

**HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES**

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

JUNE 30, 2010 AND 2009

**HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES**

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JUNE 30, 2010 AND 2009

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Todd Rivenbark & Puryear, PLLC

trusted respected professionals

INDEPENDENT AUDITORS' REPORT

Board of Directors  
Harnett Forward Together Committee and related entities  
Lillington, North Carolina

We have audited the accompanying consolidated statements of financial position of Harnett Forward Together Committee and related entities (not-for-profit organizations) as of June 30, 2010 and 2009, and the related consolidated statements of activities, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Harnett Forward Together Committee and related entities as of June 30, 2010 and 2009, and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules shown in the table of contents are presented for purposes of additional analysis and are not required parts of the consolidated financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

December 7, 2010

A handwritten signature in black ink that reads "Todd Rivenbark &amp; Puryear, PLLC". The signature is written in a cursive, flowing style.

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**HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	<b>\$ 1,081,936</b>	\$ 1,204,432
Prepaid interest	<b>2,261</b>	2,378
Current portion of notes receivable, less allowance for bad debts	<b>61,742</b>	76,704
Accrued interest receivable	<b>1,091</b>	1,997
Total current assets	<b><u>1,147,030</u></b>	<u>1,285,511</u>
PROPERTY AND EQUIPMENT - NET	<b>5,157,439</b>	5,235,470
OTHER NON-CURRENT ASSETS:		
Deferred loan fees - net	<b>22,470</b>	98,998
Land available-for-sale	<b>1,226,006</b>	1,101,096
Construction in progress	<b>9,767,730</b>	9,413,667
Deferred rent asset	<b>-</b>	49,912
Long-term portion of notes receivable	<b>145,424</b>	200,154
Total other non-current assets	<b><u>11,161,630</u></b>	<u>10,863,827</u>
TOTAL ASSETS	<b><u>\$ 17,466,099</u></b>	<u>\$ 17,384,808</u>
LIABILITIES AND NET ASSETS:		
CURRENT LIABILITIES:		
Accounts payable - trade	<b>\$ 8,873</b>	\$ 110,424
Accrued interest payable on long-term debt	<b>49,703</b>	-
Current portion of long-term debt	<b>5,595,609</b>	6,252,886
Current portion of deferred rent income	<b>-</b>	74,487
Total current liabilities	<b><u>5,654,185</u></b>	<u>6,437,797</u>
LONG-TERM LIABILITIES:		
Long-term debt - net of current portion	<b>4,617,246</b>	4,955,684
Deferred rent income - net of current portion	<b>-</b>	96,467
Total long-term liabilities	<b><u>4,617,246</u></b>	<u>5,052,151</u>
NET ASSETS:		
Unrestricted	<b><u>7,194,668</u></b>	<u>5,894,860</u>
TOTAL LIABILITIES AND NET ASSETS	<b><u>\$ 17,466,099</u></b>	<u>\$ 17,384,808</u>

See Independent Auditors' Report  
and Accompanying Notes to the Consolidated Financial Statements

**HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES**

CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
PUBLIC SUPPORT AND REVENUE:		
PUBLIC SUPPORT:		
Harnett County	<b>\$ 944,303</b>	\$ 1,234,895
Interest	<b>49,462</b>	60,028
Memberships	<b>42,911</b>	43,774
Grants	-	16,441
Total public support	<b><u>1,036,676</u></b>	<u>1,355,138</u>
REVENUE:		
Rental income	<b>672,612</b>	1,125,583
Discount on note redemption	<b>310,000</b>	-
Contributed assets	<b>166,847</b>	-
Weave Plant - maintenance reimbursement	<b>39,806</b>	48,635
Miscellaneous	<b>4,408</b>	-
West Park	-	25
Total revenue	<b><u>1,193,673</u></b>	<u>1,174,243</u>
 TOTAL PUBLIC SUPPORT AND REVENUE	 <b>2,230,349</b>	 2,529,381
 EXPENSES:		
Program services	<b>633,010</b>	603,231
Support services	<b>297,531</b>	1,271,968
 TOTAL EXPENSES	 <b><u>930,541</u></b>	 <u>1,875,199</u>
 INCREASE IN NET ASSETS	 <b>1,299,808</b>	 654,182
 NET ASSETS - BEGINNING OF YEAR	 <b><u>5,894,860</u></b>	 <u>5,240,678</u>
 NET ASSETS - END OF YEAR	 <b><u><u>\$ 7,194,668</u></u></b>	 <u><u>\$ 5,894,860</u></u>

