) decrease in inventory	(230,701)	-	(230,701)	-
Increase (decrease) in customer deposits	33,133	-	33,133	-
(Increase) decrease in deferred outflows - pension	271,719	41,803	313,522	-
(Increase) decrease in deferred outflows of resources for OPEB	230,003	35,385	265,388	-
Increase (decrease) in deferred inflows of resources for OPEB	340,643	52,406	393,049	-
Increase (decrease) in net pension liability	296,855	45,670	342,525	-
Increase (decrease) deferred inflows - pension	(44,179)	(6,797)	(50,976)	-
Increase (decrease) in accrued vacation pay	1,792,143	(72,210)	1,719,933	-
Increase (decrease) in OPEB payable	(486,899)	(74,907)	(561,806)	-
Net cash provided (used) by operating activities	<u>\$ 28,870,234</u>	<u>\$ 670,274</u>	<u>\$ 29,540,508</u>	<u>\$ (504,917)</u>
Non-Cash Transactions:				
Contributed capital from developers	<u>\$ 27,597,848</u>	<u>\$ -</u>	<u>\$ 27,597,848</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, 2025**

	Custodial Funds	Pension Trust Funds
	<u> </u>	<u> </u>
Assets:		
Cash and investments	\$ 412,498	\$ -
Taxes receivable for other governments, net	263,612	-
Restricted cash and cash equivalents	<u>-</u>	<u>2,379,865</u>
Total assets	<u>676,110</u>	<u>2,379,865</u>
 Liabilities:		
Due to other governments	361,278	-
Accounts payable	<u>20,109</u>	<u>-</u>
Total liabilities	<u>381,387</u>	<u>-</u>
 Net Position:		
Restricted for:		
Individuals, organizations, and other governments	294,723	-
Defined benefit pensions	-	549,640
Post-employment benefits other than pensions	<u>-</u>	<u>1,830,225</u>
Total net position	<u>\$ 294,723</u>	<u>\$ 2,379,865</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, 2025

	<u>Custodial Funds</u>	<u>Pension Trust Funds</u>
Additions:		
Employer contributions:	\$ -	\$ 2,084,507
Investment income:	-	232,876
Ad valorem taxes for other governments	17,311,439	-
Collections on behalf of inmates	428,611	-
Total additions	<u>17,740,050</u>	<u>2,317,383</u>
Deductions:		
Benefit payments	-	1,780,067
Tax distributions to other governments	17,192,539	-
Payments on behalf of inmates	414,379	-
Total deductions	<u>17,606,918</u>	<u>1,780,067</u>
Change in net position	133,132	537,316
Net position, July 1	<u>161,591</u>	<u>1,842,549</u>
End of year - June 30	<u>\$ 294,723</u>	<u>\$ 2,379,865</u>

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

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HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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.

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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Other Component Unit

Harnett County Industrial Facility and Pollution Control Financing Authority

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

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

Government-Wide Statements. The Statement of Net 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.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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.

Opioid Settlement Fund. The Opioid Settlement Fund is a Special Revenue Fund used to account for settlement proceeds that are restricted for use for a particular purpose. This fund tracks the activities of that funding which will occur at least over 18 years.

Special Districted Fund. This fund is used to account for the revenues of 18 rescue/fire districts and one special school district in Harnett County.

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.

Jetport Runway Extension Fund. This fund is used to account for the construction of extended the jetport runway funded by restricted funds.

Flatwoods Middle School. This fund is used to account for the construction of Flatwoods Middle School funded with LOBS proceeds.

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: Housing Preservation; Law Enforcement; Emergency Telephone System; Emergency Radio System; Automation Enhancement & Preservation; Emergency Response Planning; Fines and Forfeitures; Representative Payee; Public Safety; WIA Youth Program; General Government; Veteran's Court; Asset Forfeiture; Sheriff's Execution; Wings over Harnett; Electronics Management.

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: Economic Development; Jetport Corporate Area Hangar; Northwest Elementary School; Cape Fear Shiner Park Phase 2; Broadband Development; Animal Services Needs Assessment Study; Jetport Fuel Farm Replacement; Benhaven Elementary; Harnett County Riverside Drainage Assessment; Jetport Terminal; QSCB 2016 Capital Project; Old Detention Center Demo; Shawtown Area Community Center; 2022 G.O. Bonds Series 2021; Neil's Creek Park; Park Improvements; DSS 2nd Floor Upfit; 2023 G.O. Bonds Series 2020 and 2023 G.O. Bonds Series 2017.

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, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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

Individual Water and Sewer Funds. The individual water and sewer funds are used to account for the debt service for each of the water and sewer districts. These funds are consolidated with the Public Utilities Fund for reporting. These funds are the 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:

Southwest Wastewater Pump Station & Force Main Capital Project; School Wastewater Extensions Project; St. Matthews Road Extension; PFAS Treatment; Northwest Harnett Utility Extension; 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 seven internal services funds: the Workers' Compensation Fund, the Group Insurance Fund, the Employee Clinic Fund, the Medical Insurance Fund, the Dental Insurance Fund, the Risk Management 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. This Risk Management Fund is used to account for the various liability premiums within 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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.

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/amortization 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

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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 leases and IT subscriptions are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because they amount is not susceptible to accrual. As June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina.

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 except Veterans Court Fund 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, Risk Management 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The legal level of control over expenditures is at the department level for the General Fund, special revenues funds, and enterprise funds. The balances in the capital reserve funds will be appropriated when transferred to the General Fund or their respective capital project funds. The County Manager is authorized by the budget ordinance to transfer amounts between line-item expenditures within a department without limitation and up to \$5,000 between departments of the same fund with an official report on such transfers at the next regular meeting of the Board of Commissioners. These changes should not result in changes in recurring obligations, such as salaries.

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] 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 mutual fund shares when the mutual fund is certified by the Local Government Commission.

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

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

state laws and regulations. It is not registered with the SEC and G.S. 159-30(g) allows the County to make contributions to the Trust. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short-term fixed income investments as detailed in G.S. 147-69.2(b)(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high-quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and the Equity Index Fund (EIF) 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.

- North Carolina Capital Management Trust (NCCMT) Government Portfolio is a SEC-registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAM by S&P and AAAMf by Moody's Investor Services and reported at fair value.
- The North Carolina Cooperative Liquid Assets Securities System ("North Carolina CLASS") is an investment pool authorized by North Carolina General Statutes §159-30(c)(10) and was established by an Interlocal Agreement dated March 1, 2023, as amended, by the local governments pursuant to §160A-460 through §160A-464. The investments within North Carolina CLASS are limited to those qualifying for investment under §159-30(c). North Carolina CLASS has been rated AAAM by S&P.
- The North Carolina Investment Pool ("NCIP") is an investment pool authorized by North Carolina General Statutes §159-30(c)(10) and was established by an Interlocal Agreement dated March 22, 2021, as amended, by the local governments pursuant to §160A-460 through §160A-464. The investments within NCIP are limited to those qualifying for investment under §159-30(c). NCIP has been rated AAAM by S&P.
- 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. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2025 of 2.1 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 8.11 years at June 30, 2025.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

- The EIF, 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, 2025 the fair value of the funds was \$44.333857 per share. Fair value for this EIF 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.

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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Governmental Activities:

Benhaven Elementary School:	
Capital outlays - unexpended bond proceeds	\$ 31,548
Jetport Runway Extention:	
Unspent grant proceeds	15,383,515
Jetport Terminal:	
Unspent grant proceeds	435,182
Northwest Elementary School:	
Capital outlays - unexpended bond proceeds	208,857
Broadband Development Fund:	
Unspent grant proceeds	593,626
Flatwoods Middle School:	
Capital outlays - unexpended bond proceeds	81,715,570
General Government Fund:	
Unspent grant proceeds	4,402,196
Opioid Settlement Fund:	
Unexpended allocation proceeds	3,678,592
Park Improvements Fund:	
Unspent grant proceeds	140,535
QSCB 2016 Project Fund:	
Capital outlays - unexpended bond proceeds	506
2022 G.O. Bonds Series 2021:	
Capital outlays - unexpended bond proceeds	<u>7,760,082</u>
Total governmental activities	<u>114,350,209</u>

Business-Type Activities:

Water and Sewer Fund:	
Unexpended grant proceeds	8,509,759
Customer deposits	<u>2,004,099</u>
Total business-type activities	<u>10,513,858</u>
Total restricted cash	<u>\$ 124,864,067</u>

Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6.

These taxes are based on the assessed values as of January 1, 2024. 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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. In the absence of historical data, the County has estimated 20% of the receivable related to the Opioid Settlement to be uncollectible. The County believes this is prudent given the term over which these amounts are to be paid and the possibility that corporations party to the settlement may experience bankruptcy or going concern issues.

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. 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

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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 in accordance with 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.

The County has recorded the right-to-use subscription assets related to subscription-based information technology arrangements (SBITAs) in accordance with GASB 96. The right to use subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus payments made to the SBITA vendor before commencement of the subscription term, plus capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The right-to-use subscription assets are amortized on a straight-line basis over the life of the related SBITA.

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 and unavailable revenue (reported only on the Balance Sheet of the Governmental Funds).

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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 County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - *vacation* and *sick leave*. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation - The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment. The vacation policies of the County provide for the accumulation of up to thirty days earned vacation leave, with such leave being fully vested when earned.

Sick - The County's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the County and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The governmental fund types classify fund balances as follows:

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

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

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

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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Restricted for Health and Human Services – portion of fund balance that can only be used for the Health and Human Services. This includes 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 \$85,244,325, and Register of Deeds’ Pension Plan of \$174,798 for a net difference of \$85,069,527 at June 30, 2025.

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 Jetport Terminal, Jetport Expansion, Aircraft Apron and Helipad Design project, Economic Development CPF and the Broadband Development project.

Committed for Education – portion of fund balance that can only be used for education. This includes 2023 GOB Series 2020.

Committed for Culture and Recreation – portion of fund balance that can only be used for culture and recreation. This includes Neil’s Creek Park 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 Riverside Drainage Assessment.

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, 2025**

Assigned fund balance at June 30, 2025 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>ARPA Fund</u>	<u>Other Governmental Funds</u>
Subsequent year's expenditures	\$ 20,210,244	\$ -	\$ -
General government	41,324,495	-	51
Culture and recreation	3,257,648	-	-
Public safety	4,990,951	863,245	72,597
Total	<u>\$ 69,783,338</u>	<u>\$ 863,245</u>	<u>\$ 72,648</u>

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	\$ 163,804,920
Less:	
Prepaid items	92,681
Inventory	53,666
Leases	4,336
Stabilization by state statute	<u>18,402,428</u>
Total available fund balance	<u>\$ 145,251,809</u>

Reclassifications

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

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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.

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

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, the County's deposits had a carrying amount of \$132,994,917 and a bank balance of \$134,739,592. Of the bank balance, \$1,000,000 was covered by federal depository insurance with the remainder being covered by collateral held under the Pooling Method.

At June 30, 2025, Harnett County has \$7,948 cash on hand.

B. Investments

Investment Type	Valuation Measurement Method	Fair Value at 6/30/2025	Maturity		
			6 months	6-12 months	1-3 years
US Government Agencies	Fair Value Level 2	\$ 21,025,362	\$ 3,919,343	\$4,504,279	\$ 12,601,740
Commercial Paper	Fair Value Level 2	31,310,319	27,419,076	3,891,243	-
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	158,109,711	158,109,711	-	-
North Carolina Investment Pool (the NCIP)	Fair Value Level 1	15,319,579	15,319,579	-	-
NC Cooperative Liquid Assets Securities System(NC CLASS)	Fair Value Level 1	90,555,277	90,555,277	-	-
Total investments		<u>\$ 316,320,248</u>			

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

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

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

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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, 2025. 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, 2025. 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, 2025. The County's Investment in the North Carolina Cooperative Liquid Assets Securities System(NC CLASS) carried a credit rating of AAAM by Standard and Poor's. The County's Investment in the North Carolina Investment Pool (NCIP) carried a credit rating of AAAM by Standard and Poor's.

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, 2025, the County's Health Care Plan had \$1,830,225 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) 0.06%, State Treasurer's Fixed Income Fund (FIF) 41.13%, and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund (EIF) 58.81%.

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, 2025 of 2.1 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, 2025 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.11 years at June 30, 2025.

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, 2025 the fair value of the funds was \$44.333857 per share. Fair value for this Blackrock Fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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 2.1 years at June 30, 2025. The State Treasurer’s BIF is unrated and had a weighted average maturity of 8.11 years at June 30, 2025.

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, 2025, the County’s Law Enforcement Officers’ Special Separation Allowance (LEOSSA) Plan Fund had \$549,640 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) 0.08%, State Treasurer’s Fixed Income Fund (FIF) 39.54%, and BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund (EIF) 60.38%.

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, 2025 of 2.1 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, 2025 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.11 years at June 30, 2025.

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, 2025 the fair value of the funds was \$44.333857 per share. Fair value for this Blackrock Fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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 2.1 years at June 30, 2025. The State Treasurer's BIF is unrated and had a weighted average maturity of 8.11 years at June 30, 2025.

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. 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).

C. Property Tax Use-Value Assessment on Certain Lands

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

Year Levied	Tax	Interest	Total
2021	\$ 5,204,836	\$ 1,516,375	\$ 6,721,211
2022	6,794,979	1,839,982	8,634,961
2023	6,307,305	306,187	6,613,492
2024	<u>5,676,900</u>	<u>468,825</u>	<u>6,145,725</u>
Total	<u>\$ 23,984,020</u>	<u>\$ 4,131,369</u>	<u>\$ 28,115,389</u>

HARNETT COUNTY, NORTH CAROLINA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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:

Fund	Allowance for Doubtful Accounts
General	\$ 691,265
Opioid	1,677,909
Special Districts	94,735
Governmental activities	2,463,909
 Custodial funds	 136,938
Public utility	692,577
Solid waste	222,883
Business-type activities	915,460
 Total	 \$ 3,516,307

E. Due from Other Governments – Disaggregate Information

Due from other governments at the government-wide level at June 30, 2025 are as follows:

Governmental Activities	
Local option sales tax	\$ 12,789,985
Other taxes and licenses	375,917
DSS receivable	854,718
Sales tax refund receivable	691,458
Total	\$ 14,712,078

F. Deferred Outflows and Inflows of Resources

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

Source	Amount
Pension deferrals	\$ 24,060,322
OPEB deferrals	3,713,137
Charge on refunding	4,044,725
Total	\$ 31,818,184

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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

<u>Source</u>	<u>Amount</u>
Prepaid taxes not yet earned (General)	\$ 58,445
Unavailable revenue (General Fund)	1,147,639
Unavailable revenue (Opioid)	6,711,636
Pension deferrals	1,002,078
OPEB deferrals	13,345,870
Taxes receivable, net (General)	742,754
Taxes receivable, net (Other governmental funds)	100,533
Leases	124,507
Total	<u>\$ 23,233,462</u>

G. Lease Receivable

Details of the County's leases receivable at June 30, 2025 are as follows:

On July 1, 2021, Harnett County 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 June 30, 2025, the value of the lease receivable is \$13,535. The lessee is required to make annual fixed payments of \$819. The lease has an interest rate of 0.3160%. The value of the deferred inflow of resources as of June 30, 2025 was \$13,493, and Harnett County recognized lease revenue of \$794 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On July 1, 2021, Harnett County 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 June 30, 2025, the value of the lease receivable is \$1,650. The lessee is required to make annual fixed payments of \$560. The lease has an interest rate of 0.8930%. The value of the deferred inflow of resources as of June 30, 2025 was \$1,462, and Harnett County recognized lease revenue of \$585 during the fiscal year. The lessee has 1 extension option(s), each for 36 months.

On July 1, 2021, Harnett County 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 June 30, 2025, the value of the lease receivable is \$6,675. The lessee is required to make annual fixed payments of \$1,400. The lease has an interest rate of 1.6040%. The value of the deferred inflow of resources as of June 30, 2025 was \$6,802, and Harnett County recognized lease revenue of \$1,234 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On July 1, 2021, Harnett County 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 \$120,947. As of June 30, 2025, the value of the lease receivable is \$106,983. The lessee is required to make annual fixed payments of \$5,646. The lease has an interest rate of 2.5010%. The value of the deferred inflow of resources as of June 30, 2025 was \$102,750, and Harnett County recognized lease revenue of \$4,108 during the fiscal year. The lessee has 6 extension option(s), each for 60

HARNETT COUNTY, NORTH CAROLINA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

months. The lessee had a termination period of 3 months as of the lease commencement. Harnett County had a termination period of 3 months as of the lease commencement. The future maturities for lease receivables are below.

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2026	\$ 5,585	\$ 2,840	\$ 8,425
2027	5,687	2,738	8,425
2028	5,792	2,633	8,425
2029	5,339	2,526	7,865
2030	5,443	2,422	7,865
2031 - 2035	21,634	10,691	32,325
2036 - 2040	24,020	8,305	32,325
2041 - 2045	24,247	5,621	29,868
2046 - 2050	25,590	2,640	28,230
2051 - 2052	5,506	138	5,644
Total	<u>\$ 128,843</u>	<u>\$ 40,554</u>	<u>\$ 169,397</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

H. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 5,437,238	\$ 3,091,763	\$ -	\$ -	\$ 8,529,001
Construction in progress	16,474,449	1,490,167	-	(1,053,130)	16,911,486
Total non-depreciable capital assets	<u>21,911,687</u>	<u>4,581,930</u>	<u>-</u>	<u>(1,053,130)</u>	<u>25,440,487</u>
Depreciable Capital Assets:					
Buildings	116,899,468	-	-	1,053,130	117,952,598
Land improvements	18,944,353	29,750	-	-	18,974,103
Equipment	14,315,878	372,050	-	-	14,687,928
Vehicles	16,468,996	3,054,732	(1,820,818)	-	17,702,910
Total depreciable capital assets	<u>166,628,695</u>	<u>3,456,532</u>	<u>(1,820,818)</u>	<u>1,053,130</u>	<u>169,317,539</u>
Right-to-Use Capital Assets:					
Lease buildings	101,641	-	(101,641)	-	-
Lease infrastructure	344,037	-	-	-	344,037
Lease land	152,718	-	-	-	152,718
Lease equipment	573,103	-	-	-	573,103
Subscriptions	1,908,931	1,705,751	(386,102)	-	3,228,580
Total depreciable right -to-use capital assets	<u>3,080,430</u>	<u>1,705,751</u>	<u>(487,743)</u>	<u>-</u>	<u>4,298,438</u>
Less Accumulated Depreciation:					
Buildings	30,562,307	1,790,776	-	-	32,353,083
Land improvements	18,055,017	88,481	-	-	18,143,498
Equipment	13,468,522	656,415	-	-	14,124,937
Vehicles	12,223,942	1,392,828	(1,820,818)	-	11,795,952
Total accumulated depreciation	<u>74,309,788</u>	<u>3,928,500</u>	<u>(1,820,818)</u>	<u>-</u>	<u>76,417,470</u>
Less Accumulated Amortization:					
Lease buildings	99,483	2,158	(101,641)	-	-
Lease infrastructure	159,447	5,285	-	-	164,732
Lease land	64,025	30,543	-	-	94,568
Lease equipment	369,937	131,483	-	-	501,420
Subscriptions	1,014,946	607,366	(386,102)	-	1,236,210
Total accumulated amortization	<u>1,707,838</u>	<u>776,835</u>	<u>(487,743)</u>	<u>-</u>	<u>1,996,930</u>
Total depreciable capital assets, net	<u>92,318,907</u>				<u>92,900,069</u>
Total depreciable right-to-use capital assets, net	<u>1,372,592</u>				<u>2,301,508</u>
Governmental activities capital assets, net	<u>\$ 115,603,186</u>				<u>\$ 120,642,064</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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

<u>Depreciation/Amortization Expense by Function</u>		
General government	\$	2,684,698
Public safety		1,770,058
Transportation		44,490
Economic and physical development		23,943
Human services		78,066
Cultural and recreational		<u>104,080</u>
Total	\$	<u><u>4,705,335</u></u>

Business-Type Capital Assets:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-Type Activities:				
Public Utilities:				
Non-Depreciable Capital Assets:				
Land	\$ 1,206,943	\$ 2,757,287	\$ -	\$ 3,964,230
Construction in progress	47,641,839	36,873,097	-	84,514,936
Total non-depreciable capital assets	<u>48,848,782</u>	<u>39,630,384</u>	-	<u>88,479,166</u>
Depreciable Capital Assets:				
Plant, distribution, and collection systems	438,704,039	27,597,848	-	466,301,887
Buildings and building improvements	16,218,978	-	-	16,218,978
Furniture, fixtures, and equipment	4,796,936	443,948	(102,675)	5,138,209
Vehicles	4,006,992	508,445	(206,364)	4,309,073
Total depreciable capital assets	<u>463,726,945</u>	<u>28,550,241</u>	<u>(309,039)</u>	<u>491,968,147</u>
Less Accumulated Depreciation:				
Plant, distribution, and collection systems	161,275,038	13,359,293	-	174,634,331
Buildings and building improvements	8,687,190	711,033	-	9,398,223
Furniture, fixtures, and equipment	4,733,233	398,362	(102,675)	5,028,920
Vehicles	2,765,431	485,330	(206,364)	3,044,397
Total accumulated depreciation	<u>177,460,892</u>	<u>14,954,018</u>	<u>(309,039)</u>	<u>192,105,871</u>
Total depreciable capital assets, net	<u>286,266,053</u>			<u>299,862,276</u>
Public utilities capital assets, net	<u>335,114,835</u>			<u>388,341,442</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

	Beginning Balances	Increases	Decreases	Ending Balances
Solid Waste Management:				
Non-Depreciable Capital Assets:				
Land	1,553,589	45,000	-	1,598,589
Depreciable Capital Assets:				
Buildings and building improvements	4,972,065	-	-	4,972,065
Furniture, fixtures, and equipment	6,115,086	1,456,886	-	7,571,972
Vehicles	411,898	50,990	-	462,888
Total depreciable capital assets	11,499,049	1,507,876	-	13,006,925
Less Accumulated Depreciation:				
Buildings and building improvements	1,334,525	68,021	-	1,402,546
Furniture, fixtures, and equipment	3,282,559	877,637	-	4,160,196
Vehicles	312,514	35,791	-	348,305
Total accumulated depreciation	4,929,598	981,449	-	5,911,047
Total depreciable capital assets, net	6,569,451			7,095,878
Solid waste management capital assets, net	8,123,040			8,694,467
Business-type activities capital assets, net	<u>\$ 343,237,875</u>			<u>\$ 397,035,909</u>

At June 30, 2025, commitments for the governmental and business-type activities consists of the following projects:

	Project Authorization	Expended To Date
Advanced Meter Infrastructure	\$ 15,799,874	\$ 15,488,143
West Central Transmission	7,980,499	7,980,499
Erwin Elementary School	28,449,931	28,449,931
Northwest Harnett Elementary	42,598,140	42,598,140
WHIP Transmission Line	1,000,000	245,327
South Central Transmission	1,000,000	-
Fort Bragg Water & WW	361,460	361,460
School Wastewater Extensions	3,354,205	2,991,954
North Harnett WW Upgrade	8,618,000	372,357
Total	<u>\$ 109,162,109</u>	<u>\$ 98,487,811</u>

HARNETT COUNTY, NORTH CAROLINA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2025 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	\$ 120,642,064	\$ 388,341,442	\$ 8,694,467	\$ 397,035,909
Total debt	246,122,007	31,230,255	400,657	31,630,912
Capital related deferred charge on refunding	1,035,159	-	-	-
Debt not related to capital assets	<u>205,639,084</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital debt	<u>24,064,249</u>	<u>22,720,496</u>	<u>400,657</u>	<u>23,121,153</u>
Net investment in capital assets	<u>\$ 96,577,815</u>	<u>\$ 365,620,946</u>	<u>\$ 8,293,810</u>	<u>\$ 373,914,756</u>

All unspent debt proceeds are debt not related to capital assets for the County.

I. Payables

Payables at the government-wide level at June 30, 2025 were as follows:

	<u>Accounts Payable Note Disclosure</u>					
	<u>Governmental Activities</u>				<u>Business-Type Activities</u>	
	<u>General Fund</u>	<u>Opioid Settlement Fund</u>	<u>Special Districts Fund</u>	<u>Nonmajor</u>	<u>Public Utilities</u>	<u>Solid Waste</u>
Payables:						
Accounts and vouchers	\$ 5,158,420	\$ 3,908	\$ 983,177	\$ 719,009	\$ 893,180	\$ 405,292
Accrued payroll and related liabilities	3,398,113	-	-	-	450,150	60,837
Accrued interest payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,243</u>	<u>-</u>
Total accounts payable and accrued liabilities	<u>\$ 8,556,533</u>	<u>\$ 3,908</u>	<u>\$ 983,177</u>	<u>\$ 719,009</u>	<u>\$ 1,498,573</u>	<u>\$ 466,129</u>

Adjustments to full accrual include \$2,182,786 related to recording accrued interest on general long-term debt and accounts and vouchers related to the internal service funds of \$1,999,670.

J. 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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 is individually bonded for \$1,000,000. The Tax Administrator is individually bonded for \$200,000. The Public Utilities Director is individually bonded for \$200,000. The Register of Deeds is bonded for \$10,000. The Tax Collections Supervisor is bonded under a blanket bond for \$150,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

The County is self-insured for workers' compensation up to \$1,000,000 per loss. Excess coverage is through Safety National Insurance Company with limits in accordance with current North Carolina workers' compensation statutes. NCACC Insurance also provides employers liability with limits of \$1,000,000.

The County uses a third-party administrator to process workers' compensation. At June 30, 2025, a liability for claims of \$192,993 included on the accompanying Statement of Net Position for governmental activities. An analysis for the County is presented below:

	June 30,	
	2025	2024
Liability as of beginning of the year	\$ 280,908	\$ 399,154
Current year claims and changes in estimates	600,674	231,997
Actual claim payments	(688,589)	(350,243)
Liability as of end of the year	\$ 192,993	\$ 280,908

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The County uses a third-party administrator to process Dental insurance. At June 30, 2025, a liability for claims of \$65,579 included on the accompanying Statement of Net Position for governmental activities. An analysis for the County is presented below:

	June 30,	
	2025	2024
Liability as of beginning of the year	\$ 59,767	\$ 58,242
Current year claims and changes in estimates	437,675	411,004
Actual claim payments	(431,863)	(409,479)
Liability as of end of the year	\$ 65,579	\$ 59,767

The County uses a third-party administrator to process Medical insurance. At June 30, 2025, a liability for claims of \$1,728,713 included on the accompanying Statement of Net Position for governmental activities. An analysis for the County is presented below:

	June 30,	
	2025	2024
Liability as of beginning of the year	\$ 1,493,585	\$ 1,231,304
Current year claims and changes in estimates	12,303,933	9,617,223
Actual claim payments	(12,068,805)	(9,354,942)
Liability as of end of the year	\$ 1,728,713	\$ 1,493,585

K. 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.

As of June 30, 2025, Harnett County had 12 active leases. The leases have payments that range from \$1,565 to \$39,927 and interest rates that range from 1.2360% to 2.3660%. As of June 30, 2025, the total combined value of the lease liability is \$340,474, and the total combined value of the short-term lease liability is \$131,126. The combined value of the right-to-use asset as of June 30, 2025 of \$1,069,858 with accumulated amortization of \$760,720 is included within the Lease Class activities capital asset roll forward.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Governmental Activities:

Year Ending June 30	Principal	Interest	Total
2026	\$ 131,126	\$ 3,974	\$ 135,100
2027	84,077	2,562	86,639
2028	45,163	1,641	46,804
2029	48,001	1,143	49,144
2030	32,107	624	32,731
Total	<u>\$ 340,474</u>	<u>\$ 9,944</u>	<u>\$ 350,418</u>

Subscriptions

The County has entered into subscription-based information technology arrangements (SBITAs). The SBITAs qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

As of June 30, 2025, Harnett County had 11 active subscriptions. The subscriptions have payments that range from \$22,465 to \$385,809 and interest rates that range from 1.7103% to 5.1000%. As of June 30, 2025, the total combined value of the subscription liability is \$1,521,446, and the total combined value of the short-term subscription liability is \$827,254. The combined value of the right-to-use asset as of June 30, 2025 of \$3,228,580 with accumulated amortization of \$1,236,210 is included within the Subscription Class activities capital asset roll forward.

The future minimum subscription obligations and the net present value of these minimum subscription payments as of June 30, 2025 were as follows:

Governmental Activities:

Year Ending June 30	Principal	Interest	Total
2026	\$ 827,254	\$ 67,758	\$ 895,012
2027	657,885	31,285	689,170
2028	36,307	618	36,925
Total	<u>\$ 1,521,446</u>	<u>\$ 99,661</u>	<u>\$ 1,621,107</u>

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

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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.

	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Amount Outstanding Governmental</u>
Installment Purchases -					
Direct Placement:					
Qualified School					
Construction Bonds (Taxable)	November 2012	\$ 29,435,000	4.638%	November 2035	\$ 23,147,570
Red Rock Science Center	June 2018	21,910,705	6.84%	June 2038	12,571,514
Qualified Zone Academy Bonds	May 2016	<u>2,200,000</u>	0.00%	May 2026	<u>220,000</u>
Total		<u>\$ 54,335,205</u>			<u>\$ 35,939,084</u>

The County's outstanding installment purchase from direct placement related to the 2012 Qualified School Construction Bonds in the amount of \$23,147,570 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 \$220,000 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 \$12,571,514 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
	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Outstanding Governmental</u>
General Obligation Bonds:					
Benhaven Elementary School	May 2017	\$ 29,500,000	3.000%	May 2037	\$ 17,700,000
Northwest Harnett Elementary	August 2021	43,000,000	3.000%	August 2041	36,550,000
Erwin Elementary School	July 2020	<u>27,500,000</u>	3.000%	Oct 2040	<u>22,000,000</u>
Total governmental activities		<u>\$ 100,000,000</u>			<u>\$ 76,250,000</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Limited obligation bonds for the governmental activities are as follows:

	Governmental - Limited Obligation Bonds				Amount
	Issue Date	Original Issue	Interest Rate	Final Maturity	Outstanding Governmental
Limited Obligation Bonds:					
Government Services Complex	Oct 2019	\$ 21,145,000	2.600%	Oct 2039	\$ 15,845,000
Flatwoods Middle School	April 2025	80,565,000	5.000%	April 2045	80,565,000
Governmental Activities - 2020 LOBS	Sept 2020	51,410,000	2.520%	Dec 2028	17,180,000
Total governmental activities		\$ 153,120,000			\$ 113,590,000

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

	Business-Type - Limited Obligation Bonds				Amount
	Issue Date	Original Issue	Interest Rate	Final Maturity	Outstanding Business-Type
Limited Obligation Bonds:					
Water and Sewer Fund	Sept 2020	\$ 165,000	2.520%	Dec 2028	\$ -
Solid Waste Fund	Sept 2020	1,500,000	2.520%	Dec 2028	345,000
Total business-type		\$ 1,665,000			\$ 345,000

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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

<u>Enterprise - General Obligation Bonds</u>					<u>Amount</u>
<u>Issue</u>	<u>Original</u>	<u>Interest</u>	<u>Final</u>	<u>Outstanding</u>	
<u>Date</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity</u>	<u>Business-Type</u>	
General Obligation Bonds:					
South Central Water & Sewer 2013 Series A	January 2013	\$ 3,449,000	3.125%	June 2052	\$ 2,814,000
South Central Water & Sewer 2013 Series B	January 2013	3,937,000	3.125%	June 2052	3,220,000
South Central Water & Sewer 2013 Series C	January 2013	3,239,000	2.50%	June 2052	2,587,000
South Central Water & Sewer 2013 Series D	January 2013	2,586,000	2.50%	June 2052	2,064,000
South Central Refunding Series 2013	April 2013	10,395,000	2.5%-5.00%	June 2043	7,135,000
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	340,000
Northwest Refunding Series 2013	April 2013	1,085,000	2.00%-5.00%	June 2028	165,000
Southwest Refunding Series 2013	April 2013	2,315,000	3.00%-5.00%	June 2028	500,000
Southeast Refunding Series 2013	April 2013	1,000,000	2.00%-5.00%	June 2033	410,000
East Central Refunding Series 2013	April 2013	2,765,000	2.00%-5.00%	June 2035	1,385,000
Riverside Refunding Series 2013	April 2013	1,020,000	2.00%-5.00%	June 2041	710,000
Total		<u>\$ 33,276,000</u>			<u>\$ 21,330,000</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.

Revenue Bond Loans:

					<u>Amount</u>
<u>Issue</u>	<u>Original</u>	<u>Interest</u>	<u>Final</u>	<u>Outstanding</u>	
<u>Date</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity</u>	<u>Business-Type</u>	
Enterprise System					
Revenue Bond Loans:					
Series 2020 (Tax Exempt)	Oct 2020	<u>\$ 17,575,000</u>	2.20%	June 2033	<u>\$ 7,740,000</u>
Total business-type activities revenue bond loans		<u>\$ 17,575,000</u>			<u>\$ 7,740,000</u>
Limited Obligation Bonds					
Enterprise Fund Limited					
Public Utilities Fund Series 2013	April 2013	<u>\$ 20,065,000</u>	2.00%-5.00%	June 2043	<u>\$ 10,645,000</u>
Total business-type activities special obligation bond loans		<u>\$ 20,065,000</u>			<u>\$ 10,645,000</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The following is a summary of changes in long-term obligations for the year ended June 30, 2025:

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2025</u>	<u>Due in Less Than One Year</u>
Governmental Activities:					
Leases	\$ 542,527	\$ -	\$ 202,053	\$ 340,474	\$ 131,126
Subscriptions	818,310	1,705,751	1,002,615	1,521,446	827,254
Installment purchases -					
Direct placement	38,025,760	-	2,086,676	35,939,084	2,101,632
Limited obligation bonds	39,640,000	80,565,000	6,615,000	113,590,000	10,165,000
General obligations	81,250,000	-	5,000,000	76,250,000	5,000,000
Premium	15,521,021	5,752,525	2,792,543	18,481,003	2,127,354
Total debt	<u>175,797,618</u>	<u>88,023,276</u>	<u>17,698,887</u>	<u>246,122,007</u>	<u>20,352,366</u>
Other long-term liabilities:					
Compensated absences	15,321,120	2,023,794	-	17,344,914	5,057,358
Net Law Enforcement Officers'					
Special Separation Allowance	4,144,160	-	333,523	3,810,637	-
Net pension (LGERS)	33,441,318	1,940,973	-	35,382,291	-
Net other post-employment					
benefits	41,712,622	-	3,183,570	38,529,052	-
Total	<u>\$ 270,416,838</u>	<u>\$ 91,988,043</u>	<u>\$ 21,215,980</u>	<u>\$ 341,188,901</u>	<u>\$ 25,409,724</u>

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2025</u>	<u>Due in Less Than One Year</u>
Water and Sewer Fund:					
Limited obligation bonds	\$ 11,570,000	\$ -	\$ 925,000	\$ 10,645,000	\$ 925,000
Premium	2,402,364	-	242,109	2,160,255	245,000
General obligations	10,948,000	-	263,000	10,685,000	270,000
Revenue bonds	9,710,000	-	1,970,000	7,740,000	2,020,000
Total debt	<u>34,630,364</u>	<u>-</u>	<u>3,400,109</u>	<u>31,230,255</u>	<u>3,460,000</u>
Other long-term liabilities:					
Compensated absences	2,686,450	1,792,143	-	4,478,593	1,212,636
Net pension (LGERS)	5,114,554	296,855	-	5,411,409	-
Net other post-employment					
benefits	6,379,577	-	486,899	5,892,678	-
Total	<u>\$ 48,810,945</u>	<u>\$ 2,088,998</u>	<u>\$ 3,887,008</u>	<u>\$ 47,012,935</u>	<u>\$ 4,672,636</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2025</u>	<u>Due in Less Than One Year</u>
Solid Waste Fund:					
Limited obligation bonds	\$ 465,000	\$ -	\$ 120,000	\$ 345,000	\$ 115,000
Premium	83,484	-	27,827	55,657	28,000
Total debt	548,484	-	147,827	400,657	143,000
Other long-term liabilities:					
Accrued landfill closure and post-closure care costs	1,300,089	-	-	1,300,089	-
Compensated absences	451,846	-	72,210	379,636	121,448
Net pension (LGERS)	786,856	45,670	-	832,526	-
Net other post-employment benefits	981,473	-	74,907	906,566	-
Total	<u>\$ 4,068,748</u>	<u>\$ 45,670</u>	<u>\$ 294,944</u>	<u>\$ 3,819,474</u>	<u>\$ 264,448</u>

The following is a summary of the future maturities for the long-term obligations as of June 30, 2025:

	<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>
Governmental Activities:						
2026	\$ 2,101,632	\$ 1,427,945	\$ 5,000,000	\$ 1,896,458	\$ -	\$ -
2027	1,882,255	1,429,043	5,000,000	1,652,400	-	-
2028	1,919,454	1,430,161	5,000,000	1,511,656	-	-
2029	2,304,417	1,431,298	5,000,000	1,369,156	-	-
2030	2,339,694	1,432,454	5,000,000	1,226,656	-	-
2031-2035	13,980,908	7,180,347	25,000,000	3,599,031	-	-
2036-2040	11,410,724	4,449,859	25,000,000	1,896,044	-	-
2041-2045	-	-	1,250,000	199,422	-	-
Total governmental activities	<u>\$ 35,939,084</u>	<u>\$ 18,781,107</u>	<u>\$ 76,250,000</u>	<u>\$ 13,350,823</u>	<u>\$ -</u>	<u>\$ -</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

	<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>
Business-Type Activities:						
2026	\$ -	\$ -	\$ 270,000	\$ -	\$ 2,020,000	\$ 444,200
2027	-	-	277,000	-	2,100,000	365,400
2028	-	-	286,000	-	1,460,000	264,400
2029	-	-	294,000	-	460,000	159,400
2030	-	-	300,000	-	465,000	86,400
2031-2035	-	-	1,601,000	-	1,235,000	159,000
2036-2040	-	-	1,841,000	-	-	-
2041-2045	-	-	2,118,000	-	-	-
2046-2050	-	-	2,440,000	-	-	-
2051-2052	-	-	1,258,000	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>10,685,000</u>	<u>-</u>	<u>7,740,000</u>	<u>1,478,800</u>
Total government	<u>\$ 35,939,084</u>	<u>\$ 18,781,107</u>	<u>\$ 86,935,000</u>	<u>\$ 13,350,823</u>	<u>\$ 7,740,000</u>	<u>\$ 1,478,800</u>

	<u>Limited Obligation Bonds</u>		<u>Total Debt Due</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Governmental Activities:				
2026	\$ 10,165,000	\$ 1,705,950	\$ 17,266,632	\$ 5,030,353
2027	10,165,000	1,414,850	17,047,255	4,496,293
2028	10,155,000	1,107,975	17,074,454	4,049,792
2029	7,050,000	801,475	14,354,417	3,601,929
2030	5,085,000	582,650	12,424,694	3,241,760
2031-2035	25,425,000	1,925,375	64,405,908	12,704,753
2036-2040	25,420,000	1,418,975	61,830,724	7,764,878
2041-2045	20,125,000	337,600	21,375,000	537,022
Total governmental activities	<u>\$ 113,590,000</u>	<u>\$ 9,294,850</u>	<u>\$ 225,779,084</u>	<u>\$ 41,426,780</u>

	<u>Limited Obligation Bonds</u>		<u>Total Debt Due</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Business-Type Activities:				
2026	\$ 1,040,000	\$ 438,950	\$ 3,330,000	\$ 883,150
2027	1,065,000	394,025	3,442,000	759,425
2028	1,060,000	351,275	2,806,000	615,675
2029	560,000	307,525	1,314,000	466,925
2030	565,000	273,938	1,330,000	360,338
2031-2035	2,805,000	1,089,500	5,641,000	1,248,500
2036-2040	2,375,000	625,319	4,216,000	625,319
2041-2045	1,520,000	182,881	3,638,000	182,881
2046-2050	-	-	2,440,000	-
2051-2052	-	-	1,258,000	-
Total business-type activities	<u>10,990,000</u>	<u>3,663,413</u>	<u>29,415,000</u>	<u>5,142,213</u>
Total government	<u>\$ 124,580,000</u>	<u>\$ 12,958,263</u>	<u>\$ 255,194,084</u>	<u>\$ 46,568,993</u>

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, 2025, such statutory limit for the County was \$1,217,717,479 providing a legal debt margin of approximately \$991,593,395.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

As of June 30, 2025, the County was in compliance with covenants associated with its debt.

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 \$9,218,800. Principal and interest paid for the current year and total customer revenues were \$2,414,200 and \$65,573,510, 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>\$ 7,740,000</u>
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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.

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

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

of a Qualified Reserve Fund substitute for any amounts owing hereunder. The debt service coverage calculation for the year ended June 30, 2025 is as follows:

Operating revenues	\$ 65,573,510
Operations and maintenance expenses	(38,945,426)
Operating income before depreciation & amortization	<u>26,628,084</u>
Less:	
Depreciation and amortization expense	<u>(14,954,018)</u>
Operating income	11,674,066
Non-operating revenues	1,247,760
Non-operating expenses	<u>(1,098,272)</u>
Net income	<u><u>\$ 11,823,554</u></u>
Determination of income available for debt service	
Net income	\$ 11,823,554
Adjustments:	
Bond interest expense	1,098,272
Bond service expense	<u>3,158,000</u>
Income available for debt service	16,079,826
20% of unrestricted net assets	<u>21,029,422</u>
Income available for debt service plus 20% of unrestricted net assets	<u><u>\$ 37,109,248</u></u>
Debt service requirements and coverage	
Parity debt service:	
Revenue bonds	\$ 2,414,200
Debt service coverage - parity indebtedness	15.371
Revenue bond covenant requirement	1.200
Other indebtedness:	
GO bonds, LOBS	<u>1,924,630</u>
Sum of parity and GO debt service	<u><u>\$ 4,338,830</u></u>
Debt service coverage - sum of parity and system GO indebtedness	8.553
Revenue bond covenant requirement	1.000

L. 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, firefighters and rescue squad workers. 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

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The state's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement, disability 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. General employee plan members are eligible to retire with unreduced 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. General employee plan members are eligible to retire with reduced 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 and rescue squad workers). Disabled members may qualify for disability benefits at earlier ages. Survivor benefits are available to eligible beneficiaries of general employee plan 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 workers 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 in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members. The plan does not provide for automatic post-retirement benefit increases. Cost of living benefit increases are contingent upon investment gains of the plan at the discretion of the LGERS Board of Trustees, except as authorized by the General Assembly.

LGERS plan members who are LEOs are eligible to retire with unreduced 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 reduced retirement benefits at age 50 with 15 years of creditable service as an officer. LEOs who complete 25 years of creditable service with 15 years as an officer are eligible to retire with reduced retirement benefits. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last 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 receive a monthly Survivor's Alternate Benefit for life in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members.

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

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

and set annually by the LGERS Board of Trustees. The County’s contractually required contribution rate for the year ended June 30, 2025 was 15.04% of compensation for law enforcement officers and 13.64% 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 \$8,740,928 for the year ended June 30, 2025.

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 include interest (currently 4% per year) regardless of the number of years of retirement service credit or for the reason for separation from service. 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, 2025, the County reported a liability of \$41,626,226 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2025, the County’s proportion was 0.61747% (measured as of June 30, 2024), which was an increase of 0.023450% from its proportion as of June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the County recognized pension expense of \$12,774,735. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,294,491	\$ 49,045
Net difference between projected and actual earnings on pension plan investments	5,659,061	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,514,066	138,385
County contributions subsequent to the measurement date	8,740,928	-
Total	\$ 23,208,546	\$ 187,430

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

\$8,740,928 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, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2026	\$ 4,522,740
2027	8,755,186
2028	1,642,140
2029	(639,878)
Total	<u>\$ 14,280,188</u>

Actuarial Assumptions. The total pension liability in the December 31, 2023 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

The plan actuary currently uses mortality tables that vary by age, gender, employee group (i.e., general and 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions and methods used in the December 31, 2023 actuarial valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

Future and ad hoc cost of living adjustment 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. 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.0%	2.4%
Global equity	38.0%	6.9%
Real estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic fixed income	7.0%	5.3%
Inflation sensitive	6.0%	4.3%
Total	100.0%	

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, 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 2.38%. 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 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:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	<u>\$ 73,762,888</u>	<u>\$ 41,626,226</u>	<u>\$ 15,189,398</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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.

All full-time County law enforcement officers are covered by the Separation Allowance. At June 30, 2024, the Separation Allowance's membership consisted of:

Retirees receiving benefits	23
Active plan members	<u>119</u>
Total	<u><u>142</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, 2024 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	3.25 percent
Discount rate	4.29 percent

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The discount rate used to measure the total pension liability as of December 31, 2024 (measurement date) was 4.29%. 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, 2024.

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, 2024 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): Pub-2010 Safety Retirees Mortality Table projected generationally using MP-2019. The male and female rates are set forward 1 year and adjusted by 97% for all ages.

Deaths Before Retirement: Pub-2010 Safety Employees Male and Female Mortality tables are projected generationally with MP-2019.

Deaths After Retirement (Disabled): Pub-2010 General Disabled Retirees Mortality Table projected generationally using MP-2019. The male and female rates are set back 3 years.

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 \$189,463 as benefits came due for the reporting period.

Investments

Investment Policy. The LEO 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 LEO 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, 2025:

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

<u>Asset Class</u>	<u>Anticipated Target Allocation 2025</u>	<u>Anticipated Target Allocation 2024</u>	<u>Long-Term Expected Real Rate of Return 2025</u>	<u>Long-Term Expected Real Rate of Return 2024</u>
Fixed income	40.00%	45.00%	1.60%	1.60%
Global equity	<u>60.00%</u>	<u>55.00%</u>	3.90%	3.90%
	<u>100.00%</u>	<u>100.00%</u>		

Rate of Return. For the year ended June 30, 2025, the annual money weighted rate of return on investments, net of investment expense, was 10.67 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

At June 30, 2025, the County reported a net pension liability of \$3,810,637. The total pension liability was measured as of December 31, 2024 based on June 30, 2024 actuarial valuation. The net pension liability was rolled forward to December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of \$407,570.

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 301,810	\$ 433,628
Changes of assumptions	256,511	350,744
Net difference between projected and actual earnings on pension plan investments	-	12,772
County benefit payments and plan administrative expense made subsequent to the measurement date	<u>200,168</u>	<u>-</u>
Total	<u>\$ 758,489</u>	<u>\$ 797,144</u>

\$200,168 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, 2026. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows:

HARNETT COUNTY, NORTH CAROLINA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

Year Ending	
June 30	Total
2026	\$ (3,417)
2027	141
2028	(15,890)
2029	(76,388)
2030	(74,184)
Thereafter	<u>(69,085)</u>
Total	<u>\$ (238,823)</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 4.29%, 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 (3.29%) or one percentage point higher (5.29%) than the current rate:

	1% Decrease (3.29%)	Discount Rate (4.29%)	1% Increase (5.29%)
Net pension liability	<u>\$ 4,164,094</u>	<u>\$ 3,810,637</u>	<u>\$ 3,486,634</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, 2023	\$ 4,617,225	\$ 473,065	\$ 4,144,160
Service cost	216,382	-	216,382
Interest on the total pension liability	169,271	-	169,271
Differences between expected and actual experience in the measurement of the total pension liability	(273,984)	-	(273,984)
Changes of assumptions or other inputs	(179,154)	-	(179,154)
Contributions - employer	-	214,233	(214,233)
Net investment income	-	51,805	(51,805)
Benefit payments	<u>(189,463)</u>	<u>(189,463)</u>	<u>-</u>
Balance as of December 31, 2024	<u>\$ 4,360,277</u>	<u>\$ 549,640</u>	<u>\$ 3,810,637</u>

Changes of Assumptions. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 3.77% at December 31, 2023 to 4.29% at December 31, 2024.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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:

	LGERS	LEOSSA	ROD	Total
Proportionate share of net pension liability (asset)	\$ 41,626,226	\$ -	\$ (174,798)	\$ 41,451,428
Proportion of the net pension liability (asset)	0.61747%	NA	1.51695%	-
Net pension liability	-	3,810,637	-	3,810,637
Pension expense	12,774,735	407,570	23,013	13,205,318
Deferred Outflows of Resources:	LGERS	LEOSSA	ROD	Total
Differences between expected and actual experience	\$ 7,294,491	\$ 301,810	\$ 3,838	\$ 7,600,139
Changes of assumptions	-	256,511	-	256,511
Net difference between projected and actual earnings on pension plan investments	5,659,061	-	67,504	5,726,565
Changes in proportion and differences between County contributions and proportionate share of contributions	1,514,066	-	7,672	1,521,738
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	8,740,928	200,168	14,273	8,955,369
Total	<u>\$ 23,208,546</u>	<u>\$ 758,489</u>	<u>\$ 93,287</u>	<u>\$ 24,060,322</u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Deferred Inflows of Resources:	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Differences between expected and actual experience	\$ 49,045	\$ 433,628	\$ 3,125	\$ 485,798
Changes of assumptions	-	350,744	-	350,744
Net difference between projected and actual earnings on pension plan investments	-	12,772	-	12,772
Changes in proportion and differences between County contributions and proportionate share of contributions	138,385	-	14,379	152,764
Total	<u>\$ 187,430</u>	<u>\$ 797,144</u>	<u>\$ 17,504</u>	<u>\$ 1,002,078</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.

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, 2025 were \$805,145, which consisted of \$585,428 from the County and \$219,717 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, 2025 were \$2,260,642, which consisted of \$765,432 from the County and \$1,495,210 from employee contributions. No amounts were forfeited.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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 and has met the statutory eligibility requirements. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The state's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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 \$14,273 for the year ended June 30, 2025.

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

At June 30, 2025, the County reported an asset of \$174,798 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2024, the County's proportion was 1.51695%, which was a decrease of 0.065430% from its proportion measured as of June 30, 2023.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

For the year ended June 30, 2025, the County recognized pension expense of \$23,013. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,838	\$ 3,125
Net difference between projected and actual earnings on pension plan investments	67,504	-
Changes in proportion and differences between County contributions and proportionate share of contributions	7,672	14,379
County contributions subsequent to the measurement date	14,273	-
Total	\$ 93,287	\$ 17,504

\$14,273 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, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	\$ 22,224
2027	32,916
2028	6,128
2029	242
Total	\$ 61,510

Actuarial Assumptions. The total pension liability in the December 31, 2023 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.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The actuarial assumptions used in the December 31, 2023 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 99.8% 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, 2024 is 2.4%.

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, 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 2.38%. 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	\$ (115,819)	\$ (174,798)	\$ (224,478)

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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.

M. Other Post-Employment Benefits

Plan Description

Plan Administration. At retirement, all employees have the option to purchase basic medical insurance at the County’s group rate. Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the “HCB Plan”). This plan provides post-employment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees’ Retirement System, have at least 15 years of creditable service with the County, and are actively employed with the County at the time of retirement. The County is self-insured for health insurance. The entire cost for individual only coverage is paid by the County for those employees, until age 65, who retire with 30 years of service. Those employees who retire with less than 30 years of service with the County receive benefits on a prorated basis. The plan, which has a June 30, 2025 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, 2024, the date of the latest actuarial valuation:

Inactive employees or beneficiaries	
currently receiving benefits	243
Firefighters	-
Active employees	<u>909</u>
Total	<u><u>1,152</u></u>

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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%

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 \$1,870,274. The fund is accounted for as a trust fund.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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, 2025:

Asset Class	Anticipated Target Allocation 2025	Anticipated Target Allocation 2024	Long-Term Expected Real Rate of Return 2025	Long-Term Expected Real Rate of Return 2024
Fixed income	40.00%	45.00%	1.60%	1.60%
Global equity	<u>60.00%</u>	<u>55.00%</u>	3.90%	3.90%
	<u>100.00%</u>	<u>100.00%</u>		

Rate of Return. For the year ended June 30, 2025, the annual money weighted rate of return on investments, net of investment expense, was 12.00 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The components of the net OPEB liability of the County at June 30, 2025 were as follows:

Total OPEB liability	\$ 47,158,521
Plan fiduciary net position	<u>1,830,225</u>
Net OPEB liability	<u>\$ 45,328,296</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	3.88%

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Actuarial Assumptions. The total OPEB liability was determined by actuarial valuation as of June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.25 percent
Discount rate	4.81 percent
Healthcare cost trend rates	Pre-Medicare - 7.5% for 2022 decreasing to an ultimate rate of 4.5% by 2030

Total OPEB liability was rolled forward to June 30, 2025, utilizing update procedures incorporating the actuarial assumptions.

Deaths After Retirement (Healthy): Pub-2010 General Retirees Mortality Table projected generationally with MP-2019. The male rates are set forward 2 years and adjusted with the following factors: 80 and younger, 96.0%; age 81, 96.8%; age 82, 97.6%; age 83, 98.4%; age 84, 99.2%; age 85 and older, 100.0%. The female rates are adjusted with the following factors: 91 and younger, 100.0%; age 92, 102.5%; age 93, 105.0%; age 94, 107.5%; age 95 and older, 110.0%.

Deaths Before Retirement: Pub-2010 General Employees Male and Female Mortality tables projected generationally with MP-2019.

Deaths After Retirement (Disabled): Pub-2010 General Disabled Retirees Mortality Table projected generationally with MP-2019. The male rates are set forward 3 years, and female rates are set back 1 year.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2024 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, 2024 valuation were based on a review of recent plan experience done concurrently with the June 30, 2024 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, 2024 are presented above.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Discount Rate. The discount rate used to measure the total OPEB liability at June 30, 2025 was 4.81 percent, which was a change from the discount rate of 3.97% at June 30, 2024. 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 4.81 percent at June 30, 2024 per the S&P Municipal Bond Rate Index.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. At June 30, 2025, 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 (3.81 percent) or 1-percentage-point higher (5.81 percent) than the current discount rate:

	1% Decrease (3.81%)	Discount Rate (4.81%)	1% Increase (5.81%)
Net OPEB liability	\$ 50,182,747	\$ 45,328,296	\$ 41,077,521

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, 2025, as well as what the County’s net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 41,620,552	\$ 45,328,296	\$ 49,658,391

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2025, the County reported a net OPEB liability of \$45,328,296. The total OPEB liability was determined by an actuarial valuation as of June 30, 2024. The total pension liability was then rolled forward to the measurement date of June 30, 2025 utilizing update procedures incorporating the actuarial assumptions.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

At June 30, 2025, the components of the net OPEB liability of the County, measured as of June 30, 2025, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2024	\$ 50,443,156	\$ 1,369,484	\$ 49,073,672
Changes for the year:			
Service cost	1,931,112	-	1,931,112
Interest	1,961,393	-	1,961,393
Differences between expected and actual experience	(1,606,686)	-	(1,606,686)
Changes of assumptions	(3,979,850)	-	(3,979,850)
Contributions	-	1,870,274	(1,870,274)
Net investment income	-	181,071	(181,071)
Benefit payments	(1,590,604)	(1,590,604)	-
Net changes	(3,284,635)	460,741	(3,745,376)
Balances at June 30, 2025	\$ 47,158,521	\$ 1,830,225	\$ 45,328,296

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.97 percent in 2024 to 4.81 percent in 2025.

For the year ended June 30, 2025, the County recognized OPEB expense of \$2,514,480. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 316,827	\$ 3,706,092
Changes of assumptions	3,396,310	9,544,273
Net difference between projected and actual earnings on pension plan investments	-	95,505
Total	\$ 3,713,137	\$ 13,345,870

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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
2026	\$ (1,217,336)
2027	(1,707,139)
2028	(2,512,209)
2029	(2,564,378)
2030	(974,429)
Thereafter	(657,242)
Total	<u>\$ (9,632,733)</u>

N. 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.

O. 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 have been closed as of each financial statement date. Post-closure care costs begin immediately

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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, 2025 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 2025. Actual costs may be higher due to inflation, changes in technology, changes in regulations, or changes in landfill capacity.

P. Commitment and Contingencies

The County had commitments under uncompleted construction contracts in the governmental and enterprise funds totaling \$12,559,169 at June 30, 2025.

Q. 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.

R. Claims and Judgments

At June 30, 2025, 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.

S. 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, 2025

T. Interfund Balances and Activities

Transfers in (out) for the year ended June 30, 2025, are summarized below:

From the General Fund to:

The Neil's Creek Park for its local contribution	\$ 10,500
The Emergency Radio System Fund for eligible costs	1,500
The Jetport Fuel Farm Replacement for the County's local contribution	500,000
The Jetport Corporate Area Hangar for the County's local contribution	4,200,334
The Animal Services Needs Assessment Study for the County's local contribution	312,898
The Cape Fear Shiner Park Phase 2 fund for local contribution	<u>517,779</u>
Total transfers out from the General Fund	<u>5,543,011</u>

From the ARPA Fund to:

The General Fund for allowable costs	<u>7,542,804</u>
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From nonmajor governmental funds to:

2022 GO Bond Series 2021 for education expenditures	3,317,047
The Jetport Corporate Area Hangar for eligible expenditures	572,438
The Jetport Corporate Area Hangar from Jetport Terminal for eligible expenditures	275,500
The General Fund from Jetport Terminal for eligible expenditures	7
The General Fund from DSS 2nd Floor Upfit to close fund	<u>119,951</u>
Total transfer out from nonmajor governmental funds	<u>4,284,943</u>

Total	<u>\$ 17,370,758</u>
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Interfund balances at June 30, 2025 consist of the following:

Due to the General Fund from:

Nonmajor governmental funds:

Housing Preservation Fund	\$ 80
Public Safety Fund	142
Animal Services Needs Assessment Study	91
General Government Fund	20,297
Veterans Court Fund	117,223
Economic Development CPF	7,021
DSS 2nd Floor Upfit	<u>16,769</u>

Total due to the General Fund	<u>\$ 161,623</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, 2025

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 \$166,401 to the Authority during the fiscal year ended June 30, 2025. 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, 2025. 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 \$1,573,992 to the community college for operating purposes during the fiscal year ended June 30, 2025. 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, 2025. Complete financial statements for the community college may be obtained from the community college's administrative offices at 1105 Kelly Drive, Sanford, North Carolina 27330.