See Independent Auditors' Report  
and Accompanying Notes to the Consolidated Financial Statements

## HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS - OPERATING ACTIVITIES:		
Increase in net assets	<b>\$ 1,299,808</b>	\$ 654,182
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	<b>79,095</b>	79,531
Amortization	<b>97,255</b>	30,689
Decrease (increase) in:		
Prepaid interest	<b>117</b>	107
Notes receivable	<b>69,692</b>	(36,306)
Accrued interest receivable	<b>906</b>	(722)
Deferred loan fees - net	<b>(19,480)</b>	32,096
Land available-for-sale	<b>(124,910)</b>	(511,749)
Construction in progress	<b>(354,063)</b>	449,907
Deferred rent asset	<b>49,912</b>	(34,433)
Increase (decrease) in:		
Accounts payable - trade	<b>(101,551)</b>	52,386
Accrued interest payable on long-term debt	<b>49,703</b>	(67,566)
Deferred rent income	<b>(170,954)</b>	(127,473)
Net cash provided by operating activities	<b>875,530</b>	520,649
CASH FLOWS - INVESTING ACTIVITIES:		
Purchases of property and equipment	<b>(2,311)</b>	(250,400)
Net cash used by investing activities	<b>(2,311)</b>	(250,400)
CASH FLOWS - FINANCING ACTIVITIES:		
Payments on long-term debt	<b>(995,715)</b>	(487,270)
Net cash used by financing activities	<b>(995,715)</b>	(487,270)
DECREASE IN CASH AND CASH EQUIVALENTS	<b>(122,496)</b>	(217,021)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<b>1,204,432</b>	1,421,453
CASH AND CASH EQUIVALENTS - END OF YEAR	<b>\$ 1,081,936</b>	\$ 1,204,432
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the fiscal year for interest	<b>\$ 294,197</b>	\$ 375,950

See Independent Auditors' Report  
and Accompanying Notes to the Consolidated Financial Statements

# **HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### **1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ORGANIZATION

Harnett Forward Together Committee ("HFTC") is a private, not-for-profit corporation made up of volunteers dedicated to making Harnett County, North Carolina, a better place to live and work. HFTC consists of a group of government, political, business leaders and individuals focused on a variety of economic development efforts. Western Harnett Industrial Park, Inc. ("WHIP") and Emmett Edgerton Industrial Properties, Inc. ("EEIP") were organized to support the mission of HFTC. HFTC and related entities derive their revenue primarily from county funding, rental income and grants.

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Reporting Entity

The consolidated financial statements include all funds which are under the control of the Board of Directors of each of the respective entities.

##### Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

##### Basis of Presentation

HFTC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. HFTC is also required to provide a statement of financial position, a statement of activities, and a statement of cash flows.

##### Basis of Consolidation

The consolidated financial statements include the accounts of WHIP and EEIP. There is an element of economic interest since HFTC holds significant resources in both WHIP and EEIP. HFTC provides funding that is used by the two entities. All material inter-organizational transactions have been eliminated in consolidation.

### Contributions

Gifts of cash and other assets are reported as restricted support if they are pledged or received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is when a stipulated time ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted contributions.

### Cash and Cash Equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents are defined as demand deposits at banks and all highly liquid debt instruments purchased with an original maturity of three months or less.

### Notes Receivable

Notes receivable for HFTC are carried at unpaid principal balances, less an allowance for bad debts. The allowance for bad debts is increased by charges to the change in net assets and decreased by charge-offs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on HFTC's past loan loss experience, specific impaired loans, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and current economic conditions. Past due status is determined based on contractual terms. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms. HFTC's practice is to charge off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition, the depreciation of the underlying collateral, or for other reasons. At June 30, 2010 and 2009, HFTC had a allowance for bad debts of \$0 and \$32,369, respectively. At June 30, 2010 management believes all notes receivable are current and therefore has not established an allowance for bad debts.