The County, in conjunction with the City of Dunn and the Dunn Area Chamber of Commerce, participates in the Averagesboro Township Tourism Development Authority. The Authority is a joint venture established to receive the net proceeds of the room occupancy and tourism development tax levied in Averagesboro Township in Harnett County. The Authority may spend these proceeds to develop, promote, and advertise travel and tourism in Averagesboro Township, to sponsor tourist-oriented events and activities for Averagesboro Township, to operate and maintain museums and historic sites throughout Averagesboro Township, and to purchase, operate, and maintain a convention facility for Averagesboro Township. The County appoints two members to the seven-member Board.

The County remitted \$626,717 to the Authority during the fiscal year ended June 30, 2025.

HARNETT COUNTY, NORTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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, 2025. 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 \$36,940 to the Council during fiscal year ended June 30, 2025.

5. 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

As of June 30, 2025 the County has received \$3,551,634. 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. \$97,838 of these funds have been expended as of June 30, 2025.

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.

6. 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 used \$5,752,049 on public safety expenditures in fiscal year 2023 and \$1,249,448 on premium pay that was transferred to the general fund in FY 2023. County staff and the Board of Commissions have obligated and transferred \$3,205,000 to various

HARNETT COUNTY, NORTH CAROLINA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

capital projects for allowable projects and also \$1,571,309 was spent within the fund on eligible costs. The Board also transferred \$71,608 to the general fund in FY 2024 for premium pay. For FY 2025 the Board transferred \$5,458,945 to the general fund for lost revenue. The remaining unspent balance of \$9,103,385 will be spent on future projects in the upcoming year.

7. Stewardship, Compliance, and Accountability

Deficit Fund Balance of Individual Funds

Capital Project Funds:

Animal Services Needs Assessment Study	\$ 91
Economic Development CPF	3,565

Special Revenue Funds:

Housing Preservation Fund	80
Veterans Court Fund	17,507

The County plans to fully fund these projects in the subsequent year. These funds will be funded by local contributions and grant proceeds in the subsequent year.

8. Adjustments and Restatements of Beginning Balances

Change to or Within the Financial Reporting Entity

The Flatwoods Middle School Capital Project Fund was previously reported as a nonmajor governmental fund. For the fiscal year ended June 30, 2025, it is considered a major governmental fund.

The effects of this changes to or within the financial reporting entity are shown in the table below.

	Flatwoods Middle School	Nonmajor Governmental Funds
July 1, 2024 as previously reported	\$ -	\$ 20,115,124
Change from nonmajor fund to major fund	<u>(1,487,345)</u>	<u>1,487,345</u>
July 1, 2024 as adjusted or restated	<u><u>\$ (1,487,345)</u></u>	<u><u>\$ 21,602,469</u></u>

HARNETT COUNTY, NORTH CAROLINA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

Change in Accounting Principal

During the current year, Harnett County implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, Harnett County now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the "Restatement - GASB 101 implementation" column in the table below.

	Net Position/Fund		Net Position/Fund
	Balance 6/30/2024	Restatement	Balance 6/30/2024
	as Previously	GASB 101	as Restated/
	Reported	Implementation	Adjusted
	<u> </u>	<u> </u>	<u> </u>
Government-Wide:			
Government activities	\$ 81,063,019	\$ (11,831,663)	\$ 69,231,356
Business-type activities	<u>421,422,191</u>	<u>(2,328,606)</u>	<u>419,093,585</u>
Total Government-Wide	<u>\$ 502,485,210</u>	<u>\$ (14,160,269)</u>	<u>\$ 488,324,941</u>
Proprietary Funds:			
Enterprise Funds:			
Major funds:			
Water and Sewer Fund	\$ 403,291,430	\$ (1,951,207)	\$ 401,340,223
Solid Waste Fund	<u>15,084,034</u>	<u>(377,399)</u>	<u>14,706,635</u>
Total Enterprise Funds	<u>\$ 418,375,464</u>	<u>\$ (2,328,606)</u>	<u>\$ 416,046,858</u>

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REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

HARNETT COUNTY, NORTH CAROLINA

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

Law Enforcement Officers' Special Separation Allowance					
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Pension Liability:					
Service cost	\$ 216,382	\$ 199,437	\$ 286,359	\$ 274,892	\$ 167,984
Interest on the total pension liability	169,271	172,907	96,284	95,163	105,206
Difference between expected and actual experience	(273,984)	(60,746)	(248,057)	(18,248)	732,965
Changes in assumptions or other inputs	(179,154)	101,158	(337,409)	23,213	415,679
Benefit payments	<u>(189,463)</u>	<u>(190,427)</u>	<u>(181,432)</u>	<u>(169,345)</u>	<u>(151,068)</u>
Net change in total pension liability	(256,948)	222,329	(384,255)	205,675	1,270,766
Total pension liability - beginning	<u>4,617,225</u>	<u>4,394,896</u>	<u>4,779,151</u>	<u>4,573,476</u>	<u>3,302,710</u>
Total pension liability - ending	<u>\$ 4,360,277</u>	<u>\$ 4,617,225</u>	<u>\$ 4,394,896</u>	<u>\$ 4,779,151</u>	<u>\$ 4,573,476</u>
Plan Net Position:					
Contributions - employer	\$ 214,233	\$ 289,628	\$ 188,907	\$ 376,410	\$ 151,068
Net investment income	51,805	55,563	(59,591)	30,773	14,587
Benefit payments	<u>(189,463)</u>	<u>(190,427)</u>	<u>(181,432)</u>	<u>(169,345)</u>	<u>(151,068)</u>
Net change in plan net position	76,575	154,764	(52,116)	237,838	14,587
Plan net position - beginning	<u>473,065</u>	<u>318,301</u>	<u>370,417</u>	<u>132,579</u>	<u>117,992</u>
Plan net position - ending	<u>\$ 549,640</u>	<u>\$ 473,065</u>	<u>\$ 318,301</u>	<u>\$ 370,417</u>	<u>\$ 132,579</u>
Net Pension Liability - Ending	<u>\$ 3,810,637</u>	<u>\$ 4,144,160</u>	<u>\$ 4,076,595</u>	<u>\$ 4,408,734</u>	<u>\$ 4,440,897</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 CHANGES IN NET PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST NINE FISCAL YEARS**

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

HARNETT COUNTY, NORTH CAROLINA

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

	Law Enforcement Officers' Special Separation Allowance				
	2025	2024	2023	2022	2021
Total pension liability	\$ 4,360,277	\$ 4,617,225	\$ 4,394,896	\$ 4,779,151	\$ 4,573,476
Plan net position	549,640	473,065	318,301	370,417	132,579
Net pension liability	<u>\$ 3,810,637</u>	<u>\$ 4,144,160</u>	<u>\$ 4,076,595</u>	<u>\$ 4,408,734</u>	<u>\$ 4,440,897</u>
Ratio of plan net position to total pension liability	12.61%	10.25%	7.24%	7.75%	2.90%
Covered payroll	\$ 8,384,833	\$ 7,606,337	\$ 7,606,337	\$ 7,369,562	\$ 7,369,562
Net pension liability as a percentage of covered payroll	45.45%	54.48%	53.59%	59.82%	60.26%

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 NINE FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance			
	2020	2019	2018	2017
Total pension liability	\$ 3,302,710	\$ 2,845,104	\$ 359,990	\$ 33,078
Plan net position	117,992	100,133	-	-
Net pension liability	<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	3.57%	3.52%	0.00%	0.00%
Covered payroll	\$ 6,861,542	\$ 6,388,148	\$ 6,106,799	\$ 5,599,863
Net pension liability as a percentage of covered payroll	46.41%	42.97%	5.89%	0.59%

HARNETT COUNTY, NORTH CAROLINA

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST SEVEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined employer contribution	\$ 656,331	\$ 699,703	\$ 680,520	\$ 707,486
Actual employer contributions	301,927	207,690	284,408	190,347
Annual contribution deficiency (excess)	<u>\$ 354,404</u>	<u>\$ 492,013</u>	<u>\$ 396,112</u>	<u>\$ 517,139</u>
Covered payroll	\$ 8,384,833	\$ 7,606,337	\$ 7,606,337	\$ 7,369,562
Actual contributions as a percentage of covered payroll	3.60%	2.73%	3.74%	2.58%

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	10 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.25%
Investment rate of return	5.50%

HARNETT COUNTY, NORTH CAROLINA

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST SEVEN FISCAL YEARS**

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

HARNETT COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
LAST SEVEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	10.67%	15.10%	-15.93%	13.03%

HARNETT COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
LAST SEVEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	12.36%	17.84%	0.27%

HARNETT COUNTY, NORTH CAROLINA

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

Other Post-Employment Benefits				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Service cost	\$ 1,931,112	\$ 1,914,270	\$ 2,122,719	\$ 2,824,702
Interest	1,961,393	1,857,828	1,708,004	1,188,510
Differences between expected and actual experience	(1,606,686)	(678,620)	(1,984,757)	(462,810)
Changes of assumptions or other inputs	(3,979,850)	(620,859)	1,198,998	(11,054,614)
Benefit payments	<u>(1,590,604)</u>	<u>(998,061)</u>	<u>(1,148,990)</u>	<u>(893,455)</u>
Net change in total OPEB liability	(3,284,635)	1,474,558	1,895,974	(8,397,667)
Total OPEB liability - beginning	<u>50,443,156</u>	<u>48,968,598</u>	<u>47,072,624</u>	<u>55,470,291</u>
Total OPEB liability - ending	<u>\$ 47,158,521</u>	<u>\$ 50,443,156</u>	<u>\$ 48,968,598</u>	<u>\$ 47,072,624</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,870,274	\$ 1,103,651	\$ 1,260,675	\$ 1,107,150
Net investment income	181,071	140,809	78,156	(137,602)
Benefit payments	<u>(1,590,604)</u>	<u>(998,061)</u>	<u>(1,148,990)</u>	<u>(893,455)</u>
Net change in plan fiduciary net position	460,741	246,399	189,841	76,093
Plan fiduciary net position - beginning	<u>1,369,484</u>	<u>1,123,085</u>	<u>933,244</u>	<u>857,151</u>
Plan fiduciary net position - ending	<u>\$ 1,830,225</u>	<u>\$ 1,369,484</u>	<u>\$ 1,123,085</u>	<u>\$ 933,244</u>
Net OPEB Liability - Ending	<u>\$ 45,328,296</u>	<u>\$ 49,073,672</u>	<u>\$ 47,845,513</u>	<u>\$ 46,139,380</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.88%	2.71%	2.29%	1.98%

HARNETT COUNTY, NORTH CAROLINA

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

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

HARNETT COUNTY, NORTH CAROLINA

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Actuarially determined contribution	\$ 5,316,851	\$ 4,492,162	\$ 4,442,007
Contributions in relation to the actuarially determined contribution	<u>1,870,274</u>	<u>1,103,651</u>	<u>1,260,675</u>
Contribution deficiency (excess)	<u>\$ 3,446,577</u>	<u>\$ 3,388,511</u>	<u>\$ 3,181,332</u>
Covered payroll	<u>\$ 56,746,199</u>	<u>\$ 39,647,761</u>	<u>\$ 39,647,761</u>
Actual contributions as a percentage of covered payroll	3.30%	2.78%	3.18%

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 percent of payroll closed
Amortization period	20 years
Asset valuation method	Market value
Inflation	2.50%
Healthcare cost trend rates:	
Pre-Medicare Medical and Prescription Drug	7.5% for 2022 decreasing to an ultimate rate of 4.5% by 2026
Dental	3.00%
Salary increases	3.25%
Investment rate of return	5.50%

Mortality:

Mortality rates were based on the PUB-2010 mortality tables, projected generationally with MP-2019.

HARNETT COUNTY, NORTH CAROLINA

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 4,904,828	\$ 4,521,445	\$ 4,521,445
Contributions in relation to the actuarially determined contribution	<u>1,851,427</u>	<u>817,408</u>	<u>189,940</u>
Contribution deficiency (excess)	<u>\$ 3,053,401</u>	<u>\$ 3,704,037</u>	<u>\$ 4,331,505</u>
Covered payroll	<u>\$ 42,527,502</u>	<u>\$ 39,301,205</u>	<u>\$ 39,301,205</u>
Actual contributions as a percentage of covered payroll	4.35%	2.08%	0.48%

HARNETT COUNTY, NORTH CAROLINA

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Annual money-weighted rate of return, net of investment expense	12.00%	11.97%	7.90%

HARNETT COUNTY, NORTH CAROLINA

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

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

HARNETT COUNTY, NORTH CAROLINA

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

	Local Governmental Employees' Retirement System				
	2025	2024	2023	2022	2021
Harnett County's proportion of the net pension liability (asset) (%)	0.61747%	0.59402%	0.55992%	0.58427%	0.61067%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ 41,626,226	\$ 39,342,728	\$ 31,587,486	\$ 8,960,342	\$ 21,821,842
Harnett County's covered payroll	\$ 59,119,917	\$ 51,073,293	\$ 44,922,261	\$ 42,254,273	\$ 42,145,553
Harnett County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	70.41%	77.03%	70.32%	21.21%	51.78%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%

*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.

HARNETT COUNTY, NORTH CAROLINA

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

	Local Governmental Employees' Retirement System				
	2020	2019	2018	2017	2016
Harnett County's proportion of the net pension liability (asset) (%)	0.63099%	0.63552%	0.62989%	0.60747%	0.60626%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ 17,231,846	\$ 15,076,709	\$ 9,622,975	\$ 12,892,549	\$ 2,720,859
Harnett County's covered payroll	\$ 41,328,095	\$ 40,417,021	\$ 38,174,729	\$ 35,357,790	\$ 33,805,772
Harnett County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	41.70%	37.30%	25.21%	36.46%	8.05%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%

HARNETT COUNTY, NORTH CAROLINA

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

	Local Governmental Employees' Retirement System				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 8,740,928	\$ 7,739,010	\$ 6,278,419	\$ 5,173,532	\$ 4,359,543
Contributions in relation to the contractually required contribution	<u>8,740,928</u>	<u>7,739,010</u>	<u>6,278,419</u>	<u>5,173,532</u>	<u>4,359,543</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Harnett County's covered payroll	\$ 63,024,596	\$ 59,119,917	\$ 51,073,293	\$ 44,922,261	\$ 42,254,273
Contributions as a percentage of covered payroll	13.87%	13.09%	12.29%	11.52%	10.32%

HARNETT COUNTY, NORTH CAROLINA

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

Local Governmental Employees' Retirement System					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 3,838,668	\$ 3,272,702	\$ 3,098,299	\$ 2,837,412	\$ 2,405,538
Contributions in relation to the contractually required contribution	<u>3,838,668</u>	<u>3,272,702</u>	<u>3,098,299</u>	<u>2,837,412</u>	<u>2,405,538</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Harnett County's covered payroll	\$ 42,145,553	\$ 41,328,095	\$ 40,417,021	\$ 38,174,729	\$ 35,357,790
Contributions as a percentage of covered payroll	9.11%	7.92%	7.67%	7.43%	6.80%

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

	Register of Deeds' Supplemental Pension Fund				
	2025	2024	2023	2022	2021
Harnett County's proportion of the net pension liability (asset) (%)	1.51695%	1.58238%	1.35894%	1.31084%	1.22053%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ (174,798)	\$ (190,155)	\$ (179,924)	\$ (251,852)	\$ (279,721)
Plan fiduciary net position as a percentage of the total pension liability**	133.61%	135.74%	139.04%	156.53%	173.62%

*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.

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

	Register of Deeds' Supplemental Pension Fund				
	2020	2019	2018	2017	2016
Harnett County's proportion of the net pension liability (asset) (%)	1.05699%	1.19995%	1.24961%	1.21436%	1.24646%
Harnett County's proportion of the net pension liability (asset) (\$)	\$ (208,671)	\$ (198,748)	\$ (213,296)	\$ (227,037)	\$ (288,855)
Plan fiduciary net position as a percentage of the total pension liability**	164.11%	153.31%	153.77%	160.17%	197.29%

HARNETT COUNTY, NORTH CAROLINA

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

Register of Deeds' Supplemental Pension Fund					
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 14,273	\$ 13,052	\$ 12,867	\$ 16,834	\$ 15,732
Contributions in relation to the contractually required contribution	<u>14,273</u>	<u>13,052</u>	<u>12,867</u>	<u>16,834</u>	<u>15,732</u>
Contribution deficiency (excess)	<u>\$ -</u>				

HARNETT COUNTY, NORTH CAROLINA

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

Register of Deeds' Supplemental Pension Fund

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 11,687	\$ 9,726	\$ 10,269	\$ 10,053	\$ 9,920
Contributions in relation to the contractually required contribution	<u>11,687</u>	<u>9,726</u>	<u>10,269</u>	<u>10,053</u>	<u>9,920</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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SUPPLEMENTARY INFORMATION

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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, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Budget	Actual	Variance Over /Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 86,435,145	\$ 89,272,284	\$ 2,837,139	\$ 83,413,698
Penalties and interest	325,000	417,817	92,817	378,007
Total	86,760,145	89,690,101	2,929,956	83,791,705
Other Taxes and Licenses:				
Local option sales tax	44,785,107	51,758,110	6,973,003	49,246,273
Cable franchise license	170,000	138,168	(31,832)	151,706
Excise stamp - real property	1,300,000	1,902,057	602,057	1,660,195
Total	46,255,107	53,798,335	7,543,228	51,058,174
Unrestricted Intergovernmental:				
Controlled substance	3,000	35,691	32,691	6,391
Restricted Intergovernmental:				
Federal and state grants	24,666,043	23,520,541	(1,145,502)	21,562,868
Court facility fees	235,750	205,579	(30,171)	479,843
Total	24,901,793	23,726,120	(1,175,673)	22,042,711
Permits and Fees:				
Filing and registration fees	-	15	15	47,429
Dog warden fees	115,557	131,183	15,626	77,379
Register of Deeds' fees	600,000	718,734	118,734	664,016
Inspection fees	365,919	468,736	102,817	409,294
Other fees	-	7,529	7,529	9,728
Total	1,081,476	1,326,197	244,721	1,207,846
Sales and Services:				
Rents, concessions, and fees	5,206,929	5,541,118	334,189	5,355,718
Court costs and fees	205,000	23,157	(181,843)	92,101
Jail fees	25,000	28,370	3,370	15,171
Ambulance fees	7,043,400	8,916,854	1,873,454	7,337,629
Library fees	23,376	29,970	6,594	26,145
Health fees	1,388,050	1,286,570	(101,480)	1,481,661
Total	13,891,755	15,826,039	1,934,284	14,308,425

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Budget	Actual	Variance Over /Under	Actual
Investment Earnings	5,500,000	11,690,405	6,190,405	11,971,159
Other General Revenues:				
Sale of assets	37,639	350,538	312,899	125,094
Miscellaneous revenues	5,516,673	7,185,062	1,668,389	3,506,662
Donations	78,623	94,007	15,384	345,783
Total	5,632,935	7,629,607	1,996,672	3,977,539
Total revenues	184,026,211	203,722,495	19,696,284	188,363,950
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	2,014,516	2,013,024		1,178,592
Other operating expenditures	227,141	165,015		195,717
Total	2,241,657	2,178,039	63,618	1,374,309
Administration:				
Salaries and employee benefits	1,077,640	1,038,894		982,775
Other operating expenditures	357,165	254,764		259,381
Total	1,434,805	1,293,658	141,147	1,242,156
Legal Services:				
Salaries and employee benefits	404,202	402,484		323,626
Other operating expenditures	62,804	41,668		39,158
Total	467,006	444,152	22,854	362,784
Human Resources:				
Salaries and employee benefits	445,167	439,102		410,659
Other operating expenditures	474,334	457,068		443,677
Total	919,501	896,170	23,331	854,336
Board of Elections:				
Salaries and employee benefits	448,376	448,425		427,656
Other operating expenditures	458,050	448,167		374,828
Total	906,426	896,592	9,834	802,484

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025		Variance Over /Under	2024
	Budget	Actual		Actual
Finance:				
Salaries and employee benefits	1,346,929	1,205,879		1,265,331
Other operating expenditures	355,038	311,075		321,235
Total	1,701,967	1,516,954	185,013	1,586,566
IT:				
Salaries and employee benefits	1,773,616	1,732,375		1,682,764
Other operating expenditures	2,426,470	1,751,998		1,078,375
Capital outlay	1,729,751	1,728,851		425,026
Total	5,929,837	5,213,224	716,613	3,186,165
Tax:				
Salaries and employee benefits	2,399,052	1,688,855		831,298
Other operating expenditures	1,656,244	1,656,187		1,505,116
Total	4,055,296	3,345,042	710,254	2,336,414
Register of Deeds:				
Salaries and employee benefits	820,721	817,495		781,020
Other operating expenditures	143,415	132,983		115,374
Total	964,136	950,478	13,658	896,394
Public Buildings:				
Salaries and employee benefits	1,122,023	1,088,657		979,150
Other operating expenditures	3,759,686	3,414,263		3,609,689
Total	4,881,709	4,502,920	378,789	4,588,839
General Services:				
Salaries and employee benefits	237,623	236,672		221,161
Other operating expenditures	22,041	21,500		4,689
Total	259,664	258,172	1,492	225,850
Transportation:				
Salaries and employee benefits	2,053,589	1,726,222		1,630,725
Other operating expenditures	2,248,275	1,784,848		3,540,889
Capital outlay	855,555	727,602		531,943
Total	5,157,419	4,238,672	918,747	5,703,557

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025		Variance Over /Under	2024
	Budget	Actual		Actual
GIS:				
Salaries and employee benefits	837,338	813,519		788,613
Other operating expenditures	179,371	157,524		140,452
Total	1,016,709	971,043	45,666	929,065
Total general government	29,936,132	26,705,116	3,231,016	24,088,919
Public Safety:				
Sheriff:				
Salaries and employee benefits	16,502,983	16,166,249		15,161,241
Other operating expenditures	3,969,391	3,567,770		2,472,793
Capital outlay	824,700	633,647		1,528,244
Total	21,297,074	20,367,666	929,408	19,162,278
Campbell Campus Deputies:				
Salaries and employee benefits	643,023	634,942		591,167
Other operating expenditures	52,513	39,278		32,989
Total	695,536	674,220	21,316	624,156
Communications:				
Salaries and employee benefits	2,638,928	2,614,577		2,371,217
Other operating expenditures	342,984	268,262		220,256
Total	2,981,912	2,882,839	99,073	2,591,473
Jail:				
Salaries and employee benefits	5,019,827	4,927,204		4,683,681
Other operating expenditures	3,574,482	2,614,303		2,877,644
Capital outlay	-	-		26,600
Total	8,594,309	7,541,507	1,052,802	7,587,925
Child Support Enforcement:				
Salaries and employee benefits	102,808	102,901		100,646
Other operating expenditures	5,000	3,220		3,865
Total	107,808	106,121	1,687	104,511

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025		Variance Over /Under	2024
	Budget	Actual		Actual
Emergency Services:				
Salaries and employee benefits	1,249,219	1,196,482		1,054,929
Other operating expenditures	302,483	252,899		248,346
Capital outlay	77,997	142,426		-
Total	1,629,699	1,591,807	37,892	1,303,275
Emergency Medical Services:				
Salaries and employee benefits	10,498,853	10,035,866		9,553,298
Other operating expenditures	3,154,421	2,466,964		1,588,921
Capital outlay	2,006,340	692,217		793,395
Total	15,659,614	13,195,047	2,464,567	11,935,614
Rescue Districts:				
Other operating expenditures	5,809,761	5,809,721	40	4,592,169
Medical Examiner:				
Other operating expenditures	114,000	113,546	454	67,546
Emergency Services Grant:				
Other operating expenditures	185,610	92,833		254,674
Capital outlay	56,892	37,116		17,980
Total	242,502	129,949	112,553	272,654
Animal Control:				
Salaries and employee benefits	936,401	868,471		706,256
Other operating expenditures	288,178	270,801		223,102
Total	1,224,579	1,139,272	85,307	929,358
Total public safety	58,356,794	53,551,695	4,805,099	49,170,959
Transportation Administration:				
Airport:				
Other operating expenditures	1,606,666	1,323,864	282,802	445,317

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>2025</u>		<u>Variance Over /Under</u>	<u>2024</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Environmental Protection:				
Soil and Water:				
Salaries and employee benefits	321,247	321,232		303,228
Other operating expenditures	45,725	40,726		25,742
Total	<u>366,972</u>	<u>361,958</u>	5,014	<u>328,970</u>
Environmental Protection Allocation:				
Salaries and employee benefits				
Other operating expenditures	161,122	121,711		163,080
Total	<u>161,122</u>	<u>121,711</u>	39,411	<u>163,080</u>
Total environmental protection	<u>528,094</u>	<u>483,669</u>	44,425	<u>492,050</u>
Economic and Physical Development:				
Developmental Services:				
Salaries and employee benefits	1,118,744	1,116,993		1,050,237
Other operating expenditures	261,745	226,881		396,785
Total	<u>1,380,489</u>	<u>1,343,874</u>	36,615	<u>1,447,022</u>
Economic Development:				
Salaries and employee benefits	557,559	556,727		499,537
Other operating expenditures	5,871,334	5,278,300		521,511
Capital outlay	3,000,000	2,820,615		-
Total	<u>9,428,893</u>	<u>8,655,642</u>	773,251	<u>1,021,048</u>
Cooperative Extension:				
Salaries and employee benefits	510,830	435,896		461,252
Other operating expenditures	71,473	45,667		36,860
Total	<u>582,303</u>	<u>481,563</u>	100,740	<u>498,112</u>
Inspections:				
Salaries and employee benefits	1,334,996	1,334,839		1,147,947
Other operating expenditures	192,702	158,535		127,978
Total	<u>1,527,698</u>	<u>1,493,374</u>	34,324	<u>1,275,925</u>
Total economic and physical development	<u>12,919,383</u>	<u>11,974,453</u>	944,930	<u>4,242,107</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, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025		Variance Over /Under	2024
	Budget	Actual		Actual
Human Services:				
Health:				
Salaries and employee benefits	8,251,651	7,481,853		7,142,867
Other operating expenditures	3,659,874	2,421,780		2,469,742
Total	11,911,525	9,903,633	2,007,892	9,612,609
Social Services:				
Salaries and employee benefits	18,527,933	17,678,187		16,102,990
Other operating expenditures	2,461,834	1,972,545		1,405,286
Total	20,989,767	19,650,732	1,339,035	17,508,276
Restitution:				
Salaries and employee benefits	122,583	122,211		88,256
Operating expenditures	44,269	32,855		14,382
Total	166,852	155,066	11,786	102,638
Veterans Services:				
Salaries and employee benefits	452,524	450,194		395,246
Other operating expenditures	66,205	39,088		26,782
Total	518,729	489,282	29,447	422,028
Mental Health:				
Other operating expenditures	609,673	609,672		605,678
Total	609,673	609,672	1	605,678

HARNETT COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	<u>2025</u>		<u>2024</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over /Under</u>
Public Assistance:			
TANF	1,000	-	-
Aid to the aged and blind	1,016,222	603,829	546,130
Medicaid	5,000	1,639	3,385
County assistance	233,300	200,055	173,440
Crisis intervention	75,063	572	29,670
Adoption Assistance - IV-B	91,750	51,070	57,883
Adoption IV-B vendor	22,300	21,872	8,240
Adoption IV-E vendor	9,000	8,378	9,000
Adoption assistance -IV- E	170,000	160,398	146,632
Foster care - other	-	-	5,885
Title IV-E - foster care	1,600,000	1,399,122	1,389,405
Foster care county payments	17,000	13,380	28,655
State foster home care	2,081,000	1,038,540	1,477,616
Special services - foster care	35,645	17,795	11,926
Vendor transportation	45,000	22,429	25,089
Day care	326	304	-
All county clothing allowance	70,000	69,022	54,612
Professional services	30,000	16,414	875
WorkFirst - emergency cash	26,000	19,982	4,510
Contracted services	119,158	106,562	86,593
Child support enforcement	75,170	42,228	43,955
LIEAP	58,000	23,676	15,360
Donations	10,000	3,625	5,848
Food stamp issuance	31,000	27,694	25,681
Total	<u>5,821,934</u>	<u>3,848,586</u>	<u>1,973,348</u>
Total human services	<u>40,018,480</u>	<u>34,656,971</u>	<u>5,361,509</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, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025		Variance Over /Under	2024
	Budget	Actual		Actual
Cultural and Recreation:				
Parks and Recreation:				
Salaries and employee benefits	1,243,841	1,244,328		1,125,717
Other operating expenditures	1,708,944	1,097,839		951,631
Capital outlay	21,000	21,000		60,071
Total	<u>2,973,785</u>	<u>2,363,167</u>	610,618	<u>2,137,419</u>
Libraries:				
Salaries and benefits	2,838,511	2,649,899		2,425,160
Other operating expenditures	1,039,693	967,098		731,235
Total	<u>3,878,204</u>	<u>3,616,997</u>	261,207	<u>3,156,395</u>
Culture and Recreation Appropriations:				
Other operating expenditures	<u>366,275</u>	<u>300,000</u>	66,275	<u>66,275</u>
Total cultural and recreation	<u>7,218,264</u>	<u>6,280,164</u>	938,100	<u>5,360,089</u>
Education:				
CCCC campus	2,034,189	1,977,599		1,573,992
CCCC campus capital outlay	150,000	33,224		62,102
Public schools - current expenses	36,304,606	36,304,606		28,301,509
Public schools - capital outlay	<u>2,621,528</u>	<u>-</u>		<u>1,815,299</u>
Total education	<u>41,110,323</u>	<u>38,315,429</u>	2,794,894	<u>31,752,902</u>
Debt Service:				
Principal retirement	14,901,676	14,906,344		16,563,449
Interest and fees	5,921,902	5,915,947		6,477,506
Total debt service	<u>20,823,578</u>	<u>20,822,291</u>	1,287	<u>23,040,955</u>
Total expenditures	<u>212,517,714</u>	<u>194,113,652</u>	18,404,062	<u>170,994,917</u>
Revenues over (under) expenditures	<u>(28,491,503)</u>	<u>9,608,843</u>	38,100,346	<u>17,369,033</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, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>2025</u>			<u>2024</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over /Under</u>	<u>Actual</u>
Other Financing Sources (Uses):				
Transfer out	(21,702,058)	(5,543,011)	16,159,047	(141,558)
Transfer in	11,455,269	7,662,762	(3,792,507)	8,027,049
Subscription liability issued	1,705,751	1,705,751	-	-
Appropriated fund balance	<u>37,032,541</u>	<u>-</u>	<u>(37,032,541)</u>	<u>-</u>
Total other financing sources (uses)	<u>28,491,503</u>	<u>3,825,502</u>	<u>(24,666,001)</u>	<u>7,885,491</u>
Net change in fund balance	<u>\$ -</u>	13,434,345	<u>\$ 13,434,345</u>	25,254,524
Fund Balance:				
Beginning of year - July 1		<u>150,370,575</u>		<u>125,116,051</u>
End of year - June 30		<u>\$ 163,804,920</u>		<u>\$ 150,370,575</u>

HARNETT COUNTY, NORTH CAROLINA

JETPORT RUNWAY EXTENTION - MAJOR FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 15,600,000	\$ -	\$ 216,486	\$ 216,486	\$ (15,383,514)
Investment earnings	-	243,043	736,406	979,449	979,449
Total revenues	<u>15,600,000</u>	<u>243,043</u>	<u>952,892</u>	<u>1,195,935</u>	<u>(14,404,065)</u>
Expenditures:					
Economic and physical development:					
Professional services	830,000	-	239,336	239,336	590,664
Construction	<u>14,770,000</u>	-	-	-	<u>14,770,000</u>
Total expenditures	<u>15,600,000</u>	-	<u>239,336</u>	<u>239,336</u>	<u>15,360,664</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 243,043</u>	713,556	<u>\$ 956,599</u>	<u>\$ 956,599</u>
Fund Balance:					
Beginning of year - July 1			<u>243,043</u>		
End of year - June 30			<u>\$ 956,599</u>		

HARNETT COUNTY, NORTH CAROLINA

FLATWOODS MIDDLE SCHOOL - MAJOR FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Expenditures:					
Education:					
Professional services	\$ 4,838,875	\$ 1,487,345	\$ 2,288,415	\$ 3,775,760	\$ 1,063,115
Construction	80,750,152	-	3,929,859	3,929,859	76,820,293
Debt issue costs	728,498	-	728,498	728,498	-
Total expenditures	<u>86,317,525</u>	<u>1,487,345</u>	<u>6,946,772</u>	<u>8,434,117</u>	<u>77,883,408</u>
Revenues over (under) expenditures	<u>(86,317,525)</u>	<u>(1,487,345)</u>	<u>(6,946,772)</u>	<u>(8,434,117)</u>	<u>77,883,408</u>
Other Financing Sources (Uses):					
Bond premium	5,752,525	-	5,752,525	5,752,525	-
Bond proceeds	<u>80,565,000</u>	<u>-</u>	<u>80,565,000</u>	<u>80,565,000</u>	<u>-</u>
Total other financing sources (uses)	<u>86,317,525</u>	<u>-</u>	<u>86,317,525</u>	<u>86,317,525</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(1,487,345)</u>	79,370,753	\$ <u>77,883,408</u>	\$ <u>77,883,408</u>
Fund Balance:					
Beginning of year - July 1			<u>(1,487,345)</u>		
End of year - June 30			<u>\$ 77,883,408</u>		

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2025

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Assets:			
Cash and investments	\$ 3,377,938	\$ 9,301,745	\$ 12,679,683
Accounts receivable, net	230,721	27,893	258,614
Cash and cash equivalents, restricted	<u>4,402,196</u>	<u>9,170,336</u>	<u>13,572,532</u>
Total assets	<u>\$ 8,010,855</u>	<u>\$ 18,499,974</u>	<u>\$ 26,510,829</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 719,009	\$ -	\$ 719,009
Accounts payable from restricted assets	-	639,390	639,390
Due to other funds	137,742	23,881	161,623
Advance from grantors	<u>4,402,196</u>	<u>1,169,343</u>	<u>5,571,539</u>
Total liabilities	<u>5,258,947</u>	<u>1,832,614</u>	<u>7,091,561</u>
Fund Balances:			
Restricted for stabilization by state statute	126,305	-	126,305
Restricted for Register of Deeds	216,152	-	216,152
Restricted for general government	12,056	-	12,056
Restricted for education	3,534	7,365,758	7,369,292
Restricted for public safety	2,355,426	-	2,355,426
Restricted for health and human services	4,397	-	4,397
Committed for general government	-	611,092	611,092
Committed for economic development	-	6,377,985	6,377,985
Committed for culture and recreation	-	846,685	846,685
Committed for education	-	1,469,496	1,469,496
Assigned	72,648	-	72,648
Unassigned	<u>(38,610)</u>	<u>(3,656)</u>	<u>(42,266)</u>
Total fund balances	<u>2,751,908</u>	<u>16,667,360</u>	<u>19,419,268</u>
Total liabilities and fund balances	<u>\$ 8,010,855</u>	<u>\$ 18,499,974</u>	<u>\$ 26,510,829</u>

HARNETT COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2025**

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Restricted intergovernmental	\$ 1,735,523	\$ 1,198,337	\$ 2,933,860
Permits and fees	565,438	-	565,438
Sales and services	562,284	-	562,284
Investment earnings	3,789	503,873	507,662
Miscellaneous	-	22,899	22,899
Total revenues	<u>2,867,034</u>	<u>1,725,109</u>	<u>4,592,143</u>
Expenditures:			
Current:			
General government	535,924	64,428	600,352
Public safety	2,891,899	312,989	3,204,888
Economic and physical development	4,985	376,666	381,651
Human services	621,988	1,011,800	1,633,788
Cultural and recreation	-	162,768	162,768
Education	593,083	5,621,867	6,214,950
Total expenditures	<u>4,647,879</u>	<u>7,550,518</u>	<u>12,198,397</u>
Revenues over (under) expenditures	<u>(1,780,845)</u>	<u>(5,825,409)</u>	<u>(7,606,254)</u>
Other Financing Sources (Uses):			
Transfers in	1,500	9,706,496	9,707,996
Transfers (out)	-	(4,284,943)	(4,284,943)
Total other financing sources (uses)	<u>1,500</u>	<u>5,421,553</u>	<u>5,423,053</u>
Net change in fund balances	<u>(1,779,345)</u>	<u>(403,856)</u>	<u>(2,183,201)</u>
Fund Balances:			
Beginning of year - July 1, as previously presented	4,531,253	15,583,871	20,115,124
Change within financial reporting entity (nonmajor to major)	-	1,487,345	1,487,345
Beginning of year - restated	<u>4,531,253</u>	<u>17,071,216</u>	<u>21,602,469</u>
End of year - June 30	<u>\$ 2,751,908</u>	<u>\$ 16,667,360</u>	<u>\$ 19,419,268</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	<u>Housing Preservation Fund</u>	<u>Law Enforcement Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Emergency Radio System Fund</u>	<u>Automation Enhancement and Preservation Fund</u>	<u>Emergency Response Planning Fund</u>
Assets:						
Cash and investments	\$ -	\$ 50,761	\$ 944,971	\$ 567,586	\$ 216,154	\$ 30,352
Accounts receivable, net	-	-	43,836	33,848	663	678
Restricted cash	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 50,761</u>	<u>\$ 988,807</u>	<u>\$ 601,434</u>	<u>\$ 216,817</u>	<u>\$ 31,030</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ 6,350	\$ 487,325	\$ 301	\$ 2	\$ 2,166
Due to other funds	80	-	-	-	-	-
Advance from grantor	-	-	-	-	-	-
Total liabilities	<u>80</u>	<u>6,350</u>	<u>487,325</u>	<u>301</u>	<u>2</u>	<u>2,166</u>
Fund Balances:						
Restricted for stabilization						
by state statute	-	-	43,836	33,848	663	678
Restricted for Register of Deeds	-	-	-	-	216,152	-
Restricted for general government	-	-	-	-	-	-
Restricted for education	-	-	-	-	-	-
Restricted for public safety	-	-	457,646	567,285	-	-
Restricted for human services	-	-	-	-	-	-
Assigned	-	44,411	-	-	-	28,186
Unassigned	(80)	-	-	-	-	-
Total fund balances	<u>(80)</u>	<u>44,411</u>	<u>501,482</u>	<u>601,133</u>	<u>216,815</u>	<u>28,864</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 50,761</u>	<u>\$ 988,807</u>	<u>\$ 601,434</u>	<u>\$ 216,817</u>	<u>\$ 31,030</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Fines and Forfeitures Fund	Representative Payee Fund	Public Safety Fund	WIA Youth Program Fund	General Government Fund
Assets:					
Cash and investments	\$ 49,719	\$ 174,943	\$ -	\$ 51	\$ -
Accounts receivable, net	10,734	10	154	-	20,869
Restricted cash	-	-	-	-	4,402,196
Total assets	<u>\$ 60,453</u>	<u>\$ 174,953</u>	<u>\$ 154</u>	<u>\$ 51</u>	<u>\$ 4,423,065</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 46,185	170,546	\$ 12	\$ -	\$ 572
Due to other funds	-	-	142	-	20,297
Advance from grantor	-	-	-	-	4,402,196
Total liabilities	<u>46,185</u>	<u>170,546</u>	<u>154</u>	<u>-</u>	<u>4,423,065</u>
Fund Balances:					
Restricted for stabilization					
by state statute	10,734	10	154	-	20,869
Restricted for Register of Deeds	-	-	-	-	-
Restricted for general government	-	-	-	-	-
Restricted for education	3,534	-	-	-	-
Restricted for public safety	-	-	-	-	-
Restricted for human services	-	4,397	-	-	-
Assigned	-	-	-	51	-
Unassigned	-	-	(154)	-	(20,869)
Total fund balances	<u>14,268</u>	<u>4,407</u>	<u>-</u>	<u>51</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 60,453</u>	<u>\$ 174,953</u>	<u>\$ 154</u>	<u>\$ 51</u>	<u>\$ 4,423,065</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	<u>Veterans Court Fund</u>	<u>Asset Forfeiture Fund</u>	<u>Sheriff Execution Fund</u>	<u>Wings Over Harnett Fund</u>	<u>Electronics Management Fund</u>	<u>Total</u>
Assets:						
Cash and investments	\$ -	\$ 1,301,642	\$ 29,703	\$ 3,640	\$ 8,416	\$ 3,377,938
Accounts receivable, net	104,416	15,513	-	-	-	230,721
Restricted cash	-	-	-	-	-	4,402,196
Total assets	<u>\$ 104,416</u>	<u>\$ 1,317,155</u>	<u>\$ 29,703</u>	<u>\$ 3,640</u>	<u>\$ 8,416</u>	<u>\$ 8,010,855</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ 4,700	\$ -	\$ 850	\$ -	\$ -	\$ 719,009
Due to other funds	117,223	-	-	-	-	137,742
Advance from grantor	-	-	-	-	-	4,402,196
Total liabilities	<u>121,923</u>	<u>-</u>	<u>850</u>	<u>-</u>	<u>-</u>	<u>5,258,947</u>
Fund Balances:						
Restricted for stabilization						
by state statute	-	15,513	-	-	-	126,305
Restricted for Register of Deeds	-	-	-	-	-	216,152
Restricted for general government	-	-	-	3,640	8,416	12,056
Restricted for education	-	-	-	-	-	3,534
Restricted for public safety	-	1,301,642	28,853	-	-	2,355,426
Restricted for human services	-	-	-	-	-	4,397
Assigned	-	-	-	-	-	72,648
Unassigned	(17,507)	-	-	-	-	(38,610)
Total fund balances	<u>(17,507)</u>	<u>1,317,155</u>	<u>28,853</u>	<u>3,640</u>	<u>8,416</u>	<u>2,751,908</u>
Total liabilities and fund balances	<u>\$ 104,416</u>	<u>\$ 1,317,155</u>	<u>\$ 29,703</u>	<u>\$ 3,640</u>	<u>\$ 8,416</u>	<u>\$ 8,010,855</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, 2025

	<u>Housing Preservation Fund</u>	<u>Law Enforcement Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Emergency Radio System Fund</u>	<u>Automation Enhancement and Preservation Fund</u>	<u>Emergency Response Planning Fund</u>
Revenues:						
Restricted intergovernmental	\$ 49,202	\$ -	\$ -	\$ -	\$ -	\$ -
Permits and fees	-	92,321	-	349,122	123,995	-
Sales and services	-	-	-	-	-	75,000
Investment earnings	-	-	3,600	-	189	-
Total revenues	<u>49,202</u>	<u>92,321</u>	<u>3,600</u>	<u>349,122</u>	<u>124,184</u>	<u>75,000</u>
Expenditures:						
General government	49,282	-	-	-	9,478	-
Public safety	-	91,601	1,226,550	742,573	-	82,725
Health and human services	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-
Education	-	-	-	-	-	-
Total expenditures	<u>49,282</u>	<u>91,601</u>	<u>1,226,550</u>	<u>742,573</u>	<u>9,478</u>	<u>82,725</u>
Revenues over (under) expenditures	(80)	720	(1,222,950)	(393,451)	114,706	(7,725)
Other Financing Sources (Uses):						
Transfers in	-	-	-	1,500	-	-
Net change in fund balances	(80)	720	(1,222,950)	(391,951)	114,706	(7,725)
Fund Balances:						
Beginning of year - July 1	-	43,691	1,724,432	993,084	102,109	36,589
End of year - June 30	<u>\$ (80)</u>	<u>\$ 44,411</u>	<u>\$ 501,482</u>	<u>\$ 601,133</u>	<u>\$ 216,815</u>	<u>\$ 28,864</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, 2025

	<u>Fines and Forfeitures Fund</u>	<u>Representative Payee Fund</u>	<u>Public Safety Fund</u>	<u>WIA Youth Program Fund</u>	<u>General Government Fund</u>
Revenues:					
Restricted intergovernmental	\$ -	\$ 620,520	\$ 228,796	\$ -	\$ 310,573
Permits and fees	-	-	-	-	-
Sales and services	282,525	-	-	-	-
Investment earnings	-	-	-	-	-
Total revenues	<u>282,525</u>	<u>620,520</u>	<u>228,796</u>	<u>-</u>	<u>310,573</u>
Expenditures:					
General government	-	-	-	-	-
Public safety	-	-	242,515	-	-
Health and human services	-	621,988	-	-	-
Economic and physical development	-	-	-	-	-
Education	282,510	-	-	-	310,573
Total expenditures	<u>282,510</u>	<u>621,988</u>	<u>242,515</u>	<u>-</u>	<u>310,573</u>
Revenues over (under) expenditures	15	(1,468)	(13,719)	-	-
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Net change in fund balances	15	(1,468)	(13,719)	-	-
Fund Balances:					
Beginning of year - July 1	<u>14,253</u>	<u>5,875</u>	<u>13,719</u>	<u>51</u>	<u>-</u>
End of year - June 30	<u>\$ 14,268</u>	<u>\$ 4,407</u>	<u>\$ -</u>	<u>\$ 51</u>	<u>\$ -</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, 2025

	<u>Veterans Court Fund</u>	<u>Asset Forfeiture Fund</u>	<u>Sheriff Execution Fund</u>	<u>Wings Over Harnett Fund</u>	<u>Electronics Management Fund</u>	<u>Total</u>
Revenues:						
Restricted intergovernmental	\$ 409,912	\$ 116,520	\$ -	\$ -	\$ -	\$ 1,735,523
Permits and fees	-	-	-	-	-	565,438
Sales and services	-	-	204,759	-	-	562,284
Investment earnings	-	-	-	-	-	3,789
Total revenues	<u>409,912</u>	<u>116,520</u>	<u>204,759</u>	<u>-</u>	<u>-</u>	<u>2,867,034</u>
Expenditures:						
General government	477,164	-	-	-	-	535,924
Public safety	-	301,176	204,759	-	-	2,891,899
Health and human services	-	-	-	-	-	621,988
Economic and physical development	-	-	-	4,985	-	4,985
Education	-	-	-	-	-	593,083
Total expenditures	<u>477,164</u>	<u>301,176</u>	<u>204,759</u>	<u>4,985</u>	<u>-</u>	<u>4,647,879</u>
Revenues over (under) expenditures	(67,252)	(184,656)	-	(4,985)	-	(1,780,845)
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	1,500
Net change in fund balances	(67,252)	(184,656)	-	(4,985)	-	(1,779,345)
Fund Balances:						
Beginning of year - July 1	<u>49,745</u>	<u>1,501,811</u>	<u>28,853</u>	<u>8,625</u>	<u>8,416</u>	<u>4,531,253</u>
End of year - June 30	<u>\$ (17,507)</u>	<u>\$ 1,317,155</u>	<u>\$ 28,853</u>	<u>\$ 3,640</u>	<u>\$ 8,416</u>	<u>\$ 2,751,908</u>

HARNETT COUNTY, NORTH CAROLINA

HOUSING PRESERVATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
			<u>Current Year</u>			
Revenues:						
Restricted intergovernmental	\$ 85,000	\$ 203	\$ 49,202		\$ 49,405	\$ (35,595)
Expenditures:						
General government:						
Operating expenditures	<u>85,000</u>	<u>203</u>	<u>49,282</u>		<u>49,485</u>	<u>35,515</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(80)		<u>\$ (80)</u>	<u>\$ (80)</u>
Fund Balance:						
Beginning of year - July 1			<u>-</u>			
End of year - June 30			<u>\$ (80)</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, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 250,000	\$ 92,321	\$ (157,679)	\$ 96,901
Expenditures:				
Public safety:				
Other expenditures	<u>250,000</u>	<u>91,601</u>	<u>158,399</u>	<u>93,915</u>
Net change in fund balance	<u>\$ -</u>	<u>720</u>	<u>\$ 720</u>	<u>2,986</u>
Fund Balance:				
Beginning of year - July 1		<u>43,691</u>		<u>40,705</u>
End of year - June 30		<u>\$ 44,411</u>		<u>\$ 43,691</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, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ -	\$ -	\$ -	\$ 457,539
Investment earnings	-	3,600	3,600	-
Total revenues	-	3,600	3,600	457,539
Expenditures:				
Public safety:				
Operating expenditures	1,328,373	1,226,550	101,823	371,617
Revenues over (under) expenditures	(1,328,373)	(1,222,950)	105,423	85,922
Other Financing Sources (Uses):				
Transfers in (out)	-	-	-	18,058
Appropriated fund balance	1,328,373	-	(1,328,373)	-
Total other financing sources (uses)	1,328,373	-	(1,328,373)	18,058
Net change in fund balance	\$ -	(1,222,950)	\$ (1,222,950)	103,980
Fund Balance:				
Beginning of year - July 1		1,724,432		1,620,452
End of year - June 30		\$ 501,482		\$ 1,724,432

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, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 411,942	\$ 349,122	\$ (62,820)	\$ 378,216
Expenditures:				
Public safety:				
Operating expenditures	1,017,626	742,573	275,053	534,434
Revenues over (under) expenditures	(605,684)	(393,451)	212,233	(156,218)
Other Financing Sources (Uses):				
Transfers in	1,500	1,500	-	-
Appropriated fund balance	604,184	-	(604,184)	-
Total other financing sources (uses)	605,684	1,500	(604,184)	-
Net change in fund balance	\$ -	(391,951)	\$ (391,951)	(156,218)
Fund Balance:				
Beginning of year - July 1		993,084		1,149,302
End of year - June 30		\$ 601,133		\$ 993,084

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, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	2025			2024
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 189	\$ 189	\$ 163
Permits and fees	72,314	123,995	51,681	76,017
Total revenues	72,314	124,184	51,870	76,180
Expenditures:				
General government:				
Operating expenditures	121,646	9,478	112,168	114,749
Revenues over (under) expenditures	(49,332)	114,706	164,038	(38,569)
Other Financing Sources (Uses):				
Appropriated fund balance	49,332	-	(49,332)	-
Net change in fund balance	\$ -	114,706	\$ 114,706	(38,569)
Fund Balance:				
Beginning of year - July 1		102,109		140,678
End of year - June 30		\$ 216,815		\$ 102,109

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, 2025
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	<u>2025</u>			<u>2024</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Other general revenues	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
Expenditures:				
Public safety:				
Salaries and fringe benefits	56,666	56,200	466	48,101
Other operating expenditures	28,334	26,525	1,809	19,101
Total expenditures	85,000	82,725	2,275	67,202
Revenues over (under) expenditures	(10,000)	(7,725)	2,275	7,798
Other Financing Sources (Uses):				
Appropriated fund balance	10,000	-	(10,000)	-
Net change in fund balance	\$ -	(7,725)	\$ (7,725)	7,798
Fund Balance:				
Beginning of year - July 1		36,589		28,791
End of year - June 30		\$ 28,864		\$ 36,589

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, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Penalties, fines and forfeitures	\$ 350,000	\$ 282,525	\$ (67,475)	\$ 119,501
Expenditures:				
Education:				
Payments of penalties, fines, and forfeitures to the Harnett County Board of Education	<u>350,000</u>	<u>282,510</u>	<u>67,490</u>	<u>105,411</u>
Net change in fund balance	<u>\$ -</u>	<u>15</u>	<u>\$ 15</u>	<u>14,090</u>
Fund Balance:				
Beginning of year - July 1		<u>14,253</u>		<u>163</u>
End of year - June 30		<u>\$ 14,268</u>		<u>\$ 14,253</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, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 650,000	\$ 620,520	\$ (29,480)	\$ 515,692
Expenditures:				
Human services:				
Payments made for the benefit of beneficiaries	<u>650,000</u>	<u>621,988</u>	<u>28,012</u>	<u>513,308</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,468)</u>	<u>\$ (1,468)</u>	2,384
Fund Balance:				
Beginning of year - July 1		<u>5,875</u>		<u>3,491</u>
End of year - June 30		<u>\$ 4,407</u>		<u>\$ 5,875</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, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>2025</u>			<u>2024</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental	\$ 242,529	\$ 228,796	\$ (13,733)	\$ 171,630
Expenditures:				
Public safety:				
Other expenditures	<u>242,529</u>	<u>242,515</u>	<u>14</u>	<u>171,630</u>
Net change in fund balance	<u>\$ -</u>	<u>(13,719)</u>	<u>\$ (13,719)</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>13,719</u>		<u>13,719</u>
End of year - June 30		<u>\$ -</u>		<u>\$ 13,719</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, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>2025</u>			<u>2024</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Other Financing Sources (Uses):				
Transfer out	\$ -	\$ -	\$ -	\$ (24,195)
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	(24,195)
Fund Balance:				
Beginning of year - July 1		<u>51</u>		<u>24,246</u>
End of year - June 30		<u>\$ 51</u>		<u>\$ 51</u>

HARNETT COUNTY, NORTH CAROLINA

**GENERAL GOVERNMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2025**

	<u>2025</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 4,712,769	\$ 310,573	\$ (4,402,196)
Expenditures:			
Education	<u>4,712,769</u>	<u>310,573</u>	<u>4,402,196</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		<u>-</u>	
End of year - June 30		<u><u>\$ -</u></u>	

HARNETT COUNTY, NORTH CAROLINA

**VETERANS COURT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 3,200,000	\$ 2,780,030	\$ 409,912	\$ 3,189,942	\$ (10,058)
Expenditures:					
General government:					
Operating expenditures	<u>3,315,000</u>	<u>2,837,769</u>	<u>477,164</u>	<u>3,314,933</u>	<u>67</u>
Revenues over (under) expenditures	(115,000)	(57,739)	(67,252)	(124,991)	(9,991)
Other Financing Sources (Uses):					
Transfer in (out)	<u>115,000</u>	<u>107,484</u>	<u>-</u>	<u>107,484</u>	<u>(7,516)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 49,745</u>	(67,252)	<u>\$ (17,507)</u>	<u>\$ (17,507)</u>
Fund Balance:					
Beginning of year - July 1			<u>49,745</u>		
End of year - June 30			<u>\$ (17,507)</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, 2025
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental	\$ -	\$ 116,520	\$ 116,520	\$ 579,883
Expenditures:				
Public safety:				
Operating expenditures	<u>963,500</u>	<u>301,176</u>	<u>662,324</u>	<u>240,229</u>
Revenues over (under) expenditures	(963,500)	(184,656)	778,844	339,654
Other Financing Sources (Uses):				
Appropriated fund balance	<u>963,500</u>	<u>-</u>	<u>(963,500)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(184,656)</u>	<u>\$ (184,656)</u>	339,654
Fund Balance:				
Beginning of year - July 1		<u>1,501,811</u>		<u>1,162,157</u>
End of year - June 30		<u>\$ 1,317,155</u>		<u>\$ 1,501,811</u>

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, 2025

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>2025</u>			<u>2024</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Sales and services	\$ 205,000	\$ 204,759	\$ (241)	\$ 156,964
Expenditures:				
Public safety:				
Operating expenditures	<u>205,000</u>	<u>204,759</u>	<u>241</u>	<u>156,964</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>28,853</u>		<u>28,853</u>
End of year - June 30		<u>\$ 28,853</u>		<u>\$ 28,853</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, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Contributions and donations	\$ -	\$ -	\$ -	\$ 6,000
Expenditures:				
Economic and physical development:				
Other expenditures	<u>8,624</u>	<u>4,985</u>	<u>3,639</u>	<u>3,357</u>
Revenues over (under) expenditures	(8,624)	(4,985)	3,639	2,643
Other Financing Sources (Uses):				
Appropriated fund balance	<u>8,624</u>	<u>-</u>	<u>(8,624)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(4,985)</u>	<u>\$ (4,985)</u>	<u>2,643</u>
Fund Balance:				
Beginning of year - July 1		<u>8,625</u>		<u>5,982</u>
End of year - June 30		<u>\$ 3,640</u>		<u>\$ 8,625</u>

HARNETT COUNTY, NORTH CAROLINA

**ELECTRONICS MANAGEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2025
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	<u>2025</u>			<u>2024</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Net change in fund balance	<u>\$ -</u>	\$ -	<u>\$ -</u>	\$ -
Fund Balance:				
Beginning of year - July 1		<u>8,416</u>		<u>8,416</u>
End of year - June 30		<u>\$ 8,416</u>		<u>\$ 8,416</u>