Loans are placed on nonaccrual when management believes, after considering economic conditions, business conditions, and collection efforts that the loans are impaired or collection of interest is doubtful. Uncollected interest previously accrued is charged off or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

Property and Equipment

The costs of property and equipment purchased in excess of \$1,000 are capitalized. Donations of property and equipment are recorded at their estimated fair value. Depreciation is provided in amounts sufficient to amortize the cost of the property and equipment over the estimated useful lives of the assets on a straight-line basis as follows:

Buildings and improvements	40 years
Machinery and equipment	7-15 years
Computers	5 years

When items of property and equipment are sold or otherwise disposed of, the respective cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss is reflected in income.

Land Available-for-Sale

At June 30, 2010 and 2009, WHIP and EEIP had \$1,226,006 and \$1,101,096 in land available-for-sale, respectively. Portions of the land available-for-sale at June 30, 2010 and 2009 are under construction.

Construction in Progress

Costs that clearly relate to land development projects are capitalized. Costs are allocated to project components by the specific identification method whenever possible. Otherwise, acquisition costs are allocated based on their relative fair value before development, and development costs are allocated based on their relative sales value. Interest costs are capitalized while development is in progress.

Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of HFTC and related entities are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of HFTC or related entities and/or the passage of time. When a restriction of time expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At June 30, 2010 and 2009, there were no temporarily restricted funds.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations requiring that they be maintained permanently by HFTC or related entities. At June 30, 2010 and 2009 there were no permanently restricted funds.

#### In-Kind Contributions and Contributed Services

In-kind contributions are reflected as contributions at their fair value at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organizations benefited from donated facilities and services which were valued by Harnett County at \$4,884 and \$117,431 during the year ended June 30, 2010, respectively. During the year ended June 30, 2009, the Organizations benefited from donated facilities and services which were valued by Harnett County at \$3,907 and \$92,324, respectively. These amounts have been reported as both County of Harnett revenue and donated facilities and services expenses on the consolidated statement of activities. The Organizations recognize the fair value of contributed services received if such services a.) create or enhance nonfinancial assets or b.) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

#### Income Taxes

HFTC and related entities are not-for-profit organizations exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. During the years ended June 30, 2010 and 2009, HFTC and related entities did not have an obligation for any unrelated business income tax.

HFTC and related entities file income tax returns in the U.S. federal jurisdiction. The income tax filings are subject to audit by various taxing authorities. HFTC and related entities believe their estimates are appropriate based on current facts and circumstances.

#### Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Accordingly, actual results could differ from those estimates.

#### Subsequent Events

HFTC and related entities have evaluated subsequent events through December 7, 2010, the date at which the consolidated financial statements were available to be issued.

#### Reclassifications

Certain reclassifications have been made to the 2009 consolidated financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

**2. DEPOSITS**

All deposits of HFTC and related entities are made in board-designated official depositories. Funds are invested in checking, savings, and money market accounts with banks in Harnett County.

**3. CONCENTRATION OF CREDIT RISK**

Financial instruments which potentially subject HFTC to a concentration of credit risk consist of cash and cash equivalents. Cash balances are insured by the Federal Deposit Insurance Corporation, (FDIC), for up to \$250,000 per institution. At June 30, 2010 and 2009, HFTC's uninsured funds on deposit totaled \$218,145 and \$332,617, respectively. Management believes there is minimal credit risk relative to its cash.

**4. NOTES RECEIVABLE**

HFTC offers a business loan program whereby they loan funds for operating capital, capital acquisition and improvement, and land acquisition. The loans range from \$25,000 to \$75,000 and typically bear interest at prime rate at closing plus 0.25%. Funds are granted based on the applicant's ability to pay and the soundness of the business opportunity. Businesses will receive funding priority if they have revenue of \$1,000,000 or less in a calendar year, they are creating or retaining tax paying jobs within Harnett County, and have 50 employees or less. These loans are all payable to HFTC with varying due dates through 2015, and are shown on the consolidated statements of financial position. At June 30, 2010, HFTC had 5 loans outstanding with a net value of \$207,166. All company loan payments are current as of June 30, 2010. At June 30, 2009, HFTC had 6 loans outstanding with a net value of \$276,858.