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HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	<u>Economic Development CPF</u>	<u>Jetport Corporate Area Hangar</u>	<u>Benhaven Elementary School</u>	<u>Jetport Terminal</u>	<u>DSS 2ND Floor Upfit</u>
Assets:					
Cash and investments	\$ -	\$ 5,048,272	\$ -	\$ 31,431	\$ -
Accounts receivable, net	3,456	-	-	1,110	16,769
Restricted assets:					
Cash and cash equivalents	-	-	31,548	435,182	-
Total assets	<u>\$ 3,456</u>	<u>\$ 5,048,272</u>	<u>\$ 31,548</u>	<u>\$ 467,723</u>	<u>\$ 16,769</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable from restricted assets	\$ -	\$ -	\$ 31,548	\$ -	\$ -
Advance from grantors	-	-	-	435,182	-
Due to other funds	7,021	-	-	-	16,769
Total liabilities	<u>7,021</u>	<u>-</u>	<u>31,548</u>	<u>435,182</u>	<u>16,769</u>
Fund Balances:					
Restricted for education	-	-	-	-	-
Committed for general government	-	-	-	-	-
Committed for culture and recreation	-	-	-	-	-
Committed for education	-	-	-	-	-
Committed for economic development	-	5,048,272	-	32,541	-
Unassigned	(3,565)	-	-	-	-
Total fund balances	<u>(3,565)</u>	<u>5,048,272</u>	<u>-</u>	<u>32,541</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 3,456</u>	<u>\$ 5,048,272</u>	<u>\$ 31,548</u>	<u>\$ 467,723</u>	<u>\$ 16,769</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	<u>Shawtown Area Community Center</u>	<u>Harnett County Riverside Drainage Assessment</u>	<u>Neil's Creek Park</u>	<u>Park Improvements</u>	<u>Broadband Development</u>
Assets:					
Cash and investments	\$ 975	\$ 551,257	\$ 361,596	\$ -	\$ 807,400
Accounts receivable, net	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	140,535	593,626
Total assets	<u>\$ 975</u>	<u>\$ 551,257</u>	<u>\$ 361,596</u>	<u>\$ 140,535</u>	<u>\$ 1,401,026</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable from restricted assets	\$ -	\$ -	\$ -	\$ -	\$ -
Advance from grantors	-	-	-	140,535	593,626
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,535</u>	<u>593,626</u>
Fund Balances:					
Restricted for education	-	-	-	-	-
Committed for general government	-	551,257	-	-	-
Committed for culture and recreation	975	-	361,596	-	-
Committed for education	-	-	-	-	-
Committed for economic development	-	-	-	-	807,400
Unassigned	-	-	-	-	-
Total fund balances	<u>975</u>	<u>551,257</u>	<u>361,596</u>	<u>-</u>	<u>807,400</u>
Total liabilities and fund balances	<u>\$ 975</u>	<u>\$ 551,257</u>	<u>\$ 361,596</u>	<u>\$ 140,535</u>	<u>\$ 1,401,026</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Cape Fear Shiner Park Phase 2	2022 GO Bonds Series 2021	Animal Services Needs Assessment Study	Old Detention Center Demo	Northwest Elementary School
Assets:					
Cash and investments	\$ 481,711	\$ -	\$ -	\$ 59,835	\$ -
Accounts receivable, net	2,403	4,113	-	-	42
Restricted assets:					
Cash and cash equivalents	-	7,760,082	-	-	208,857
Total assets	<u>\$ 484,114</u>	<u>\$ 7,764,195</u>	<u>\$ -</u>	<u>\$ 59,835</u>	<u>\$ 208,899</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable from restricted assets	\$ -	\$ 398,943	\$ -	\$ -	\$ 208,899
Advance from grantors	-	-	-	-	-
Due to other funds	-	-	91	-	-
Total liabilities	<u>-</u>	<u>398,943</u>	<u>91</u>	<u>-</u>	<u>208,899</u>
Fund Balances:					
Restricted for education	-	7,365,252	-	-	-
Committed for general government	-	-	-	59,835	-
Committed for culture and recreation	484,114	-	-	-	-
Committed for education	-	-	-	-	-
Committed for economic development	-	-	-	-	-
Unassigned	-	-	(91)	-	-
Total fund balances	<u>484,114</u>	<u>7,365,252</u>	<u>(91)</u>	<u>59,835</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 484,114</u>	<u>\$ 7,764,195</u>	<u>\$ -</u>	<u>\$ 59,835</u>	<u>\$ 208,899</u>

HARNETT COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	QSCB				
	2016 Capital	Jetport	2023 GOB	2023 GOB	Total
	Project	Fuel Farm	Series 2020	Series 2017	
	Fund	Replacement			
Assets:					
Cash and investments	\$ -	\$ 489,772	\$ 1,469,496	\$ -	\$ 9,301,745
Accounts receivable, net	-	-	-	-	27,893
Restricted assets:					
Cash and cash equivalents	506	-	-	-	9,170,336
Total assets	<u>\$ 506</u>	<u>\$ 489,772</u>	<u>\$ 1,469,496</u>	<u>\$ -</u>	<u>\$ 18,499,974</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable from restricted assets	\$ -	\$ -	\$ -	\$ -	\$ 639,390
Advance from grantors	-	-	-	-	1,169,343
Due to other funds	-	-	-	-	23,881
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,832,614</u>
Fund Balances:					
Restricted for education	506	-	-	-	7,365,758
Committed for general government	-	-	-	-	611,092
Committed for culture and recreation	-	-	-	-	846,685
Committed for education	-	-	1,469,496	-	1,469,496
Committed for economic development	-	489,772	-	-	6,377,985
Unassigned	-	-	-	-	(3,656)
Total fund balances	<u>506</u>	<u>489,772</u>	<u>1,469,496</u>	<u>-</u>	<u>16,667,360</u>
Total liabilities and fund balances	<u>\$ 506</u>	<u>\$ 489,772</u>	<u>\$ 1,469,496</u>	<u>\$ -</u>	<u>\$ 18,499,974</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, 2025

	<u>Economic Development CPF</u>	<u>Jetport Corporate Area Hangar</u>	<u>Benhaven Elementary School</u>	<u>Jetport Terminal Expansion</u>	<u>Jetport Terminal</u>	<u>DSS 2nd Floor Upfit</u>
Revenues:						
Restricted intergovernmental	\$ 123,500	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	151,966	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>123,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,966</u>	<u>-</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Economic and physical development	177,065	-	-	-	83,061	-
Human services	-	-	-	-	-	1,011,800
Cultural and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Total expenditures	<u>177,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,061</u>	<u>1,011,800</u>
Revenues over (under) expenditures	<u>(53,565)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,905</u>	<u>(1,011,800)</u>
Other Financing Sources (Uses):						
Transfers in	-	5,048,272	-	-	-	-
Transfers (out)	-	-	-	(572,438)	(275,507)	(119,951)
Total other financing sources (uses)	<u>-</u>	<u>5,048,272</u>	<u>-</u>	<u>(572,438)</u>	<u>(275,507)</u>	<u>(119,951)</u>
Net change in fund balances	<u>(53,565)</u>	<u>5,048,272</u>	<u>-</u>	<u>(572,438)</u>	<u>(206,602)</u>	<u>(1,131,751)</u>
Fund Balances:						
Beginning of year - July 1, as previously presented	50,000	-	-	572,438	239,143	1,131,751
Change within financial reporting entity (nonmajor to major)	-	-	-	-	-	-
Beginning of year - restated	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>572,438</u>	<u>239,143</u>	<u>1,131,751</u>
End of year - June 30	<u>\$ (3,565)</u>	<u>\$ 5,048,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,541</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, 2025

	Shawtown Area Community Center	Harnett County Riverside Drainage Assessment	Neil's Creek Park	Park Improvements	Broadband Development	Cape Fear Shiner Park Phase 2
Revenues:						
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 18,867	\$ -	\$ -
Investment earnings	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,867</u>	<u>-</u>	<u>-</u>
Expenditures:						
Current:						
General government	-	64,428	-	-	-	-
Public safety	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Cultural and recreation	-	-	110,236	18,867	-	33,665
Education	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>64,428</u>	<u>110,236</u>	<u>18,867</u>	<u>-</u>	<u>33,665</u>
Revenues over (under) expenditures	<u>-</u>	<u>(64,428)</u>	<u>(110,236)</u>	<u>-</u>	<u>-</u>	<u>(33,665)</u>
Other Financing Sources (Uses):						
Transfers in	-	-	10,500	-	-	517,779
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10,500</u>	<u>-</u>	<u>-</u>	<u>517,779</u>
Net change in fund balances	<u>-</u>	<u>(64,428)</u>	<u>(99,736)</u>	<u>-</u>	<u>-</u>	<u>484,114</u>
Fund Balances:						
Beginning of year - July 1, as previously presented	975	615,685	461,332	-	807,400	-
Change within financial reporting entity (nonmajor to major)	-	-	-	-	-	-
Beginning of year - restated	<u>975</u>	<u>615,685</u>	<u>461,332</u>	<u>-</u>	<u>807,400</u>	<u>-</u>
End of year - June 30	<u>\$ 975</u>	<u>\$ 551,257</u>	<u>\$ 361,596</u>	<u>\$ -</u>	<u>\$ 807,400</u>	<u>\$ 484,114</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, 2025

	2022 GO Bonds Series 2021	Animal Services Needs Assessment Study	Old Detention Center Demo	Northwest Harnett Elementary	QSCB 2016 Capital Project Fund
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 949,658	\$ -
Investment earnings	22,679	-	-	65,520	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>22,679</u>	<u>-</u>	<u>-</u>	<u>1,015,178</u>	<u>-</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	312,989	-	-	-
Economic and physical development	-	-	-	-	-
Human services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Education	3,291,552	-	-	381,571	-
Total expenditures	<u>3,291,552</u>	<u>312,989</u>	<u>-</u>	<u>381,571</u>	<u>-</u>
Revenues over (under) expenditures	<u>(3,268,873)</u>	<u>(312,989)</u>	<u>-</u>	<u>633,607</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in	3,317,047	312,898	-	-	-
Transfers (out)	-	-	-	(3,317,047)	-
Total other financing sources (uses)	<u>3,317,047</u>	<u>312,898</u>	<u>-</u>	<u>(3,317,047)</u>	<u>-</u>
Net change in fund balances	<u>48,174</u>	<u>(91)</u>	<u>-</u>	<u>(2,683,440)</u>	<u>-</u>
Fund Balances:					
Beginning of year - July 1, as previously presented	7,317,078	-	59,835	2,683,440	506
Change within financial reporting entity (nonmajor to major)	-	-	-	-	-
Beginning of year - restated	<u>7,317,078</u>	<u>-</u>	<u>59,835</u>	<u>2,683,440</u>	<u>506</u>
End of year - June 30	<u>\$ 7,365,252</u>	<u>\$ (91)</u>	<u>\$ 59,835</u>	<u>\$ -</u>	<u>\$ 506</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, 2025

	<u>Jetport Fuel Farm Replacement</u>	<u>2023 GO Bonds Series 2020</u>	<u>2023 GO Bonds Series 2017</u>	<u>Formerly Nonmajor Flatwoods Middle School</u>	<u>Total</u>
Revenues:					
Restricted intergovernmental	\$ 106,312	\$ -	\$ -	\$ -	\$ 1,198,337
Investment earnings	-	158,054	105,654	-	503,873
Miscellaneous	-	22,899	-	-	22,899
Total revenues	<u>106,312</u>	<u>180,953</u>	<u>105,654</u>	<u>-</u>	<u>1,725,109</u>
Expenditures:					
Current:					
General government	-	-	-	-	64,428
Public safety	-	-	-	-	312,989
Economic and physical development	116,540	-	-	-	376,666
Human services	-	-	-	-	1,011,800
Cultural and recreation	-	-	-	-	162,768
Education	-	1,735,843	212,901	-	5,621,867
Total expenditures	<u>116,540</u>	<u>1,735,843</u>	<u>212,901</u>	<u>-</u>	<u>7,550,518</u>
Revenues over (under) expenditures	<u>(10,228)</u>	<u>(1,554,890)</u>	<u>(107,247)</u>	<u>-</u>	<u>(5,825,409)</u>
Other Financing Sources (Uses):					
Transfers in	500,000	-	-	-	9,706,496
Transfers (out)	-	-	-	-	(4,284,943)
Total other financing sources (uses)	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,421,553</u>
Net change in fund balances	<u>489,772</u>	<u>(1,554,890)</u>	<u>(107,247)</u>	<u>-</u>	<u>(403,856)</u>
Fund Balances:					
Beginning of year - July 1, as previously presented	-	3,024,386	107,247	(1,487,345)	15,583,871
Change within financial reporting entity (nonmajor to major)	-	-	-	1,487,345	1,487,345
Beginning of year - restated	<u>-</u>	<u>3,024,386</u>	<u>107,247</u>	<u>-</u>	<u>17,071,216</u>
End of year - June 30	<u>\$ 489,772</u>	<u>\$ 1,469,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,667,360</u>

HARNETT COUNTY, NORTH CAROLINA

**ECONOMIC DEVELOPMENT CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental	\$ 130,000	\$ -	\$ 123,500	\$ 123,500	\$ (6,500)
Expenditures:					
Economic development:					
Professional services	<u>180,000</u>	<u>-</u>	<u>177,065</u>	<u>177,065</u>	<u>2,935</u>
Revenues over (under) expenditures	(50,000)	-	(53,565)	(53,565)	(3,565)
Other Financing Sources (Uses):					
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 50,000</u>	(53,565)	<u>\$ (3,565)</u>	<u>\$ (3,565)</u>
Fund Balance:					
Beginning of year - July 1			<u>50,000</u>		
End of year - June 30			<u>\$ (3,565)</u>		

HARNETT COUNTY, NORTH CAROLINA

**JETPORT CORPORATE AREA HANGAR
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025**

	<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>		
Revenues:					
Restricted intergovernmental revenues	\$ 551,728	\$ -	\$ -	\$ -	\$ (551,728)
Expenditures:					
General government:					
Construction	<u>5,600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,600,000</u>
Revenues over (under) expenditures	(5,048,272)	-	-	-	5,048,272
Other Financing Sources (Uses):					
Transfers in	<u>5,048,272</u>	<u>-</u>	<u>5,048,272</u>	<u>5,048,272</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	5,048,272	<u>\$ 5,048,272</u>	<u>\$ 5,048,272</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 5,048,272</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, 2025**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 1,500,000	\$ -	\$ -	\$ -	\$ (1,500,000)
Investment earnings	800,000	571,531	-	571,531	(228,469)
Total revenues	<u>2,300,000</u>	<u>571,531</u>	<u>-</u>	<u>571,531</u>	<u>(1,728,469)</u>
Expenditures:					
Education:					
Legal and administrative	2,409,465	2,313,240	-	2,313,240	96,225
Construction	22,076,956	22,014,604	-	22,014,604	62,352
School allocation	1,500,000	-	-	-	1,500,000
Total expenditures	<u>25,986,421</u>	<u>24,327,844</u>	<u>-</u>	<u>24,327,844</u>	<u>1,658,577</u>
Revenues over (under) expenditures	<u>(23,686,421)</u>	<u>(23,756,313)</u>	<u>-</u>	<u>(23,756,313)</u>	<u>(69,892)</u>
Other Financing Sources (Uses):					
Bond proceeds	29,500,000	29,500,000	-	29,500,000	-
Transfer in	43,850	43,850	-	43,850	-
Transfer out	(8,387,098)	(8,317,206)	-	(8,317,206)	69,892
Bond premium	2,529,669	2,529,669	-	2,529,669	-
Total other financing sources (uses)	<u>23,686,421</u>	<u>23,756,313</u>	<u>-</u>	<u>23,756,313</u>	<u>69,892</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

JETPORT TERMINAL EXPANSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
General government:					
Construction	\$ 67,502	\$ 67,502	\$ -	\$ 67,502	\$ -
Revenues over (under) expenditures	(67,502)	(67,502)	-	(67,502)	-
Other Financing Sources (Uses):					
Transfers in	2,500,000	2,500,000	-	2,500,000	-
Transfers out	(2,432,498)	(1,860,060)	(572,438)	(2,432,498)	-
Total other financing sources (uses)	67,502	639,940	(572,438)	67,502	-
Net change in fund balance	\$ -	\$ 572,438	(572,438)	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			572,438		
End of year - June 30			\$ -		

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, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 6,715,612	\$ 6,280,428	\$ -	\$ 6,280,428	\$ (435,184)
Investment earnings	473,369	559,826	151,966	711,792	238,423
Total revenues	<u>7,188,981</u>	<u>6,840,254</u>	<u>151,966</u>	<u>6,992,220</u>	<u>(196,761)</u>
Expenditures:					
General government:					
Professional services	1,338,441	1,189,776	38,436	1,228,212	110,229
Construction	<u>5,630,473</u>	<u>5,466,775</u>	<u>44,625</u>	<u>5,511,400</u>	<u>119,073</u>
Total expenditures	<u>6,968,914</u>	<u>6,656,551</u>	<u>83,061</u>	<u>6,739,612</u>	<u>229,302</u>
Revenues over (under) expenditures	<u>220,067</u>	<u>183,703</u>	<u>68,905</u>	<u>252,608</u>	<u>32,541</u>
Other Financing Sources (Uses):					
Transfers in	6,055,440	6,055,440	-	6,055,440	-
Transfers out	<u>(6,275,507)</u>	<u>(6,000,000)</u>	<u>(275,507)</u>	<u>(6,275,507)</u>	<u>-</u>
Total other financing sources (uses)	<u>(220,067)</u>	<u>55,440</u>	<u>(275,507)</u>	<u>(220,067)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 239,143</u>	<u>(206,602)</u>	<u>\$ 32,541</u>	<u>\$ 32,541</u>
Fund Balance:					
Beginning of year - July 1			<u>239,143</u>		
End of year - June 30			<u>\$ 32,541</u>		

HARNETT COUNTY, NORTH CAROLINA

DSS 2ND FLOOR UPFIT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Human services:					
Construction	\$ 1,080,049	\$ 68,249	\$ 1,011,800	\$ 1,080,049	\$ -
Revenues over (under) expenditures	<u>(1,080,049)</u>	<u>(68,249)</u>	<u>(1,011,800)</u>	<u>(1,080,049)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in (out)	1,200,000	1,200,000	-	1,200,000	-
Transfers (out)	<u>(119,951)</u>	<u>-</u>	<u>(119,951)</u>	<u>(119,951)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,080,049</u>	<u>1,200,000</u>	<u>(119,951)</u>	<u>1,080,049</u>	<u>-</u>
Net change in fund balance	\$ -	\$ 1,131,751	(1,131,751)	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			<u>1,131,751</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, 2025

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental revenues	\$ 100,325	\$ 100,325	\$ -	\$ 100,325	\$ -
Expenditures:					
General government:					
Legal and administrative	<u>221,000</u>	<u>220,025</u>	<u>-</u>	<u>220,025</u>	<u>975</u>
Revenues over (under) expenditures	(120,675)	(119,700)	-	(119,700)	975
Other Financing Sources (Uses):					
Transfer in	<u>120,675</u>	<u>120,675</u>	<u>-</u>	<u>120,675</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 975</u>	<u>-</u>	<u>\$ 975</u>	<u>\$ 975</u>
Fund Balance:					
Beginning of year - July 1			<u>975</u>		
End of year - June 30			<u>\$ 975</u>		

HARNETT COUNTY, NORTH CAROLINA

HARNETT COUNTY RIVERSIDE DRAINAGE ASSESSMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Over/Under
	Prior Years	Current Year	Total to Date		
Expenditures:					
General government:					
Construction	\$ 750,000	\$ 134,315	\$ 64,428	\$ 198,743	\$ 551,257
Revenues over (under) expenditures	(750,000)	(134,315)	(64,428)	(198,743)	551,257
Other Financing Sources (Uses):					
Transfers in (out)	750,000	750,000	-	750,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 615,685</u>	(64,428)	<u>\$ 551,257</u>	<u>\$ 551,257</u>
Fund Balance:					
Beginning of year - July 1			<u>615,685</u>		
End of year - June 30			<u>\$ 551,257</u>		

HARNETT COUNTY, NORTH CAROLINA

NEIL'S CREEK PARK
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
General government:					
Professional services	\$ 184,725	\$ 52,893	\$ 110,236	\$ 163,129	\$ 21,596
Construction	340,000	-	-	-	340,000
Total expenditures	<u>524,725</u>	<u>52,893</u>	<u>110,236</u>	<u>163,129</u>	<u>361,596</u>
Revenues over (under) expenditures	(524,725)	(52,893)	(110,236)	(163,129)	361,596
Other Financing Sources (Uses):					
Transfer in	<u>524,725</u>	<u>514,225</u>	<u>10,500</u>	<u>524,725</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 461,332</u>	<u>(99,736)</u>	<u>\$ 361,596</u>	<u>\$ 361,596</u>
Fund Balance:					
Beginning of year - July 1			<u>461,332</u>		
End of year - June 30			<u>\$ 361,596</u>		

HARNETT COUNTY, NORTH CAROLINA

PARK IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 630,000	\$ 470,598	\$ 18,867	\$ 489,465	\$ (140,535)
Expenditures:					
Culture and recreation:					
Construction	<u>822,500</u>	<u>470,598</u>	<u>18,867</u>	<u>489,465</u>	<u>333,035</u>
Revenues over (under) expenditures	(192,500)	-	-	-	192,500
Other Financing Sources (Uses):					
Transfer in	<u>192,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(192,500)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

HARNETT COUNTY, NORTH CAROLINA

BROADBAND DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 375,000	\$ -	\$ -	\$ -	\$ (375,000)
Contributions and donations	-	2,400	-	2,400	2,400
Total revenues	375,000	2,400	-	2,400	(372,600)
Expenditures:					
General government:					
Construction	4,380,000	3,200,000	-	3,200,000	1,180,000
Revenues over (under) expenditures	(4,005,000)	(3,197,600)	-	(3,197,600)	807,400
Other Financing Sources (Uses):					
Transfer in	4,005,000	4,005,000	-	4,005,000	-
Net change in fund balance	\$ -	\$ 807,400	-	\$ 807,400	\$ 807,400
Fund Balance:					
Beginning of year - July 1			807,400		
End of year - June 30			\$ 807,400		

HARNETT COUNTY, NORTH CAROLINA

CAPE FEAR SHINER PARK PHASE 2
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Culture and recreation:					
Engineering	\$ 115,779	\$ -	\$ -	\$ -	\$ 115,779
Construction	664,600	-	33,665	33,665	630,935
Total expenditures	<u>780,379</u>	<u>-</u>	<u>33,665</u>	<u>33,665</u>	<u>746,714</u>
Revenues over (under) expenditures	(780,379)	-	(33,665)	(33,665)	746,714
Other Financing Sources (Uses):					
Transfers in	<u>780,379</u>	<u>-</u>	<u>517,779</u>	<u>517,779</u>	<u>(262,600)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	484,114	<u>\$ 484,114</u>	<u>\$ 484,114</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 484,114</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, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 164,489	\$ 164,489	\$ 22,679	\$ 187,168	\$ 22,679
Expenditures:					
Education:					
Construction	<u>16,163,692</u>	<u>5,297,601</u>	<u>3,291,552</u>	<u>8,589,153</u>	<u>7,574,539</u>
Revenues over (under) expenditures	<u>(15,999,203)</u>	<u>(5,133,112)</u>	<u>(3,268,873)</u>	<u>(8,401,985)</u>	<u>7,597,218</u>
Other Financing Sources (Uses):					
Transfers in	3,317,047	-	3,317,047	3,317,047	-
Transfers out	(444,225)	(444,225)	-	(444,225)	-
Bond premium	6,300,403	6,300,403	-	6,300,403	-
Bond proceeds	<u>6,825,978</u>	<u>6,594,012</u>	<u>-</u>	<u>6,594,012</u>	<u>(231,966)</u>
Total other financing sources (uses)	<u>15,999,203</u>	<u>12,450,190</u>	<u>3,317,047</u>	<u>15,767,237</u>	<u>(231,966)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,317,078</u>	48,174	<u>\$ 7,365,252</u>	<u>\$ 7,365,252</u>
Fund Balance:					
Beginning of year - July 1			<u>7,317,078</u>		
End of year - June 30			<u>\$ 7,365,252</u>		

HARNETT COUNTY, NORTH CAROLINA

ANIMAL SERVICES NEEDS ASSESSMENT STUDY
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Public safety:					
Legal and administrative	\$ 12,091	\$ -	\$ 12,091	\$ 12,091	\$ -
Capital outlay	<u>300,900</u>	<u>-</u>	<u>300,898</u>	<u>300,898</u>	<u>2</u>
Total expenditures	<u>312,991</u>	<u>-</u>	<u>312,989</u>	<u>312,989</u>	<u>2</u>
Revenues over (under) expenditures	(312,991)	-	(312,989)	(312,989)	2
Other Financing Sources (Uses):					
Transfers in	<u>312,991</u>	<u>-</u>	<u>312,898</u>	<u>312,898</u>	<u>(93)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(91)	<u>\$ (91)</u>	<u>\$ (91)</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ (91)</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, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Public safety:					
Legal and administrative	\$ 36,800	\$ 8,250	\$ -	\$ 8,250	\$ 28,550
Construction	<u>547,091</u>	<u>515,806</u>	<u>-</u>	<u>515,806</u>	<u>31,285</u>
Total expenditures	<u>583,891</u>	<u>524,056</u>	<u>-</u>	<u>524,056</u>	<u>59,835</u>
Revenues over (under) expenditures	(583,891)	(524,056)	-	(524,056)	59,835
Other Financing Sources (Uses):					
Transfers in	<u>583,891</u>	<u>583,891</u>	<u>-</u>	<u>583,891</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 59,835</u>	<u>-</u>	<u>\$ 59,835</u>	<u>\$ 59,835</u>
Fund Balance:					
Beginning of year - July 1			<u>59,835</u>		
End of year - June 30			<u>\$ 59,835</u>		

HARNETT COUNTY, NORTH CAROLINA

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, 2025

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 10,000,000	\$ 9,050,342	\$ 949,658	\$ 10,000,000	\$ -
Investment earnings	112,623	47,103	65,520	112,623	-
Total revenues	<u>10,112,623</u>	<u>9,097,445</u>	<u>1,015,178</u>	<u>10,112,623</u>	<u>-</u>
Expenditures:					
Education:					
Legal and administrative	2,252,856	2,252,856	-	2,252,856	-
Capital outlay	731,680	731,680	-	731,680	-
Construction	39,331,087	38,949,516	381,571	39,331,087	-
Debt issue costs	282,517	282,517	-	282,517	-
Total expenditures	<u>42,598,140</u>	<u>42,216,569</u>	<u>381,571</u>	<u>42,598,140</u>	<u>-</u>
Revenues over (under) expenditures	<u>(32,485,517)</u>	<u>(33,119,124)</u>	<u>633,607</u>	<u>(32,485,517)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in	731,900	731,900	-	731,900	-
Transfers out	(3,317,047)	-	(3,317,047)	(3,317,047)	-
Bond proceeds	35,070,664	35,070,664	-	35,070,664	-
Total other financing sources (uses)	<u>32,485,517</u>	<u>35,802,564</u>	<u>(3,317,047)</u>	<u>32,485,517</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,683,440</u>	<u>(2,683,440)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>2,683,440</u>		
End of year - June 30			<u>\$ -</u>		

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, 2025

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

HARNETT COUNTY, NORTH CAROLINA

**JETPORT FUEL FARM REPLACEMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>		<u>Variance Over/Under</u>
			<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental revenues	\$ 1,216,314	\$ -	\$ 106,312	\$ 106,312	\$ (1,110,002)
Expenditures:					
General government:					
Engineering	544,824	-	116,540	116,540	428,284
Construction	1,171,490	-	-	-	1,171,490
Total expenditures	<u>1,716,314</u>	<u>-</u>	<u>116,540</u>	<u>116,540</u>	<u>1,599,774</u>
Revenues over (under) expenditures	(500,000)	-	(10,228)	(10,228)	489,772
Other Financing Sources (Uses):					
Transfers in (out)	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	489,772	<u>\$ 489,772</u>	<u>\$ 489,772</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 489,772</u>		

HARNETT COUNTY, NORTH CAROLINA

2023 G.O. BONDS SERIES 2020
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ -	\$ 69,116	\$ 158,054	\$ 227,170	\$ 227,170
Miscellaneous revenue	-	-	22,899	22,899	22,899
Total revenues	-	69,116	180,953	250,069	250,069
Expenditures:					
Education:					
Construction	3,110,631	155,362	1,735,843	1,891,205	1,219,426
Revenues over (under) expenditures	(3,110,631)	(86,246)	(1,554,890)	(1,641,136)	1,469,495
Other Financing Sources (Uses):					
Transfers in	3,110,631	3,110,632	-	3,110,632	1
Net change in fund balance	\$ -	\$ 3,024,386	(1,554,890)	\$ 1,469,496	\$ 1,469,496
Fund Balance:					
Beginning of year - July 1			3,024,386		
End of year - June 30			\$ 1,469,496		

HARNETT COUNTY, NORTH CAROLINA

2023 G.O. BONDS SERIES 2017
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 1,496,415	\$ 1,390,761	\$ 105,654	\$ 1,496,415	\$ -
Expenditures:					
Education:					
Construction	2,983,712	2,770,811	212,901	2,983,712	-
Revenues over (under) expenditures	(1,487,297)	(1,380,050)	(107,247)	(1,487,297)	-
Other Financing Sources (Uses):					
Transfers in	1,487,297	1,487,297	-	1,487,297	-
Net change in fund balance	\$ -	\$ 107,247	(107,247)	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			107,247		
End of year - June 30			\$ -		

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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Water and sewer sales	\$ 45,050,000	\$ 51,032,365	\$ 5,982,365
Other operating revenues	1,423,517	14,541,145	13,117,628
Total operating revenues	<u>46,473,517</u>	<u>65,573,510</u>	<u>19,099,993</u>
Non-operating revenues:			
Interest earned on investments	<u>750,000</u>	<u>10,795</u>	<u>(739,205)</u>
Total revenues	<u>47,223,517</u>	<u>65,584,305</u>	<u>18,360,788</u>
Expenditures:			
Salaries and employee benefits	11,644,545	10,757,105	887,440
Sewage treatment	4,240,000	3,919,207	320,793
Other operating expenses	26,140,165	21,868,829	4,271,336
Capital outlay	3,750,000	3,709,680	40,320
Debt service:			
Debt principal	3,158,000	3,158,000	-
Interest and fees	1,182,807	1,180,830	1,977
Total expenditures	<u>50,115,517</u>	<u>44,593,651</u>	<u>5,521,866</u>
Revenues over (under) expenditures	<u>(2,892,000)</u>	<u>20,990,654</u>	<u>23,882,654</u>
Other Financing Sources (Uses):			
Appropriated net position	2,989,700	-	(2,989,700)
Transfers in (out)	<u>(97,700)</u>	<u>(97,700)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,892,000</u>	<u>(97,700)</u>	<u>(2,989,700)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 20,892,954</u>	<u>\$ 20,892,954</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 20,892,954	
Reconciling items:			
Debt principal		3,158,000	
Amortization of bond premium		242,109	
Amortization of deferred charge on refunding		(159,551)	
Increase in compensated absences		(1,792,143)	
Change in OPEB liability		486,899	
Change in deferred outflows of resources - OPEB		(230,003)	
Change in deferred inflows of resources - OPEB		(340,643)	
Change in deferred outflows - pension		(271,719)	
Change in net pension liability		(296,855)	
Change in deferred inflows - pension		44,179	
Contributed asset		27,597,848	
Capital contributions from projects		30,006,430	
Interest from projects		1,236,965	
Interest and fees from project		(731,607)	
Lease revenue from districts		731,607	
Intrafund transfers		97,700	
Capital outlay		3,709,680	
Depreciation		<u>(14,954,018)</u>	
Change in net position		<u>\$ 69,427,832</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 603,000	\$ 603,000	\$ -
Interest and fees	<u>580,731</u>	<u>580,731</u>	<u>-</u>
Total expenditures	<u>1,183,731</u>	<u>1,183,731</u>	<u>-</u>
Revenues over (under) expenditures	(1,183,731)	(1,183,731)	-
Other Financing Sources (Uses):			
Capital lease transfer in	<u>1,183,731</u>	<u>580,731</u>	<u>(603,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (603,000)</u>	<u>\$ (603,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (603,000)	
Reconciling items:			
Debt principal		<u>603,000</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 115,000	\$ 115,000	\$ -
Interest and fees	<u>17,675</u>	<u>17,675</u>	<u>-</u>
Total expenditures	<u>132,675</u>	<u>132,675</u>	<u>-</u>
Revenues over (under) expenditures	(132,675)	(132,675)	-
Other Financing Sources (Uses):			
Capital lease transfer in	<u>132,675</u>	<u>17,675</u>	<u>(115,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (115,000)</u>	<u>\$ (115,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (115,000)	
Reconciling items:			
Debt principal		<u>115,000</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 60,000	\$ 60,000	\$ -
Interest and fees	<u>8,738</u>	<u>8,738</u>	<u>-</u>
Total expenditures	<u>68,738</u>	<u>68,738</u>	<u>-</u>
Revenues over (under) expenditures	(68,738)	(68,738)	-
Other Financing Sources (Uses):			
Capital lease transfer in	<u>68,738</u>	<u>8,738</u>	<u>(60,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (60,000)	
Reconciling items:			
Debt principal		<u>60,000</u>	
Change in net position		<u>\$ -</u>	

HARNETT COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - SOUTHWEST
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 175,000	\$ 175,000	\$ -
Interest and fees	<u>26,262</u>	<u>26,262</u>	<u>-</u>
Total expenditures	<u>201,262</u>	<u>201,262</u>	<u>-</u>
Revenues over (under) expenditures	(201,262)	(201,262)	-
Other Financing Sources (Uses):			
Capital lease transfer in	<u>201,262</u>	<u>26,262</u>	<u>(175,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (175,000)</u>	<u>\$ (175,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (175,000)	
Reconciling items:			
Debt principal		<u>175,000</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 60,000	\$ 60,000	\$ -
Interest and fees	<u>17,000</u>	<u>17,000</u>	<u>-</u>
Total expenditures	<u>77,000</u>	<u>77,000</u>	<u>-</u>
Revenues over (under) expenditures	(77,000)	(77,000)	-
Other Financing Sources (Uses):			
Capital lease transfer in	<u>77,000</u>	<u>17,000</u>	<u>(60,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (60,000)	
Reconciling items:			
Debt principal		<u>60,000</u>	
Change in net position		<u>\$ -</u>	

HARNETT COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - NON-OPERATING ENTERPRISE FUND - EAST CENTRAL
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 145,000	\$ 145,000	\$ -
Interest and fees	<u>54,713</u>	<u>54,713</u>	<u>-</u>
Total expenditures	<u>199,713</u>	<u>199,713</u>	<u>-</u>
Revenues over (under) expenditures	(199,713)	(199,713)	-
Other Financing Sources (Uses):			
Capital lease transfer in	<u>199,713</u>	<u>54,713</u>	<u>(145,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (145,000)</u>	<u>\$ (145,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (145,000)	
Reconciling items:			
Debt principal		<u>145,000</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Debt principal	\$ 30,000	\$ 30,000	\$ -
Interest and fees	<u>26,488</u>	<u>26,488</u>	<u>-</u>
Total expenditures	<u>56,488</u>	<u>56,488</u>	<u>-</u>
Revenues under expenditures	(56,488)	(56,488)	-
Other Financing Sources (Uses):			
Capital lease transfer in	<u>56,488</u>	<u>26,488</u>	<u>(30,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (30,000)</u>	<u>\$ (30,000)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (30,000)	
Reconciling items:			
Debt principal		<u>30,000</u>	
Change in net position		<u>\$ -</u>	

HARNETT COUNTY, NORTH CAROLINA

**SOUTHWEST WASTEWATER PUMP STATION & FORCE MAIN CAPITAL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Construction	\$ 8,000,000	\$ -	\$ -	\$ -	\$ 8,000,000
Engineering	600,000	334,688	37,669	372,357	227,643
Land	18,000	-	-	-	18,000
Total expenditures	<u>8,618,000</u>	<u>334,688</u>	<u>37,669</u>	<u>372,357</u>	<u>8,245,643</u>
Revenues over (under) expenditures	(8,618,000)	(334,688)	(37,669)	(372,357)	8,245,643
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>8,618,000</u>	<u>8,618,000</u>	<u>-</u>	<u>8,618,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 8,283,312</u>	<u>\$ (37,669)</u>	<u>\$ 8,245,643</u>	<u>\$ 8,245,643</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, 2025

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
Expenditures:					
Construction	2,688,100	2,470,957	-	2,470,957	217,143
Legal and administration	10,000	-	-	-	10,000
Engineering	591,105	507,204	-	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>2,991,954</u>	<u>-</u>	<u>2,991,954</u>	<u>362,251</u>
Revenues over (under) expenditures	(2,854,205)	(2,491,954)	-	(2,491,954)	362,251
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<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>\$ 362,251</u>	<u>\$ -</u>	<u>\$ 362,251</u>	<u>\$ 362,251</u>

HARNETT COUNTY, NORTH CAROLINA

ST. MATTHEWS ROAD EXTENSION
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	<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>		
Revenues:					
Restricted intergovernmental	\$ 1,000,000	\$ -	\$ 238,152	\$ 238,152	\$ (761,848)
Expenditures:					
Construction	845,000	-	143,501	143,501	701,499
Engineering	155,000	-	101,826	101,826	53,174
Total expenditures	1,000,000	-	245,327	245,327	754,673
Revenues over (under) expenditures	\$ -	\$ -	\$ (7,175)	\$ (7,175)	\$ (7,175)

HARNETT COUNTY, NORTH CAROLINA

PFAS TREATMENT CAPITAL PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Settlement revenue	\$ 1,000,000	\$ -	\$ 937,752	\$ 937,752	\$ (62,248)
Expenditures:					
Engineering	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 937,752</u>	<u>\$ 937,752</u>	<u>\$ 937,752</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, 2025

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental	\$ -	\$ 62,204	\$ -	\$ 62,204	\$ 62,204
Expenditures:					
Construction	15,041,265	14,777,360	-	14,777,360	263,905
Engineering	722,265	694,683	16,100	710,783	11,482
Contingency	36,344	-	-	-	36,344
Total expenditures	15,799,874	15,472,043	16,100	15,488,143	311,731
Revenues over (under) expenditures	(15,799,874)	(15,409,839)	(16,100)	(15,425,939)	373,935
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	15,799,874	15,799,874	-	15,799,874	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 390,035	\$ (16,100)	\$ 373,935	\$ 373,935

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, 2025**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Construction	\$ 2,170,800	\$ 1,685,861	\$ 184,938	\$ 1,870,799	\$ 300,001
Engineering	304,900	208,771	8,720	217,491	87,409
Total expenditures	<u>2,475,700</u>	<u>1,894,632</u>	<u>193,658</u>	<u>2,088,290</u>	<u>387,410</u>
Revenues over (under) expenditures	(2,475,700)	(1,894,632)	(193,658)	(2,088,290)	387,410
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>2,475,700</u>	<u>2,378,000</u>	<u>97,700</u>	<u>2,475,700</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 483,368</u>	<u>\$ (95,958)</u>	<u>\$ 387,410</u>	<u>\$ 387,410</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, 2025**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ -	\$ -	\$ 1,236,965	\$ 1,236,965	\$ 1,236,965
Restricted intergovernmental	63,731,823	1,681,027	28,830,526	30,511,553	(33,220,270)
Total revenues	<u>63,731,823</u>	<u>1,681,027</u>	<u>30,067,491</u>	<u>31,748,518</u>	<u>(31,983,305)</u>
Expenditures:					
Construction	104,621,000	4,556,190	35,872,563	40,428,753	64,192,247
Engineering	6,755,000	1,797,400	507,780	2,305,180	4,449,820
Total expenditures	<u>111,376,000</u>	<u>6,353,590</u>	<u>36,380,343</u>	<u>42,733,933</u>	<u>68,642,067</u>
Revenues over (under) expenditures	(47,644,177)	(4,672,563)	(6,312,852)	(10,985,415)	36,658,762
Other Financing Sources (Uses):					
Transfers in - Enterprise Fund	<u>47,644,177</u>	<u>14,135,200</u>	<u>-</u>	<u>14,135,200</u>	<u>(33,508,977)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 9,462,637</u>	<u>\$ (6,312,852)</u>	<u>\$ 3,149,785</u>	<u>\$ 3,149,785</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Solid waste fees	\$ 8,907,000	\$ 8,853,648	\$ (53,352)
Other operating revenues	18,858	23,786	4,928
Total operating revenues	<u>8,925,858</u>	<u>8,877,434</u>	<u>(48,424)</u>
Non-Operating Revenues:			
Restricted intergovernmental	300,000	453,884	153,884
Interest earned on investments	-	273,199	273,199
Total non-operating revenues	<u>300,000</u>	<u>727,083</u>	<u>427,083</u>
Total revenues	<u>9,225,858</u>	<u>9,604,517</u>	<u>378,659</u>
Expenditures:			
Salaries and employee benefits	1,502,116	1,462,892	39,224
Other operating expenses	6,964,720	6,278,758	685,962
Capital outlay	1,669,100	1,552,876	116,224
Debt service:			
Debt principal and interest	146,650	139,663	6,987
Total expenditures	<u>10,282,586</u>	<u>9,434,189</u>	<u>848,397</u>
Revenues over (under) expenditures	(1,056,728)	170,328	1,227,056
Other Financing Sources (Uses):			
Appropriated net position	<u>2,398,965</u>	<u>-</u>	<u>(2,398,965)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 170,328</u>	<u>\$ 170,328</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 170,328	
Reconciling items:			
Debt principal		120,000	
Change in deferred outflows - pension		(41,803)	
Change in net pension liability		(45,670)	
Change in deferred inflows - pension		6,797	
Decrease in compensated absences		72,210	
Change in OPEB liability		74,907	
Change in deferred outflows of resources - OPEB		(35,385)	
Change in deferred inflows of resources - OPEB		(52,406)	
Amortization of premium		27,827	
Capital outlay		1,552,876	
Depreciation		<u>(981,449)</u>	
Change in net position		<u>\$ 868,232</u>	

HARNETT COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Group</u> <u>Insurance</u> <u>Fund</u>	<u>Employee</u> <u>Clinic</u> <u>Fund</u>	<u>Medical</u> <u>Insurance</u> <u>Fund</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 5,482,645	\$ 1,079,747	\$ 648,128	\$ 14,725,563
Prepays	25,000	-	-	-
Accounts receivable	-	17,137	1,313	358
Total assets	<u>5,507,645</u>	<u>1,096,884</u>	<u>649,441</u>	<u>14,725,921</u>
Liabilities:				
Current liabilities:				
Claims payable	150,000	-	-	-
Accounts payable	-	21,756	8,119	1,885,159
Total current liabilities	<u>150,000</u>	<u>21,756</u>	<u>8,119</u>	<u>1,885,159</u>
Non-current liabilities:				
Claims payable	<u>42,993</u>	-	-	-
Total liabilities	<u>192,993</u>	<u>21,756</u>	<u>8,119</u>	<u>1,885,159</u>
Net Position:				
Unrestricted	<u>\$ 5,314,652</u>	<u>\$ 1,075,128</u>	<u>\$ 641,322</u>	<u>\$ 12,840,762</u>

HARNETT COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	Dental Insurance Fund	Risk Management Fund	Unemployment Insurance Fund	Total
Assets:				
Current assets:				
Cash and cash equivalents	\$ 997,370	\$ 312,995	\$ 1,063,564	\$ 24,310,012
Prepays	-	1,612,464	-	1,637,464
Accounts receivable	-	-	-	18,808
Total assets	<u>997,370</u>	<u>1,925,459</u>	<u>1,063,564</u>	<u>25,966,284</u>
Liabilities:				
Current liabilities:				
Claims payable	-	-	-	150,000
Accounts payable	<u>78,394</u>	<u>6,242</u>	-	<u>1,999,670</u>
Total current liabilities	<u>78,394</u>	<u>6,242</u>	-	<u>2,149,670</u>
Non-current liabilities:				
Claims payable	-	-	-	<u>42,993</u>
Total liabilities	<u>78,394</u>	<u>6,242</u>	-	<u>2,192,663</u>
Net Position:				
Unrestricted	<u>\$ 918,976</u>	<u>\$ 1,919,217</u>	<u>\$ 1,063,564</u>	<u>\$ 23,773,621</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, 2025**

	<u>Workers' Compensation Fund</u>	<u>Group Insurance Fund</u>	<u>Employee Clinic Fund</u>	<u>Medical Insurance Fund</u>
Operating Revenues:				
County contribution	\$ 602,119	\$ 1,271,889	\$ 170,340	\$ 15,224,205
Operating Expenses:				
Benefits and premiums	<u>939,458</u>	<u>1,499,102</u>	<u>212,644</u>	<u>14,030,655</u>
Change in net position	(337,339)	(227,213)	(42,304)	1,193,550
Net Position:				
Beginning of year - July 1	<u>5,651,991</u>	<u>1,302,341</u>	<u>683,626</u>	<u>11,647,212</u>
End of year - June 30	<u>\$ 5,314,652</u>	<u>\$ 1,075,128</u>	<u>\$ 641,322</u>	<u>\$ 12,840,762</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, 2025**

	<u>Dental Insurance Fund</u>	<u>Risk Management Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>
Operating Revenues:				
County contribution	\$ 547,247	\$ 1,962,405	\$ 82,944	\$ 19,861,149
Operating Expenses:				
Benefits and premiums	<u>525,062</u>	<u>1,675,886</u>	<u>-</u>	<u>18,882,807</u>
Change in net position	22,185	286,519	82,944	978,342
Net Position:				
Beginning of year - July 1	<u>896,791</u>	<u>1,632,698</u>	<u>980,620</u>	<u>22,795,279</u>
End of year - June 30	<u>\$ 918,976</u>	<u>\$ 1,919,217</u>	<u>\$ 1,063,564</u>	<u>\$ 23,773,621</u>

HARNETT COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Workers' Compensation Fund</u>	<u>Group Insurance Fund</u>	<u>Employee Clinic Fund</u>	<u>Medical Insurance Fund</u>
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 602,119	\$ 1,254,752	\$ 170,269	\$ 15,224,205
Cash paid to suppliers	<u>(1,056,361)</u>	<u>(1,496,506)</u>	<u>(211,700)</u>	<u>(13,796,399)</u>
Net cash provided (used) by operating activities	<u>(454,242)</u>	<u>(241,754)</u>	<u>(41,431)</u>	<u>1,427,806</u>
Net increase (decrease) in cash and cash equivalents	(454,242)	(241,754)	(41,431)	1,427,806
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>5,936,887</u>	<u>1,321,501</u>	<u>689,559</u>	<u>13,297,757</u>
End of year - June 30	<u>\$ 5,482,645</u>	<u>\$ 1,079,747</u>	<u>\$ 648,128</u>	<u>\$ 14,725,563</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (337,339)	\$ (227,213)	\$ (42,304)	\$ 1,193,550
Change in prepaids	-	-	-	-
Change in accounts receivable	-	(17,137)	(71)	-
Change in claims payable	<u>(116,903)</u>	<u>2,596</u>	<u>944</u>	<u>234,256</u>
Net cash provided (used) by operating activities	<u>\$ (454,242)</u>	<u>\$ (241,754)</u>	<u>\$ (41,431)</u>	<u>\$ 1,427,806</u>

HARNETT COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Dental Insurance Fund</u>	<u>Risk Management Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 547,247	\$ 1,963,056	\$ 82,944	\$ 19,844,592
Cash paid to suppliers	<u>(506,435)</u>	<u>(3,282,108)</u>	<u>-</u>	<u>(20,349,509)</u>
Net cash provided (used) by operating activities	<u>40,812</u>	<u>(1,319,052)</u>	<u>82,944</u>	<u>(504,917)</u>
Net increase (decrease) in cash and cash equivalents	40,812	(1,319,052)	82,944	(504,917)
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>956,558</u>	<u>1,632,047</u>	<u>980,620</u>	<u>24,814,929</u>
End of year - June 30	<u>\$ 997,370</u>	<u>\$ 312,995</u>	<u>\$ 1,063,564</u>	<u>\$ 24,310,012</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 22,185	\$ 286,519	\$ 82,944	\$ 978,342
Change in prepaids	-	(1,612,464)	-	(1,612,464)
Change in accounts receivable	-	651	-	(16,557)
Change in claims payable	<u>18,627</u>	<u>6,242</u>	<u>-</u>	<u>145,762</u>
Net cash provided (used) by operating activities	<u>\$ 40,812</u>	<u>\$ (1,319,052)</u>	<u>\$ 82,944</u>	<u>\$ (504,917)</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, 2025**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 850,000	\$ 602,119	\$ (247,881)
Expenditures:			
Benefits and premiums	<u>1,900,000</u>	<u>939,458</u>	<u>960,542</u>
Revenues over (under) expenditures	(1,050,000)	(337,339)	712,661
Other Financing Sources (Uses):			
Appropriated fund balance	<u>1,050,000</u>	<u>-</u>	<u>(1,050,000)</u>
Change in net position	<u>\$ -</u>	<u>(337,339)</u>	<u>\$ (337,339)</u>
Net Position:			
Beginning of year - July 1		<u>5,651,991</u>	
End of year - June 30		<u>\$ 5,314,652</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, 2025**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 1,500,000	\$ 1,271,889	\$ (228,111)
Expenditures:			
Benefits and premiums	<u>1,500,000</u>	<u>1,499,102</u>	<u>898</u>
Change in net position	<u>\$ -</u>	<u>(227,213)</u>	<u>\$ (227,213)</u>
Net Position:			
Beginning of year - July 1		<u>1,302,341</u>	
End of year - June 30		<u>\$ 1,075,128</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, 2025

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 229,901	\$ 170,340	\$ (59,561)
Expenditures:			
Benefits and premiums	<u>229,901</u>	<u>212,644</u>	<u>17,257</u>
Change in net position	<u>\$ -</u>	<u>(42,304)</u>	<u>\$ (42,304)</u>
Net Position:			
Beginning of year - July 1		<u>683,626</u>	
End of year - June 30		<u>\$ 641,322</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, 2025**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 12,752,174	\$ 15,224,205	\$ 2,472,031
Expenditures:			
Benefits and premiums	<u>14,255,674</u>	<u>14,030,655</u>	<u>225,019</u>
Revenues over (under) expenditures	(1,503,500)	1,193,550	2,697,050
Other Financing Sources (Uses):			
Appropriated fund balance	<u>1,503,500</u>	<u>-</u>	<u>(1,503,500)</u>
Change in net position	<u>\$ -</u>	1,193,550	<u>\$ 1,193,550</u>
Net Position:			
Beginning of year - July 1		<u>11,647,212</u>	
End of year - June 30		<u>\$ 12,840,762</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, 2025**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 650,000	\$ 547,247	\$ (102,753)
Expenditures:			
Benefits and premiums	<u>650,000</u>	<u>525,062</u>	<u>124,938</u>
Change in net position	<u>\$ -</u>	22,185	<u>\$ 22,185</u>
Net Position:			
Beginning of year - July 1		<u>896,791</u>	
End of year - June 30		<u>\$ 918,976</u>	

HARNETT COUNTY, NORTH CAROLINA

**RISK MANAGEMENT INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 1,971,757	\$ 1,962,405	\$ (9,352)
Expenditures:			
Benefits and premiums	<u>1,971,757</u>	<u>1,675,886</u>	<u>295,871</u>
Change in net position	<u>\$ -</u>	286,519	<u>\$ 286,519</u>
Net Position:			
Beginning of year - July 1		<u>1,632,698</u>	
End of year - June 30		<u>\$ 1,919,217</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, 2025**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
County contributions	\$ 250,000	\$ 82,944	\$ (167,056)
Expenditures:			
Benefits and premiums	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Change in net position	<u>\$ -</u>	82,944	<u>\$ 82,944</u>
Net Position:			
Beginning of year - July 1		<u>980,620</u>	
End of year - June 30		<u>\$ 1,063,564</u>	

HARNETT COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS**

JUNE 30, 2025

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Assets:			
Cash and cash equivalents	\$ 361,278	\$ 51,220	\$ 412,498
Taxes receivables for other governments, net	<u>263,612</u>	<u>-</u>	<u>263,612</u>
Total assets	<u>624,890</u>	<u>51,220</u>	<u>676,110</u>
Liabilities:			
Accounts payable and accrued liabilities	-	20,109	20,109
Due to other governments	<u>361,278</u>	<u>-</u>	<u>361,278</u>
Total liabilities	<u>361,278</u>	<u>20,109</u>	<u>381,387</u>
Net Position:			
Restricted for:			
Individuals, organizations, and other governments	<u>\$ 263,612</u>	<u>\$ 31,111</u>	<u>\$ 294,723</u>

HARNETT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Additions:			
Ad valorem taxes for other governments	\$ 17,311,439	\$ -	\$ 17,311,439
Collections on behalf of inmates	-	428,611	428,611
Total additions	<u>17,311,439</u>	<u>428,611</u>	<u>17,740,050</u>
Deductions:			
Tax distributions to other governments	17,192,539	-	17,192,539
Payments on behalf of inmates	-	414,379	414,379
Total deductions	<u>17,192,539</u>	<u>414,379</u>	<u>17,606,918</u>
Net increase (decrease) in fiduciary net position	118,900	14,232	133,132
Net position, beginning	<u>144,712</u>	<u>16,879</u>	<u>161,591</u>
Net position, ending	<u>\$ 263,612</u>	<u>\$ 31,111</u>	<u>\$ 294,723</u>

HARNETT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

JUNE 30, 2025

	<u>OPEB Trust Fund</u>	<u>LEO Trust Fund</u>	<u>Total Pension Trust Funds</u>
Assets:			
Restricted cash and cash equivalents	\$ 1,830,225	\$ 549,640	\$ 2,379,865
Net Position:			
Restricted for:			
Defined benefit pensions	-	549,640	549,640
Post-employment benefits other than pensions	<u>1,830,225</u>	<u>-</u>	<u>1,830,225</u>
Total net position	<u>\$ 1,830,225</u>	<u>\$ 549,640</u>	<u>\$ 2,379,865</u>

HARNETT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>OPEB Trust Fund</u>	<u>LEO Trust Fund</u>	<u>Total Pension Trust Funds</u>
Additions:			
Employer contributions:	\$ 1,870,274	\$ 214,233	\$ 2,084,507
Investment income:	181,071	51,805	232,876
Total additions	<u>2,051,345</u>	<u>266,038</u>	<u>2,317,383</u>
Deductions:			
Benefit payments	<u>1,590,604</u>	<u>189,463</u>	<u>1,780,067</u>
Change in net position	460,741	76,575	537,316
Net Position:			
Beginning of year, July 1	<u>1,369,484</u>	<u>473,065</u>	<u>1,842,549</u>
End of year, June 30	<u>\$ 1,830,225</u>	<u>\$ 549,640</u>	<u>\$ 2,379,865</u>

HARNETT COUNTY, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF AD VALOREM TAXES RECEIVABLE
 JUNE 30, 2025

Fiscal Year	Uncollected Balance July 1, 2024	Additions	Collections and Credits	Uncollected Balance June 30, 2025
2024-2025	\$ -	\$ 89,699,916	\$ 89,091,854	\$ 608,062
2023-2024	520,240	-	270,207	250,033
2022-2023	229,792	-	65,872	163,920
2021-2022	142,337	-	24,024	118,313
2020-2021	103,624	-	12,977	90,647
2019-2020	70,299	-	(510)	70,809
2018-2019	43,659	-	5,510	38,149
2017-2018	37,526	-	3,111	34,415
2016-2017	36,354	-	3,479	32,875
2015-2016	30,335	-	3,539	26,796
2014-2015	26,048	-	26,048	-
Total	\$ 1,240,214	\$ 89,699,916	\$ 89,506,111	1,434,019
Less: allowance for uncollectible accounts - General Fund				691,265
Ad valorem taxes receivable, net - General Fund				\$ 742,754
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 89,690,101
Reconciling items:				
Interest collected				(417,817)
Taxes written off				26,048
Prior year releases				207,779
Total collections and credits				\$ 89,506,111

HARNETT COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2025

	<u>County-Wide</u>		<u>Total Levy</u>		
	<u>Property Valuation</u>	<u>Rate</u>	<u>Total Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property taxed at current year's rate	\$ 15,244,988,156	\$ 0.5910	\$ 90,097,880	\$ 78,802,150	\$ 11,295,730
Discoveries:					
Abatements	<u>(23,519,672)</u>		<u>(397,964)</u>	<u>(397,964)</u>	<u>-</u>
Total property valuation	<u>\$ 15,221,468,484</u>				
Net Levy			89,699,916	78,404,186	11,295,730
Uncollected taxes at June 30, 2025			<u>(608,062)</u>	<u>(608,062)</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 89,091,854</u>	<u>\$ 77,796,124</u>	<u>\$ 11,295,730</u>
Current Levy Collection Percentage			<u>99.32%</u>	<u>99.22%</u>	<u>100.00%</u>

STATISTICAL SECTION

(unaudited)

This part of Harnett County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends <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-224
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-230
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-238
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-244
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-248