**5. PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
Buildings and improvements	<b>\$ 3,975,943</b>	\$ 3,975,943
Land	<b>1,409,641</b>	1,409,070
Machinery and equipment	<b>13,543</b>	13,543
Computers	<b>1,740</b>	2,897
	<b><u>5,400,867</u></b>	<u>5,401,453</u>
Accumulated depreciation	<b>(243,428)</b>	(165,983)
Property and equipment - net	<b><u>\$ 5,157,439</u></b>	<u>\$ 5,235,470</u>

Interest expense on the Biotech property is capitalized and totaled \$254,678 and \$235,032 for the years ended June 30, 2010 and 2009, respectively.

Depreciation expense for the years ending June 30, 2010 and 2009 totaled \$79,095 and \$79,531, respectively.

HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

**6. LONG-TERM DEBT**

	Original Loan Amount	<b>2010</b>	2009
Note payable in monthly installments of \$23,628 through March 2023, including interest at 6.0%, secured by land	\$ 2,800,000	\$ -	\$ 2,640,038
Note payable in annual installments of \$70,000 through July 2012, including interest at 5.5%	\$ 700,000	<b>350,000</b>	420,000
Note payable in monthly installments of \$25,854 through March 2014, including interest at 6.1%, secured by land	\$ 2,460,450	<b>2,396,843</b>	197,296
Note payable in monthly installments of \$23,533 through April 2012, including interest at 7.3%, secured by land	\$ 2,338,429	<b>2,222,624</b>	2,338,429
Note payable in quarterly installments of \$135,317 through February 2011, including interest at the prime rate, secured by deed of trust	\$ 5,600,000	<b>5,243,388</b>	5,556,734
Non-interest bearing note payable secured by a deed of trust due April 2011, net of unamortized discount of \$212,091 (effective interest rate of 4.75%)	\$ 868,600	-	56,073
Total debt		<b>10,212,855</b>	11,208,570
Less current maturities		<b>(5,595,609)</b>	(6,252,886)
Long-term debt		<b>\$ 4,617,246</b>	\$ 4,955,684

Future scheduled maturities of long-term debt:

<u>Year</u>	<u>Amount</u>
2011	\$ 5,595,609
2012	2,568,381
2013	190,528
2014	1,858,337
	<u>\$ 10,212,855</u>

**7. LEASES**

HFTC owns one building and two pieces of land that it leases to other companies. The building lease terms call for the companies to pay monthly rent and to reimburse HFTC for certain costs of operating and maintaining the leased portion of the building and land. As a result of this arrangement, HFTC earned rent of \$672,612 and \$1,125,583 during the years ending June 30, 2010 and 2009, respectively.

The following is a schedule, by year, of total minimum lease payments receivable as of June 30:

<u>Year</u>	<u>Amount</u>
2011	\$ 344,234
2012	344,234
2013	344,234
	<u>\$1,032,702</u>

**8. DEFERRED LOAN FEES**

HFTC and related entities amortize their loan fees over the lives of the loans. Amortization for the years ended June 30, 2010 and 2009 was \$97,225 and \$30,689, respectively. Amortization expense is expected to be \$7,295 per year for the years ending June 30, 2011, 2012 and 2013.

**9. CONCENTRATIONS OF SUPPORT**

Approximately 42% and 49% of the support and revenue for HFTC and related entities for the 2010 and 2009 fiscal years were derived from Harnett County, respectively.

**10. ADVERTISING COSTS**

HFTC uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2010 and 2009 was \$0 and \$100, respectively.

**11. FUNCTIONAL EXPENSES**

The costs of providing the various programs and other activities of HFTC and related entities have been summarized on a functional basis in the consolidated statement of activities and the supplemental consolidated schedules of functional expenses. Accordingly, certain costs have been allocated among programs and support services based on estimates provided by management.