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	\$ 55,813,622	\$ (68,658,054)	\$ 54,269,404	\$ 51,755,245	\$ 40,586,139	\$ 45,363,315	\$ 57,578,059	\$ 66,070,060	\$ 93,716,477	\$ 96,577,815
Restricted	17,766,806	44,513,234	17,376,057	21,274,854	23,518,517	23,565,286	24,473,272	57,475,923	36,670,617	26,121,948
Unrestricted	(78,490,540)	35,023,661	(80,953,920)	(92,557,019)	(65,395,023)	(61,583,090)	(75,476,646)	(70,891,408)	(49,547,065)	(33,318,979)
Total governmental activities net position	\$ (4,910,112)	\$ 10,878,841	\$ (9,308,459)	\$ (19,526,920)	\$ (1,290,367)	\$ 7,345,511	\$ 6,574,685	\$ 52,654,575	\$ 80,840,029	\$ 89,380,784
Business-type activities										
Net investment in capital assets	\$ 278,517,784	\$ 278,274,105	\$ 281,674,631	\$ 282,059,841	\$ 285,552,395	\$ 288,429,644	\$ 293,777,712	\$ 294,098,489	\$ 313,218,578	\$ 373,914,756
Unrestricted	42,596,106	49,940,891	49,628,551	56,308,299	63,428,897	71,531,344	86,258,794	99,493,768	108,203,613	115,602,077
Total business-type activities net position	\$ 321,113,890	\$ 328,214,996	\$ 331,303,182	\$ 338,368,140	\$ 348,981,292	\$ 359,960,988	\$ 380,036,506	\$ 393,592,257	\$ 421,422,191	\$ 489,516,833
Primary Government										
Net investment in capital assets	\$ 334,331,406	\$ 209,616,051	\$ 335,944,035	\$ 333,815,086	\$ 326,138,534	\$ 333,792,959	\$ 351,355,771	\$ 360,168,549	\$ 406,935,055	\$ 470,492,571
Restricted	17,766,806	44,513,234	17,376,057	21,274,854	23,518,517	23,565,286	24,473,272	57,475,923	36,670,617	26,121,948
Unrestricted	(35,894,434)	84,964,552	(31,325,369)	(36,248,720)	(1,966,126)	9,948,254	10,782,148	28,602,360	58,656,548	82,283,098
Total primary government net position	\$ 316,203,778	\$ 339,093,837	\$ 321,994,723	\$ 318,841,220	\$ 347,690,925	\$ 367,306,499	\$ 386,611,191	\$ 446,246,832	\$ 502,262,220	\$ 578,897,617

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
General Government	\$ 9,196,366	\$ 14,655,806	\$ 16,113,489	\$ 23,498,036	\$ 19,607,411	\$ 17,181,824	\$ 19,397,236	\$ 20,118,801	\$ 25,058,853	\$ 27,903,570
Public Safety	37,715,350	40,417,079	42,464,618	43,001,530	48,548,276	53,578,893	58,526,377	62,024,084	70,341,296	78,427,705
Transportation	927,620	999,651	1,183,864	2,164,719	1,925,372	2,570,391	414,281	585,124	483,361	279,229
Environmental Protection	182,736	181,452	166,931	178,917	226,440	224,948	265,800	440,337	492,050	487,984
Economic & physical development	2,732,724	5,156,771	4,249,021	3,983,304	4,819,635	3,122,757	4,715,574	11,356,233	5,330,736	10,154,576
Human Services	28,109,695	29,721,428	26,671,296	26,939,763	28,276,022	26,123,875	24,138,142	30,330,752	34,521,882	35,403,955
Cultural & Recreational	1,667,895	2,236,204	2,938,458	3,187,931	3,277,094	3,409,512	3,091,532	4,265,525	5,539,151	6,530,916
Education	27,328,710	26,811,390	45,366,104	31,850,277	33,351,865	44,215,752	62,205,098	54,820,083	47,131,275	51,925,198
Debt Service:										
Interest and fees	5,315,756	4,825,862	5,443,930	5,224,806	4,666,259	6,463,671	8,454,218	8,037,921	7,237,665	7,525,496
Total governmental activities expenses	113,176,852	125,005,643	144,597,711	140,039,283	144,698,374	156,891,623	181,208,258	191,978,860	196,136,269	218,638,629
Business type activities										
Water and Sewer	31,176,432	32,111,467	34,137,473	36,798,468	34,883,209	38,069,462	39,523,538	49,890,017	48,851,259	54,997,716
Solid Waste	4,741,515	5,338,278	5,423,198	5,404,615	5,453,348	5,749,294	6,243,062	6,401,955	7,620,496	8,736,285
Total business-type activities	35,917,947	37,449,745	39,560,671	42,203,083	40,336,557	43,818,756	45,766,600	56,291,972	56,471,755	63,734,001
Total primary government expenses	\$ 149,094,799	\$ 162,455,388	\$ 184,158,382	\$ 182,242,366	\$ 185,034,931	\$ 200,710,379	\$ 226,974,858	\$ 248,270,832	\$ 252,608,024	\$ 282,372,630
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 9,083,933	\$ 8,004,787	\$ 8,063,442	\$ 8,360,038	\$ 15,550,149	\$ 13,633,676	\$ 17,186,944	\$ 24,194,043	\$ 18,857,173	\$ 20,257,627
Public Safety	8,553,075	8,525,597	7,846,993	7,753,365	14,421,702	12,644,304	15,939,718	22,431,210	17,480,779	18,787,566
Transportation	2,205	2,943	3,790	-	-	-	-	-	-	-
Environmental protection	8,438	2,400	800	-	-	-	-	-	-	-
Economic and physical development	20,714	24,814	4,175	-	-	-	-	-	-	-
Human services	2,567,833	4,023,634	2,255,009	2,228,092	4,144,378	3,633,606	4,580,612	6,446,079	5,023,468	5,399,001
Cultural and recreational	49,369	51,996	72,403	-	-	-	-	-	-	-
Operating grants and contributions:										
General government	1,634,027	1,510,115	1,539,880	1,521,624	2,830,307	2,541,860	3,066,559	4,087,093	3,430,661	3,366,225
Public Safety	1,022,612	579,565	1,101,278	1,086,874	3,142,783	1,772,491	2,234,445	11,691,195	2,450,472	2,632,272
Transportation	582,821	660,431	552,814	546,401	1,016,338	891,079	1,123,316	1,580,790	1,231,919	1,605,164
Environmental protection	30,426	22,915	25,169	24,702	45,947	40,284	50,783	71,464	55,693	59,856
Economic and physical development	45,512	34,825	18,697	18,773	34,919	30,616	38,595	54,312	42,326	45,490
Human services	18,472,123	18,612,304	16,540,601	1,597,713	7,351,447	6,846,499	2,121,377	11,434,286	8,910,809	9,576,942
Cultural and recreational	161,213	168,442	180,196	197,613	367,572	322,271	406,264	571,714	445,540	478,847
Education	1,902,400	400	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	28,493	22,252	117,150	-	-	-	-	-	-	-
Economic and physical development	39,584	-	-	-	-	-	-	-	-	322,798
Cultural and recreational	5,750	-	29,078	-	-	-	-	-	-	-
Total governmental activities programs revenues	44,210,528	42,247,420	38,351,475	23,335,195	48,905,542	42,356,686	46,748,613	82,562,186	57,928,840	62,531,788

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type activities:										
Charges for services:										
Water and Sewer	34,697,530	36,147,419	39,326,703	40,260,717	41,527,755	42,406,003	49,392,182	49,744,356	58,671,224	65,681,127
Solid Waste	5,360,576	5,827,446	5,798,149	6,091,812	6,406,797	7,950,319	8,348,325	8,495,874	8,533,089	8,897,001
Operating grants and contributions:										
Solid Waste	268,549	75,793	28,680	-	-	-	-	-	-	-
Capital grants and contributions:										
Water and Sewer	6,430,392	2,218,064	622,358	3,005,857	2,581,893	4,138,486	7,766,687	10,654,949	15,373,722	57,604,278
Total business-type activities program revenues	46,757,047	44,268,722	45,775,890	49,358,386	50,516,445	54,494,808	65,507,194	68,895,179	82,578,035	132,182,406
Total primary government program revenues	\$ 90,967,575	\$ 86,516,142	\$ 84,127,365	\$ 72,693,581	\$ 99,421,987	\$ 96,851,494	\$ 112,255,807	\$ 151,457,365	\$ 140,506,875	\$ 194,714,194
Net (expense)/revenue	\$ (68,966,324)	\$ (82,758,223)	\$ (106,246,236)	\$ (116,704,088)	\$ (95,792,832)	\$ (114,534,937)	\$ (134,459,645)	\$ (109,416,674)	\$ (138,207,429)	\$ (156,106,841)
Governmental activities	10,839,100	6,818,977	6,215,219	7,155,303	10,179,888	10,676,052	19,740,594	12,603,207	26,106,280	68,448,405
Business-type activities	\$ (58,127,224)	\$ (75,939,246)	\$ (100,031,017)	\$ (109,548,785)	\$ (85,612,944)	\$ (103,858,885)	\$ (114,719,051)	\$ (96,813,467)	\$ (112,101,149)	\$ (87,658,436)
Total primary government net expense	\$ (47,288,124)	\$ (69,120,269)	\$ (93,815,798)	\$ (102,393,482)	\$ (75,433,056)	\$ (93,182,833)	\$ (94,968,457)	\$ (84,210,260)	\$ (86,004,869)	\$ (19,210,031)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Ad valorem taxes	\$ 68,369,184	\$ 70,197,361	\$ 70,459,916	\$ 73,555,031	\$ 75,867,248	\$ 80,167,654	\$ 85,540,859	\$ 92,631,013	\$ 97,422,538	\$ 104,767,709
Local option sales tax	19,279,814	20,518,531	21,796,176	23,633,916	33,693,156	39,711,979	44,617,913	48,835,887	49,246,273	51,758,110
Other taxes	4,778,883	8,538,405	9,215,929	9,530,846	2,778,003	3,050,213	1,848,542	5,540,901	5,547,160	5,775,484
Unrestricted grants and contributions	41,665	120,415	56,135	4,994	14,153	43,235	15,078	45,001	6,391	35,691
Investment earnings	102,503	280,826	950,379	1,647,672	1,676,825	66,876	146,776	8,523,762	14,170,521	13,919,275
Transfers	-	-	397,814	71,486	-	-	-	-	-	-
Total governmental activities	92,572,049	99,655,538	102,876,349	108,443,945	114,029,385	123,039,957	132,169,168	155,496,564	166,392,883	176,256,269
Business-type activities:										
Other taxes	268,129	282,599	258,016	282,191	283,640	299,010	333,365	378,939	418,366	453,884
Investment earnings	3,491	(470)	29,994	44,537	149,624	4,634	1,559	573,605	1,305,288	1,520,959
Transfers	-	-	(397,814)	(71,486)	-	-	-	-	-	-
Total business-type activities	271,620	282,129	(109,804)	255,242	433,264	303,644	334,924	952,544	1,723,654	1,974,843
Total primary government	\$ 92,843,669	\$ 99,937,667	\$ 102,766,545	\$ 108,699,187	\$ 114,462,649	\$ 123,343,601	\$ 132,504,092	\$ 156,449,108	\$ 168,116,537	\$ 178,231,112
Change in Net Position										
Governmental activities	\$ 23,605,725	\$ 16,897,315	\$ (3,369,887)	\$ (8,260,143)	\$ 18,236,553	\$ 8,505,020	\$ (2,290,477)	\$ 46,079,890	\$ 28,185,454	\$ 20,149,428
Business-type activities	11,110,720	7,101,106	6,105,415	7,410,545	10,613,152	10,979,696	20,075,518	13,555,751	27,829,934	70,423,248
Total primary government	\$ 34,716,445	\$ 23,998,421	\$ 2,735,528	\$ (849,598)	\$ 28,849,705	\$ 19,484,716	\$ 17,785,041	\$ 59,635,641	\$ 56,015,388	\$ 90,572,676

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

	2016	2017 ¹	2018 ²	2019	2020 ³	2021 ⁴	2022 ⁵	2023 ⁶	2024 ⁷	2025 ⁸
General Fund										
Non Spendable	\$ 1,418,606	\$ 232,245	\$ 216,378	\$ 249,757	\$ 2,637,760	\$ 2,199,381	\$ 2,210,399	\$ 2,356,195	\$ 128,779	\$ 150,683
Restricted	11,966,027	9,068,575	10,337,775	11,199,201	15,306,174	17,550,550	17,948,916	19,310,705	18,464,651	18,402,428
Committed	-	-	-	-	8,872,608	9,756,795	16,424,560	21,684,428	25,596,510	33,391,937
Assigned	-	-	422,916	2,433,321	8,363,192	12,577,649	24,949,812	30,562,847	47,743,798	69,783,338
Unassigned	26,311,973	32,547,008	32,201,423	29,737,935	31,349,433	40,218,952	41,662,778	51,201,876	58,436,837	42,076,534
Total General Fund	\$ 39,696,606	\$ 41,847,828	\$ 43,178,492	\$ 43,620,214	\$ 66,529,167	\$ 82,303,327	\$ 103,196,465	\$ 125,116,051	\$ 150,370,575	\$ 163,804,920
All other governmental funds										
Non Spendable	\$ 4,212	\$ 4,212	\$ 4,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	7,594,332	37,153,665	19,255,559	17,985,905	22,791,271	24,303,276	45,485,914	51,990,545	26,908,322	92,893,463
Committed	122,485	181,634	197,814	492,117	5,254,119	5,065,015	5,575,041	13,236,739	7,257,198	10,261,857
Assigned	2,316,903	5,001,315	6,045,578	5,821,813	3,415,325	3,410,004	48,780	76,557	95,997	935,893
Unassigned	(895,755)	(618,241)	(1,857,918)	(1,386,783)	(7,402,400)	(4,103,999)	(8,238,596)	(24,398,041)	(9,190,612)	(724,773)
Total all other governmental funds	\$ 9,142,177	\$ 41,722,585	\$ 23,645,245	\$ 22,913,052	\$ 24,058,315	\$ 28,674,296	\$ 42,871,139	\$ 40,905,800	\$ 25,070,905	\$ 103,366,440

¹ 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.
² 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.
³ 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.
⁴ 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.
⁵ The increase in Fund Balance for all other governmental funds is due to the cash on deposit with an escrow agent for the Northwest Harnet Elementary School Capital Project Fund.
⁶ The increase in Fund Balance for all other governmental funds is due to increased operating grants for several funds from both Federal and State sources.
⁷ The decrease in Fund Balance for all other governmental funds is due to the spend-down various restricted grant funds associated with COVID and ARPA.
⁸ The increase in Fund Balance for all other governmental funds is due to the cash on deposit with an escrow agent for the Flatwoods Middle School Capital Project Fund.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Ad valorem taxes	\$ 68,317,095	\$ 70,285,326	\$ 70,437,519	\$ 73,612,822	\$ 75,758,317	\$ 80,099,213	\$ 85,562,489	\$ 92,590,675	\$ 97,314,151	\$ 104,308,146
Other taxes and licenses	24,058,697	29,056,936	31,012,105	33,164,762	36,471,159	42,762,192	46,466,455	54,296,788	54,793,433	57,896,673
Unrestricted Intergovernmental	41,665	120,415	56,135	4,994	14,153	43,235	15,078	45,001	6,391	35,691
Restricted Intergovernmental	23,003,139	22,873,759	19,843,450	19,910,706	28,408,647	23,744,458	25,156,563	50,144,277	36,049,310	33,312,924
Permits and fees	3,466,824	3,545,871	3,824,231	2,929,161	2,422,016	2,590,141	2,391,886	2,619,018	2,222,519	1,891,635
Sales and services	8,863,752	7,604,780	7,793,750	7,602,674	9,571,668	10,338,766	11,797,382	13,942,527	14,659,890	16,388,323
Investment earnings	102,503	280,826	950,379	1,647,672	1,676,825	66,876	146,776	8,523,762	14,170,521	13,919,275
Other general revenues	3,631,950	3,639,506	4,113,580	2,546,588	6,568,738	3,880,348	5,517,356	5,281,029	3,977,539	7,652,506
Total revenues	131,485,625	137,407,419	138,031,149	141,419,379	160,891,523	163,525,229	177,053,985	227,443,077	223,193,754	235,405,173
Expenditures										
General government	13,684,269	13,769,610	17,852,956	16,168,276	30,945,013	28,532,332	21,541,255	23,460,563	25,113,383	27,305,468
Public safety	36,668,046	39,640,768	41,743,221	42,920,389	47,679,464	49,432,661	52,368,982	64,909,338	68,290,663	74,731,938
Transportation	392,951	436,495	472,869	537,989	691,366	911,473	261,357	454,271	445,317	1,323,864
Environmental protection	182,736	181,452	166,931	178,917	226,440	224,948	265,800	440,337	492,050	483,669
Economic and physical development	3,291,512	4,988,437	4,142,456	3,644,583	4,285,897	4,699,442	5,215,836	9,735,873	10,516,342	12,595,440
Human services	28,000,704	29,235,907	25,870,415	23,785,760	23,930,556	25,179,507	27,210,434	29,391,184	32,983,176	36,290,759
Cultural and recreational	1,498,127	2,131,641	2,859,436	4,069,047	3,226,045	3,436,177	3,152,113	4,245,949	5,408,512	6,442,932
Education	27,328,710	26,811,390	45,366,104	31,850,277	33,351,865	44,215,752	62,205,098	54,820,083	47,131,275	51,925,198
Debt Service										
Principal	11,551,597	13,660,527	14,511,973	14,307,300	13,810,496	12,611,865	13,773,022	16,683,427	16,563,449	14,906,344
Interest and fees	4,959,473	3,849,231	4,547,768	4,318,798	4,518,023	5,421,947	6,411,526	7,072,844	6,477,506	5,915,947
Total primary government expenses	127,558,125	134,705,458	157,534,129	141,781,336	162,665,165	174,666,104	192,405,423	211,213,869	213,421,673	231,921,559
Excess of revenues over (under) expenditures	3,927,500	2,701,961	(19,502,980)	(361,957)	(1,773,642)	(11,140,875)	(15,351,438)	16,229,208	9,772,081	3,483,614

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other financing sources (uses)										
Bonds & capital lease issuance	2,200,000	29,500,000	1,902,953	-	21,145,000	78,910,000	43,000,000	-	-	80,565,000
Lease liability issued	-	-	-	-	-	-	1,141,316	236,537	-	1,705,751
Subscription liabilities issued	-	-	-	-	-	-	-	3,127,346	-	-
Bond premium	-	2,529,669	-	-	3,847,498	11,024,698	6,300,403	-	-	5,752,525
Long-term debt refunded	37,018,000	-	-	-	-	-	-	-	-	-
Payment to escrow agents	(36,177,890)	-	-	-	835,360	(58,534,840)	-	-	-	-
Transfers in	1,207,791	386,398	9,504,216	7,924,291	13,969,859	5,733,474	6,208,979	14,786,238	12,773,291	17,370,758
Transfers out	(1,207,791)	(386,398)	(8,650,865)	(7,852,805)	(13,969,859)	(5,733,474)	(6,208,979)	(14,786,238)	(12,773,291)	(17,370,758)
Total other financing sources (uses)	3,040,110	32,029,669	2,756,304	71,486	25,827,858	31,399,858	50,441,719	3,363,883	-	88,023,276
Net change in fund balances	\$ 6,967,610	\$ 34,731,630	\$ (16,746,676)	\$ (290,471)	\$ 24,054,216	\$ 20,258,983	\$ 35,090,281	\$ 19,593,091	\$ 9,772,081	\$ 91,506,890
Debt service as a percentage of noncapital expenditures	13.59%	13.33%	12.54%	13.53%	12.57%	11.28%	10.68%	11.99%	11.37%	9.37%

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

Fiscal Year	Governmental Activities						Cable		Business-type Activities	
	Ad Valorem	Sales Tax	Excise Stamp - Real Property	Occupancy Tax	Franchise License	Solid Waste	Total			
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			
2023	92,631,013	48,835,887	1,536,644	-	211,169	378,939	143,593,652			
2024	97,422,538	49,246,273	1,660,195	-	151,706	418,366	148,899,078			
2025	104,767,709	51,758,110	1,902,057	-	138,168	453,884	159,019,928			

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

Fiscal Year	Ad Valorem	Sales Tax	Excise Stamp		Occupancy Tax	Cable TV		Total
			Real Property	Real Property		Franchise	Franchise	
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		
2023	79,566,637	48,835,887	1,536,644	-	211,169	130,150,337		
2024	83,413,698	49,246,273	1,660,195	-	151,706	134,471,872		
2025	89,272,284	51,758,110	1,902,057	-	138,168	143,070,619		

¹ Includes Ad Valorem Tax and Other Taxes and Licenses

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

Fiscal Year Ended June 30	Personal Property					Less: Tax Exempt Real Property ²	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value ³	Assessed Value as a Percentage of Actual Value ⁴
	Real Property	Public Service ¹	Motor Vehicle	Other	Other					
2016	\$ 6,936,338,652	\$ 193,236,973	\$ 852,439,776	\$ 368,420,022	\$ 294,049,816	\$ 8,056,385,607	0.750	\$ 7,852,739,210	102.59%	
2017 ⁵	6,967,722,434	195,247,388	918,026,527	360,205,365	293,157,895	8,148,043,819	0.750	7,509,695,274	108.50%	
2018	7,315,657,297	201,237,625	961,509,860	363,254,196	314,350,768	8,527,308,210	0.750	8,235,352,924	103.55%	
2019	7,388,162,947	192,608,831	1,059,727,569	479,953,699	352,986,800	8,767,466,246	0.750	8,513,030,873	102.99%	
2020	7,497,543,732	215,670,039	1,094,229,365	520,070,544	337,360,248	8,990,153,432	0.750	8,501,095,968	105.75%	
2021	7,676,230,114	221,810,777	1,274,006,967	575,559,942	339,086,346	9,408,521,454	0.750	8,200,662,442	114.73%	
2022 ⁵	7,903,811,970	219,183,204	1,320,326,972	605,007,396	361,036,236	9,687,293,306	0.750	9,036,008,187	107.21%	
2023	12,165,113,593	265,131,929	1,501,617,717	552,052,138	1,132,796,314	13,351,119,063	0.591	13,753,943,045	97.07%	
2024	12,353,008,811	321,010,437	1,566,103,234	677,491,908	962,890,244	13,954,724,146	0.591	13,954,724,146	100.00%	
2025	13,099,890,793	321,010,437	1,746,595,320	717,792,949	962,213,894	14,923,075,605	0.591	14,969,226,953	99.69%	

¹ Public service companies' property includes real and personal property of utilities, railroad and buslines, etc. These assessments are made by the North Carolina Department of Revenue with no distinction between real and personal property.

² Exempt real estate only, does not include Elderly Exemption or Deferred. Exempt properties are not reported in the year-to-year levy; therefore, annual scrolls were not maintained. The information presented was compiled from reports prepared for the Department of Revenue.

³ Estimated actual taxable value reflects an increase in real and exempt property. Estimated Actual Taxable Value was computed by using Real Estate Assessment Sales Ratio Study Percentages from the North Carolina Department of Revenue.

⁴ Estimated actual values and the ratio of total assessed value to total estimated actual value have been adjusted to reflect updated sales assessment ratio percentages from the North Carolina Department of Revenue.

⁵ Denotes the year in which a revaluation was effective January 1st and reflected in the following fiscal year.

Note: A revaluation of real property is required by North Carolina General Statutes at least every eight years. Assessed valuations are established by the Board of Commissioners at 100% of market value as of the year of the revaluation. The last revaluation was effective January 1, 2017 and reflected in the 2018 fiscal year.

Source: Harnett County Tax Department and NCDMV

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Harnett County	0.750	0.750	0.750	0.750	0.750	0.750	0.591	0.591	0.591	0.591
Municipalities:										
City of Dunn	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.540	0.540
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	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.110
Downtown Revitalization	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012
Combined Rate	1.270	1.270	1.270	1.270	1.270	1.270	1.111	1.213	1.253	1.273
Town of Benson										
Satellite Properties	0.530	0.530	0.540	0.530	0.530	0.550	0.550	0.590	0.610	0.610
Combined Rate	1.280	1.280	1.290	1.280	1.280	1.300	1.141	1.181	1.201	1.201
Town of Broadway										
Satellite Properties	0.440	0.440	0.490	0.490	0.490	0.490	0.530	0.440	0.460	0.460
Combined Rate	1.190	1.190	1.240	1.240	1.240	1.240	1.121	1.031	1.041	1.051
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	1.270	1.270	1.270	1.270	1.270	1.270	1.111	1.111	1.111	1.111
Town of Coats										
Satellite Properties	0.590	0.590	0.590	0.590	0.590	0.590	0.490	0.490	0.490	0.490
Combined Rate	1.340	1.340	1.340	1.340	1.340	1.340	1.081	1.081	1.081	1.081
Town of Angler										
Satellite Properties	0.530	0.530	0.530	0.530	0.530	0.530	0.490	0.490	0.490	0.591
Combined Rate	1.280	1.280	1.280	1.280	1.280	1.280	1.081	1.081	1.081	1.081
Town of Erwin										
Satellite Properties	0.510	0.510	0.510	0.510	0.510	0.510	0.480	0.480	0.480	0.500
Combined Rate	1.260	1.260	1.260	1.260	1.260	1.260	1.071	1.071	1.071	1.091

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fire Tax Districts:										
Anderson Creek Fire District Combined Rate	0.110 0.860	0.110 0.860	0.110 0.860	0.110 0.860	0.110 0.860	0.110 0.860	0.110 0.701	0.110 0.701	0.110 0.701	0.110 0.701
Angier/Black River Fire District Combined Rate	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820	0.075 0.666	0.075 0.666	0.085 0.666	0.085 0.676
Benhaven Fire District Combined Rate	0.090 0.840	0.090 0.840	0.090 0.840	0.090 0.840	0.100 0.850	0.110 0.860	0.110 0.701	0.120 0.711	0.120 0.711	0.120 0.711
Benson Banner Fire District Combined Rate	0.090 0.840	0.090 0.840	0.100 0.850	0.100 0.850	0.100 0.850	0.120 0.870	0.120 0.711	0.120 0.711	0.120 0.711	0.120 0.711
Boone Trail Emergency Services Combined Rate	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820	0.080 0.671	0.100 0.691	0.100 0.691	0.110 0.701
Bules Creek Fire District Combined Rate	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.691	0.100 0.691	0.100 0.691	0.1075 0.699
Crains Creek Combined Rate	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.691	0.100 0.691	0.100 0.691	0.110 0.701
Coats-Grove Fire District Combined Rate	0.090 0.840	0.090 0.840	0.090 0.840	0.090 0.840	0.090 0.840	0.110 0.860	0.110 0.701	0.110 0.701	0.110 0.701	0.110 0.701
Cypress Creek Combined Rate	0.085 0.835	0.085 0.835	0.085 0.835	0.085 0.835	0.085 0.835	0.950 1.700	0.950 1.541	0.095 0.686	0.095 0.686	0.095 0.686
Duke (Erwin) Fire District Combined Rate	0.080 0.830	0.080 0.830	0.085 0.835	0.085 0.835	0.095 0.845	0.095 0.845	0.095 0.686	0.095 0.686	0.095 0.686	0.105 0.696
Flat Branch Fire District Combined Rate	0.120 0.870	0.120 0.870	0.120 0.870	0.120 0.870	0.130 0.880	0.130 0.880	0.130 0.721	0.130 0.721	0.130 0.721	0.130 0.721

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Flatwoods Combined Rate	0.120 0.870	0.120 0.870	0.120 0.870	0.120 0.870	0.120 0.870	0.120 0.870	0.120 0.711	0.120 0.711	0.120 0.711	0.120 0.711
Godwin Falcon Combined Rate	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.150 0.900	0.150 0.741	0.150 0.741	0.150 0.741	0.150 0.741
Northwest Harnett Fire District Combined Rate	0.080 0.830	0.080 0.830	0.080 0.830	0.080 0.830	0.080 0.830	0.080 0.830	0.080 0.671	0.080 0.671	0.080 0.671	0.080 0.671
Spout Springs Combined Rate	0.100 0.850	0.100 0.850	0.100 0.850	0.120 0.870	0.120 0.870	0.120 0.870	0.120 0.711	0.120 0.711	0.120 0.711	0.120 0.711
Summerville Bunnlevel Combined Rate	0.080 0.830	0.080 0.830	0.080 0.830	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.691	0.100 0.691	0.100 0.691	0.110 0.701
West Area Fire District Combined Rate	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.850	0.100 0.691	0.110 0.701	0.130 0.721	0.130 0.721
West Johnston Fire District Combined Rate	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.820	0.070 0.661	0.070 0.661	0.070 0.661	0.120 0.711

¹ Overlapping rates are those of local and county governments that apply to property owners within Harnett County. Not all overlapping rates apply to all Harnett County property owners (e.g. the rates for special districts apply only to the proportion of the governments's 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	2025			2016		
	2024 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2015 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Progress ¹	\$ 347,121,898	1	2.32%	68,663,500	1	0.90%
South River EMC	122,562,946	2	0.82%	37,043,938	2	0.50%
Kingsbridge Holdings LLC	94,806,970	3	0.64%			
Piedmont Natural Gas Co., Inc.	88,364,998	4	0.59%			
SE Independent Delivery Svcs (Rooms to Go)	80,009,808	5	0.54%			
Dan Ryan Builders LLC	32,921,689	6	0.22%			
D R Horton Inc	26,666,150	7	0.18%			
Wal-Mart Real Estate Business	25,738,975	8	0.17%	12,318,880	9	0.20%
Family Medical Supply Inc	25,060,141	9	0.17%			
Bulldog Hose Company	23,394,157	10	0.16%			
Delhaize America, Inc				35,718,910	3	0.40%
Rooms to Go				26,627,160	4	0.40%
Central EMC				20,133,065	5	0.30%
Food Lion Stores, Distribution				18,646,965	6	0.20%
Carolina Telephone				18,384,773	7	0.20%
Angier Farms				13,625,409	8	0.20%
Wincor				11,604,929	10	0.10%
	<u>\$ 866,647,732</u>		<u>5.81%</u>	<u>\$ 262,767,529</u>		<u>3.40%</u>

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

Source: Harnett County Tax Department

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

Fiscal Year Ended June 30	Collected within the Fiscal Year of the Levy				Total Collections to Date			
	Total Net Tax Levy	Current Tax Collections	Percent of Net Levy Collected	Collected in Subsequent Years	Total Tax Collections	Total Tax Collections To Net Levy	Total Tax Collections	Percent of Total Tax Collections To Net Levy
2016	\$ 61,131,564	\$ 60,690,471	99.28%	\$ 414,297	\$ 61,104,768	99.96%		
2017	62,808,873	62,470,305	99.46%	305,693	62,775,998	99.95%		
2018	63,211,354	62,911,822	99.53%	265,117	63,176,939	99.95%		
2019	65,988,291	65,733,131	99.61%	217,011	65,950,142	99.94%		
2020	67,744,202	67,264,728	99.29%	408,665	67,673,393	99.90%		
2021	70,935,348	70,537,914	99.44%	306,787	70,844,701	99.87%		
2022	74,074,566	73,674,943	99.46%	281,310	73,956,253	99.84%		
2023	80,414,447	79,957,356	99.43%	293,171	80,250,527	99.80%		
2024	83,666,071	83,145,831	99.38%	270,207	83,416,038	99.70%		
2025	89,699,916	89,091,854	99.32%	-	89,091,854	99.32%		

Source: Harnett County Tax Department

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

Fiscal Year	Governmental Activities					Business-type Activities					Total Primary Government	Per Capita ¹	
	Capitalized Leases	Installment Purchase	Limited Obligation Bonds	General Obligation Bonds	Capitalized Leases	Installment Purchase	General Obligation Bonds	Revenue Bonds	Limited Obligation Bonds	Special Obligation Bonds			State Bond Loan
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	-	28,025,000	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	-	26,550	-	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	-	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
2023	14,266,118	25,487,421	48,060,000	86,250,000	-	-	11,203,000	11,640,000	13,105,000	-	-	210,011,539	1,513
2024	13,426,166	24,599,595	39,640,000	81,250,000	-	-	10,948,000	9,710,000	12,035,000	-	-	191,608,761	1,350
2025	12,571,545	23,367,570	113,590,000	76,250,000	-	-	10,685,000	7,740,000	10,990,000	-	-	255,194,115	1,725

¹ Provided by the NC Department of Commerce. Latest information available is represented. Refer to the schedule on page P-18 for personal income and population data.

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Harnett County, North Carolina
Direct and Overlapping Governmental Activities Debt
For the fiscal year ending June 30, 2025
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated share of Overlapping Debt
Harnett County			
Debt repaid with property taxes	\$ 107,246,545	100%	\$ 107,246,545
Total direct debt			107,246,545
Municipality:			
Town of Angier	6,537,713	100%	6,537,713
Town of Coats	-	100%	-
City of Dunn	13,521,743	100%	13,521,743
Town of Erwin	-	100%	-
Town of Lillington	5,900,000	100%	5,900,000
Total overlapping debt	<u>5,900,000</u>		<u>5,900,000</u>
Total direct and overlapping debt			<u>\$ 133,206,001</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Harnett County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated by considering that the residents of the Towns are responsible for not only the debt of the Town, but the County as well.

Harnett County, North Carolina
Pledged Revenue Coverage - Water & Sewer
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Gross Revenues ¹	Direct Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2016	\$ 30,898,090	\$ 18,278,264	\$ 12,619,826	\$ 800,000	\$ 295,916	\$ 1,095,916	1151.53%
2017	34,090,243	20,843,978	13,246,265	833,000	263,575	1,096,575	1207.97%
2018	37,788,792	22,945,987	14,842,805	855,000	242,501	1,097,501	1352.42%
2019	38,416,283	23,759,031	14,657,252	875,000	220,869	1,095,869	1337.50%
2020	39,711,911	21,679,777	18,032,134	896,000	198,731	1,094,731	1647.17%
2021	39,919,546	23,281,892	16,637,654	2,200,000	363,115	2,563,115	649.12%
2022	47,804,229	25,548,563	22,255,666	1,855,000	652,250	2,507,250	887.65%
2023	48,920,006	29,331,969	19,588,037	1,880,000	596,600	2,476,600	790.92%
2024	58,609,156	33,245,984	25,363,172	1,930,000	521,400	2,451,400	1034.64%
2025	65,722,998	38,945,426	26,777,572	1,970,000	444,200	2,414,200	1109.17%

¹ Total operating revenues including interest

² Total operating expenses exclusive of depreciation and amortization

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Harnett County, North Carolina
Computation of Legal Debt Margin
Last Ten Fiscal Years
(amounts expressed in thousands)
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 634,974	\$ 651,844	\$ 654,277	\$ 699,838	\$ 703,537	\$ 752,682	\$ 1,147,025	\$ 1,063,564	\$ 1,137,558	\$ 1,217,717
Total net debt applicable to limit	100,000	259,449	228,452	215,850	352,698	209,015	190,149	174,649	159,381	226,124
Legal debt margin	\$ 534,974	\$ 392,395	\$ 425,825	\$ 483,988	\$ 350,839	\$ 543,667	\$ 956,876	\$ 888,915	\$ 978,177	\$ 991,593
Total net debt applicable to the limit as a percentage of debt limit	15.75%	39.80%	34.92%	30.84%	50.13%	27.77%	16.58%	16.42%	14.01%	18.57%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Value	15,221,468,484
Debt Limit (8% of total assessed value)	1,217,717,479
Debt applicable to limit:	
Installment purchase	35,939,084
General obligation bond	86,935,000
Revenue bonds	7,740,000
Limited obligation bond	124,580,000
Subtotal	<u>255,194,084</u>
Total Gross Debt	255,194,084
Less: Statutory deductions	
Bonds issued and outstanding for water and sewer purposes	21,330,000
Revenue bonds	<u>7,740,000</u>
Total amount of debt applicable to debt limit	29,070,000
Legal debt margin	<u>226,124,084</u>
	<u>\$991,593,395</u>

Harnett County, North Carolina
General Obligation Bonds - Governmental
For the fiscal year ending June 30, 2025
(Unaudited)

	Governmental - General Obligation Bonds			Amount Outstanding Governmental	
	Issue Date	Original Issue	Interest Rate		Final Maturity
General Obligation Bonds:					
Benhaven Elementary School	May 2017	\$ 29,500,000	3.000%	May 2037	\$ 17,700,000
Erwin Elementary School	July 2020	27,500,000	3.000%	October 2040	22,000,000
Northwest Harnett Elementary	August 2021	43,000,000	3.000%	August 2041	36,550,000
Total Governmental Activities		<u>\$ 100,000,000</u>			<u>\$ 76,250,000</u>

Harnett County, North Carolina
Direct and Overlapping Governmental Activities Debt
For the Last Nine Fiscal Years
(Unaudited)

At June 30	Total GO Debt	Assessed Valuation	Total GO Debt to Assessed Valuation	Population	Total GO Debt Per Capita
2017	\$ 29,500,000	\$ 8,148,043,819	0.36	129,847	\$ 227.19
2018	28,025,000	8,528,466,617	0.33	131,645	220.88
2019	26,550,000	8,811,710,509	0.3	133,172	199.37
2020	25,075,000	9,327,754,918	0.27	134,906	185.87
2021	51,100,000	9,408,521,454	0.54	135,976	375.80
2022	91,250,000	9,687,293,306	0.94	135,966	671.12
2023	86,250,000	13,351,119,063	0.65	138,832	621.25
2024	81,250,000	13,954,724,146	0.58	141,934	572.45
2025	76,250,000	14,923,075,605	0.51	146,096	521.92

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	
2016	126,666	\$	44,880	\$	19,813	33.2	6.80%	36,366	67.3%					
2017	128,140		48,960		21,202	34.0	4.20%	38,130	66.2%					
2018	130,881		51,637		22,096	34.0	3.70%	38,222	66.6%					
2019	132,754		51,479		23,248	34.5	4.30%	38,839	64.3%					
2020	134,214		51,022		23,571	34.9	3.60%	36,516	68.7%					
2021	135,976		55,753		23,689	34.8	4.30%	37,986	66.1%					
2022	135,966		62,478		28,452	35.5	2.90%	36,825	68.5%					
2023	138,832		59,676		26,962	35.3	4.20%	36,823	68.5%					
2024	141,934		64,992		29,678	35.2	4.64%	37,349	65.5%					
2025	147,949		70,074		47,518	35.4	4.10%							

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 - Water
(Unaudited)

Customer	2025			Contract Expiration
	Gallons Used (000's)	Annual Revenues	Percentage of Total Water Revenues	
Town of Holly Springs	\$ 1,342,607,020	\$ 3,155,127	9.78%	2040
Town of Fuquay	702,443,510	1,650,742	5.12%	2040
County of Moore	616,409,970	1,448,563	4.49%	2042
County of Johnston	449,967,000	1,057,422	3.28%	2056
Fort Bragg	602,297,241	1,031,125	3.20%	2046
Town of Angier	289,898,288	869,695	2.70%	2046
Town of Lillington	168,767,000	506,301	1.57%	Automatic Renewal
Town of Spring Lake	116,026,000	348,078	1.08%	Indefinite
Ft Bragg - Linden Oaks	90,561,965	271,686	0.84%	2046
Woodlake Subdivision	62,296,000	199,347	0.62%	Indefinite
Total	\$ 4,441,273,994	\$ 10,538,086	32.67%	

Source: Harnett Regional Water Department

Harnett County, North Carolina
Principal Utility Rate Payers - Sewer
(Unaudited)

Customer	2025			Contract Expiration
	Gallons Used (000's)	Annual Revenues	Percentage of Total Sewer Revenues	
Ft. Bragg Main Base	1,274,545	\$ 3,126,463	19.03%	2046
Town of Fuquay-Varina	646,894	1,778,959	10.83%	2040
Town of Lillington	295,377	812,286	4.94%	Automatic Renewal
Town of Angier	337,022	926,811	5.64%	2046
Ft. Bragg-Linden Oaks Housing Area	98,612	295,837	1.80%	2053
Campbell University	48,771	134,121	0.82%	Automatic Renewal
Harnett County Schools	43,601	415,748	2.53%	Indefinite
Septic Waste-Various Haulers	3,976	258,425	1.57%	Indefinite
Charah Inc.	3,008	255,680	1.56%	Automatic Renewal
Total	2,751,806	\$8,004,330	48.73%	

Source: Harnett Regional Water Department

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

Employer	Employment Type	2025		2016	
		Employment Range	Employment Range	Employment Range	Employment Range
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	1,000 +	1,000 +	1,000 +	1,000 +
Cumberland County Health (Harnett Health)	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		
Wellons Construction Inc	Construction	250 - 499	250 - 499		
Rha Health Services LLC	Health Care and Social Assistance	100 - 249	100 - 249		
NC Department of Public Safety	Public Administration			250 - 499	250 - 499
Champion Home Builders Inc	Manufacturing			100 - 249	100 - 249
Edwards Brothers, Inc	Manufacturing			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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	103.47	114.07	114.07	123.25	115	115	124	130	130	133
Public Safety	317	340	340	357.5	353	353	360	363	369	373
Environmental Protection	3	3	3	3	3	3	3	4	4	4
Economic and Physical Development	24	24.75	24.75	31.63	27	27	26	27	35	33
Human Services	256.25	264.18	264.18	263	256	256	262	272	295	298
Cultural & Recreation	14	21	21	22	25	25	27	27	41	41
Water and Wastewater	101.5	105.2	105.2	105	104	104	109	110	110	119
Solid Waste	15.28	16	16	17	17	17	17	17	17	19
Total	834.5	888.2	888.2	922.38	900	900	928	950	1001	1020

Source: Harnett County Budget Office

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fire										
Number of Stations	20	20	20	20	20	20	20	20	22	22
Emergency Medical Services										
Number of Ambulances	28	31	32	33	34	34	34	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	3	3	3	3
Sheriff										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	181	177	177	177	172	150	150	151	151	151
Library System										
Number of libraries	6	7	7	7	7	7	7	7	8	8
Library collections										
Physical	194,735	182,966	205,015	205,782	207,741	194,783	193,819	199,039	180,254	159,906
Electronic	54,533	86,914	95,184	122,070	128,365	204,233	259,914	554,775	605,528	894,078
Total	249,268	269,880	300,199	327,852	336,106	399,016	453,733	753,814	785,782	1,053,984
Circulation	312,489	291,329	315,945	296,710	273,084	226,643	366,200	376,890	422,729	475,729
Parks & Recreation										
Number of Parks	7	8	8	8	8	9	9	9	11	11
Park acreage	1,215	1,222	1,222	1,222	1,222	1,426	1,426	1,426	1,474	1,474
Number of Ball Fields	6	8	8	8	8	10	10	10	14	14
Number of tennis courts	12	12	12	12	12	12	12	12	12	12
Number of playground areas	2	3	3	3	3	4	5	5	6	6
Number of soccer fields	2	2	2	2	2	5	5	5	6	6
Number of County owned senior centers	1	1	1	1	1	1	1	1	1	1
Miles of Walking Trails						17.62			21.02	21.02

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Utilities										
Water System:										
Miles of water main	1,433	1,438	1,451	1,456	1,523	1,465	1,489	1,493	1,564	1,564
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	44,274	44,568	45,110	45,709	46,704	47,647	49,421	50,383	54,622	58,530
Number of fire hydrants	4,605	4,630	4,977	5,090	5,102	5,147	5,201	3,981	4,001	4,721
Sewer System:										
Miles of sanitary sewer	362	364	406	408	417	421	429	429	512	512
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of service connections	12,515	12,688	13,031	13,218	13,191	13,751	14,010	14,573	15,086	15,086
Maximum daily capacity of treatment plant in gallons	20,600,000	20,600,000	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000
Facilities and services not included in primary government:										
Education:										
Number of schools	28	28	29	29	28	28	29	28	29	29
Number of teachers	1,252	1,260	1,257	1,257	1,239	1,241	1,230	1,246	1,282	1,308
Number of students	20,252	20,357	20,306	20,097	19,940	19,012	19,337	19,529	19,503	19,618
Universities	1	1	1	1	1	1	1	1	1	1
Community colleges	1	1	1	1	1	1	1	1	1	1
Hospitals:										
Number of hospitals	2	2	2	2	2	2	2	2	2	2
Number of patient beds	151	151	151	151	151	131	131	131	131	131

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

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COMPLIANCE SECTION

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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, 2025, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated February 9, 2026.

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 or significant deficiencies 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
February 9, 2026

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, 2025. 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, 2025.

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 the 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
February 9, 2026

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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, 2025. 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, 2025.

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 the 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
February 9, 2026

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HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

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	10.561
Special Supplemental Nutrition Program for Woman, Infants, and Children	10.557
Formula Grants for Rural Areas and Tribal Transit Program	20.509
Foster Care, Adoption, and Guardian Assistance Program Cluster	93.658, 93.659

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, 2025

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

Auditee qualified as low-risk auditee? No

Identification of major state programs:

Program Name

Medicaid Cluster
Foster Care, Adoption, and Guardianship Assistance Program Cluster
Supplemental Nutrition Assistance Program
Formula Grants for Rural Areas and Tribal Transit Program
General Fund Appropriation

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, 2025

None reported.

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
FEDERAL AWARD EXPENDITURES					
<u>U.S. Department of Agriculture</u>					
Passed-Through the N.C. Department of Health and Human Services: Division of Social Services:					
<u>Supplemental Nutrition Assistance Program Cluster (SNAP):</u>					
State Administrative Matching Grant for the Supplemental Nutrition Assistance Program - Administration	10.561	195NC406S2514	\$ 1,617,052	\$ 19,130	\$ -
Total Supplemental Nutrition Assistance Program Cluster (SNAP)			1,617,052	19,130	-
Division of Public Health: Administration:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5NC700705	712,082	-	-
Rural Development / Rural Housing Service Rural Housing Preservation Grants	10.433	UNKNOWN	49,202	-	-
Total U.S. Department of Agriculture			2,378,336	19,130	-
<u>U.S. Department of Justice Office</u>					
Office of Justice Programs					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02624-JAGX	22,856	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03592-JAGX	22,060	-	-
Equitable Sharing Program	16.922	NC0430000	301,176	-	-
Treatment Court Discretionary Grant Program	16.585	2020-VC-BX-0128	62,395	-	-
Treatment Court Discretionary Grant Program	16.585	15PBJA-22-GG-04375-VTCX	169,346	-	-
Treatment Court Discretionary Grant Program	16.585	15PBJA-23-GG-05264-VTCX	159,369	-	-
Drug Enforcement Agency Alcohol, Tobacco, and Firearms Training Assistance Program	16.012	G20GA0004A	23,805	-	-
Total U.S. Department of Justice Office			761,007	-	-
<u>U.S. Department of Labor</u>					
Department of Labor/Employment and Training Passed-through Central Carolina Community Workforce Innovation and Opportunity Act (WIOA) Cluster					
WIOA Adult Program	17.258	13-2040-02	168,810	-	-
WIOA Youth Activities	17.259	13-2040-02	197,717	-	-
WIOA Dislocated Worker Formula Grant	17.278	13-2040-02	138,186	-	-
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			504,713	-	-
Total U.S. Department of Labor			504,713	-	-
<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	UNKNOWN	183,189	172,626	-
Nutrition Services Incentive Program	93.053	UNKNOWN	42,131	-	-
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	16-701-250	-	9,463	-
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	16-701-33	127,692	-	-
Total Aging Cluster			353,012	182,089	-
Special Programs for the Aging: National Family Caregiver Support, Title III, Part E					
National Family Caregiver Support, Title III, Part E - Supplemental Nutrition Funding (HDC5)	93.052	17-701	25,110	1,890	-
COVID-19 National Family Caregiver Support, Title III, Part E -Nutrition	93.052	17-701	112,628	117,225	-
COVID-19 National Family Caregiver Support, Title III, Part E - In-Home Aid	93.052	17-701	15,049	-	-
COVID-19 National Family Caregiver Support, Title III, Part E - In-Home Aid	93.052	17-701	15,577	-	-
Total Administration For Community Living			521,376	301,204	-
Division of Administration for Children & Families Passed-Through the N.C. Department of Health & Human Services: Division of Social Services Subsidized Child Care Program 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	244,451	-	-
Child Care and Development Block Grant - Discretionary	93.575	3289204013	28,913	-	-
Total Subsidized Child Care Program Cluster/ Child Care Development Fund Cluster (Note 3)			273,364	-	-
Division of Social Services Foster Care, Adoption, and Guardianship Assistance Program Cluster: (Note 3)					
Foster Care - Title IV-E - Administration	93.658	1501NCFOST,1601NCFOST	813,630	164,428	-
Adoption Assistance - Administration	93.659	1501NCADPT,1601NCADPT	30,798	-	-
Direct Benefit Payments: Foster Care - Title IV-E					
Foster Care - Title IV-E	93.658	1501NCFOST,1601NCFOST	649,250	234,237	-
Total Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 3)			1,493,678	398,665	-

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
Temporary Assistance for Needy Families Division of Social Services Administration:					
Temporary Assistance for Needy Families	93.558	G1602NCTANF & 1702NCTANF	901,793	-	-
Division of Public Health					
Temporary Assistance for Needy Families	93.558	G1602NCTANF & 1702NCTANF	16,203	-	-
Total Temporary Assistance for Needy Families			917,996	-	-
Low-Income Home Energy Assistance	93.568	G16B1NCLIEA & G17B1NCLIEA	1,414	-	-
Low-Income Home Energy Assistance	93.568	G16B1NCLIEA & G17B1NCLIEA	91,165	-	-
Administration:					
Special Children Adoption Fund Cluster (Note 3):					
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G1501NCFPSS & G1601NCFPSS	59,589	-	-
Total Special Children Adoption Fund Cluster (Note 3)			59,589	-	-
Refugee and Entrant Assistance Cluster (Note 3):					
Refugee and Entrant Assistance - State Replacement Designee Administered Programs	93.566	1601NCRMA	57	-	-
Total Refugee and Entrant Assistance Cluster (Note 3)			57	-	-
Child Support Services	93.563	1604NC4005	1,490,064	-	-
Social Services Block Grant - In Home Services	93.667	G1601NCSOSR & G1701NCSOSR	45,229	-	-
Social Services Block Grant - Child Protective Services	93.667	G1601NCSOSR & G1701NCSOSR	1,438	-	-
Social Services Block Grant - Adult Day Care	93.667	G1601NCSOSR & G1701NCSOSR	35,041	21,650	-
Social Services Block Grant - Other Services	93.667	G1601NCSOSR & G1701NCSOSR	358,267	-	-
John H Chafee Foster Care Program for Successful Transition to Adulthood - Administrative and Services	93.674	G1501NC1420.G1601NC1420	19,220	4,805	-
John H Chafee Foster Care Program for Successful Transition to Adulthood - Direct Benefit Payments	93.674	G1501NC1420.G1601NC1420	1,029	-	-
Total Division of Administration for Children & Families			4,787,551	425,120	-
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:					
Grants to States for Medicaid	93.778	XIX-MAP21	4,334,241	386,994	-
Total Medicaid Cluster			4,334,241	386,994	-
Division of Social Services					
Administration:					
Children's Health Insurance Program - NC Health Choice	93.767	CHIP21	289,426	92,925	-
Total State Children's Health Insurance Program - NC Health Choice			289,426	92,925	-
Passed-Through the N.C. Department of Insurance					
Division of Seniors Health Insurance Information Program					
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	UNKNOWN	20,554	-	-
Total N.C. Department of Insurance			20,554	-	-
Total for Centers for Medicare and Medicaid Services			4,644,221	479,919	-
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	41,974	-	-
Immunization Cooperative Agreements	93.268	3H23IP000759-04	33,408	-	-
Division of Public Health					
Public Health Emergency Preparedness	93.069	NU90TP922002	36,558	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	NU52PS910218	50	-	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967		166,488	-	-
Preventive Health and Health Services Block Grant	93.991	NU50CK000530	30,741	-	-
Total Centers for Disease Control and Prevention			309,219	-	-
Health Resources and Service Administration					
Maternal and Child Health Services Block Grant to the States	93.994	BO4MC29320	134,312	5,606	-
HIV Care Formula Grants - Ryan White Care Act	93.917	2024	45,042	-	-
Total Health Resources and Service Administration			179,354	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	72,778	-	-
Total Office of Assistant Secretary for Health		FPHPA046226-02-00	72,778	-	-

HARNETT COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
<u>Total U.S. Department of Health and Human Services</u>			10,514,499	1,211,849	-
<u>U.S. Department of Transportation</u>					
Passed-through the N.C. Department of Transportation					
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK31940033HMEP	10,000	-	-
Airport Improvement Program, COVID-19 Airport Programs, and Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	36237.25.21.1	106,312	-	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	25-CT-040 2000080366	315,691	-	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	23-CT-040 2000061277	346,265	58,908	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	24-CT-040 2000070528	361,398	45,174	-
<u>Total U.S. Department of Transportation</u>			1,139,666	104,082	-
<u>U.S. Department of Homeland Security</u>					
Federal Emergency Management Agency:					
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - Passed-through N.C. Dept. of Crime Control and Public Safety					
Division of Emergency Management					
Homeland Security Grant Program	97.067	EMW-2022-SS-00018	112,413	-	-
Emergency Management Performance Grants	97.042	EMA-2021-EP-00015	35,000	-	-
Total N.C. Dept. of Crime Control and Public Safety			147,413	-	-
<u>Total U.S. Department of Homeland Security</u>			169,117	7,235	-
<u>U.S Department of Treasury</u>					
Direct Program					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	OMB No. 1505-0271	5,458,945	-	-
Passed through Department of Labor/Employment and Training					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	63,649	-	-
<u>Total U.S Department of Treasury</u>			5,522,594	-	-
TOTAL FEDERAL AWARD EXPENDITURES			20,989,932	1,342,296	-
STATE AWARD EXPENDITURES					
<u>N.C. Department of Natural and Cultural Resources</u>					
State Aid to Public Libraries		FY2023-2024	-	221,007	-
NC Arts Council		FY2024-94345	-	86,467	-
<u>Total N.C. Department of Natural and Cultural Resources</u>			-	307,474	-
<u>N.C. Department of Health and Human Services</u>					
Division of Public Health:					
Child Fatality Case Reporting			-	425	-
Family Planning			-	12,014	-
Child Health			-	24,429	-
DPH Aid-to-Counties			-	112,781	-
Tuberculosis Control			-	33,969	-
Food and Lodging			-	14,294	-
General Communicable Disease Control			-	4,001	-
School Nurse Funding Initiative			-	150,000	-
High Risk Maternity Clinics			-	10,403	-
Healthy Communities			-	3,785	-
State Fiscal Recovery Funds			-	100,000	-
Communicable Diseases Pandemic Recovery			-	308	-
<u>Total Division of Public Health</u>			-	466,409	-
Division of Social Services					
Administration:					
State Child Welfare/CPS/CS LD			-	152,122	-
Smart Start			-	50,231	-
Emergency Placement Foster Care			-	451,990	-
Direct Benefit Payments:					
Foster Care Kinship			-	105,223	-
State Family Foster Max			-	25,379	-
SFHF Maximization			-	283,250	-
State Foster Home Program			-	245,125	-
<u>Total Division of Social Services</u>			-	1,313,320	-
<u>Total N.C. Department of Health and Human Services</u>			-	1,779,729	-
<u>N.C. Department of Public Safety</u>					
Division of Juvenile Justice					
CBA-Juvenile Restitution		543-10591	-	116,947	116,947
CBA-JCPC ADM		543-11433	-	4,988	-
Harnett United Pal		1443-23559	-	72,450	72,450
Pal Career Readiness		243-23210	-	150,648	150,648
Tier II LEPC Grant		MOA # 2471008	-	750	-
<u>Total N.C. Department of Public Safety</u>			-	345,783	340,045
<u>N.C. Department of Transportation</u>					
Passed-Through the N.C. Department of Transportation					
Rideshare Integrated Mobility Division		36233.50.27.1	-	19,729	-
State Aid to Airports		36244.35.11.1	-	900	-
DOT Cluster			-	-	-

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grant I.D. Number	Expenditures		Passed-Through to Subrecipients
			Federal	State	
Rural Operating Assistance Program (ROAP):					
Work First Transportation Grant		FY 2024-2025	-	16,392	-
Rural General Public Program (RGP)		FY 2024-2025	-	156,795	-
Elderly and Disabled Transportation Assistance Program (EDTAP)		FY 2024-2025	-	107,965	-
Total DOT Cluster			-	281,152	-
<u>Total N.C. Department of Transportation</u>			-	301,781	-
<u>NC Cooperative Extension Service Agriculture</u>					
Harnett AG Center Educational Kitchen			-	123,500	-
NC AG Ventures Grant Program			-	3,442	-
<u>Total NC Cooperative Extension Service Agriculture</u>			-	126,942	-
<u>NC Department of Public Instruction</u>					
Public School Building Capital Fund (Lottery)			-	949,658	-
<u>Total NC Department of Instruction</u>			-	949,658	-
<u>N.C. Office of State Budget and Management</u>					
General Fund Appropriation		S.L. 2022-74, Sec. 24.2.(15)	-	25,141	-
General Fund Appropriation - Water Infrastructure Fund		S.L. 2023-134, Sec 12.2(e)	-	238,152	-
General Fund Appropriation - Water Infrastructure Fund		S.L. 2023-134, Sec 12.2(e)	-	12,190,710	-
General Fund Appropriation - Transportation Reserve		S.L. 2023-134	-	216,486	-
General Fund Appropriation		S.L. 2023-134, Sec. 2.2	-	285,432	-
State Capital Infrastructure Fund (SCIF) - Parks Improvement Project		S.L. 2021-180	-	18,867	-
<u>Total N.C. Office of State Budget and Management</u>			-	12,974,788	-
<u>NC Department of Military and Veterans Affairs</u>					
Division of Veterans Affairs			-	5,163	-
<u>Total NC Department of Military and Veterans Affairs</u>			-	5,163	-
TOTAL STATE AWARD EXPENDITURES			-	16,791,318	340,045
Other Financial Assistance:					
<u>NC Dept. of Justice</u>					
Opioid Settlement Fund (Note 4)			-	76,309	-
TOTAL FEDERAL/STATE AWARD EXPENDITURES			\$ 20,989,932	\$ 18,209,923	\$ 340,045

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, 2025. 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, and Guardianship Assistance Cluster, Subsidized Child Care Program Cluster, Special Children Adoption Fund Cluster, Refugee and Entrant Assistance Cluster.

Note 4: Opioid Settlement Fund

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.

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