**12. CONTRIBUTED ASSETS**

HFTC owns a commercial building which it leases to area businesses (see note 7). During 2007 the lessee of the building installed a specialized sprinkler system which was required due to the nature of the lessee's business. HFTC agreed to reduce the monthly lease payments to help offset the lessee's cost of installing the system. During the year ended June 30, 2010, the lessee terminated their lease and in effect contributed the sprinkler system to HFTC. This contribution is valued at \$166,847 and is classified as contributed assets.

## **SUPPLEMENTAL SCHEDULES**

**HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES**

CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2010

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	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
EXPENSES:			
Interest	\$ 343,900	\$ -	\$ 343,900
Donated services	119,385	-	119,385
Real estate taxes	99,389	-	99,389
Amortization	-	97,255	97,255
Depreciation	-	79,095	79,095
Donated land	44,523	-	44,523
Professional services	-	39,525	39,525
Utilities	-	36,388	36,388
Site maintenance	-	23,207	23,207
Real estate marketing	16,000	-	16,000
Insurance	-	14,633	14,633
Miscellaneous	-	4,507	4,507
Newsletter publications	4,075	-	4,075
Donated facilities	2,930	-	2,930
Contributions	2,808	-	2,808
Loan service fees	-	1,286	1,286
Dues	-	925	925
Management fees	-	710	710
TOTAL EXPENSES	<u>\$ 633,010</u>	<u>\$ 297,531</u>	<u>\$ 930,541</u>

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See Independent Auditors' Report and  
Accompanying Notes to the Consolidated Financial Statements

## HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES

### CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2009

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	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
EXPENSES:			
Interest	\$ 360,371	\$ 15,579	\$ 375,950
Donated services	-	118,798	118,798
Real estate taxes	60,184	-	60,184
Amortization	30,689	-	30,689
Depreciation	77,851	1,680	79,531
Professional services	-	45,292	45,292
Utilities	15,183	-	15,183
Site maintenance	23,311	-	23,311
Insurance	18,521	-	18,521
Miscellaneous	-	4,612	4,612
Newsletter publications	-	6,353	6,353
Donated facilities	-	3,907	3,907
Contributions	-	1,075,007	1,075,007
Loan service fees	1,134	-	1,134
Dues	-	640	640
Management fees	242	-	242
Grant fees	15,745	-	15,745
Advertising	-	100	100
	<u>\$ 603,231</u>	<u>\$ 1,271,968</u>	<u>\$ 1,875,199</u>

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See Independent Auditors' Report and  
Accompanying Notes to the Consolidated Financial Statements

**HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES**

CONSOLIDATING SCHEDULE OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2010

	HFTC	WHIP	EEIP	Eliminating Entries	Consolidated Total
<b>PUBLIC SUPPORT AND REVENUE:</b>					
<b>PUBLIC SUPPORT:</b>					
Harnett County	\$ 917,692	\$ 26,611	\$ 26,611	-	\$ 970,914
Interest	33,253	144	16,065	-	49,462
Memberships	16,300	-	-	-	16,300
Harnett Forward Together Committee	-	122,970	87,368	(210,338)	-
Total public support	<u>967,245</u>	<u>149,725</u>	<u>130,044</u>	<u>(210,338)</u>	<u>1,036,676</u>
<b>REVENUE:</b>					
Rental income	672,612	-	-	-	672,612
Discount on note redemption	310,000	-	-	-	310,000
Relief of debt	166,847	-	-	-	166,847
Weave Plant-maintenance reimbursement	39,806	-	-	-	39,806
Miscellaneous	4,408	-	-	-	4,408
Total revenue	<u>1,193,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,193,673</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>2,160,918</b>	<b>149,725</b>	<b>130,044</b>	<b>(210,338)</b>	<b>2,230,349</b>
<b>EXPENSES:</b>					
Interest	328,801	-	15,099	-	343,900
Depreciation and amortization	174,193	1,056	1,101	-	176,350
Donated services	68,117	25,634	25,634	-	119,385
Real estate taxes	81,236	12,200	5,953	-	99,389
Contributions	47,331	-	-	-	47,331
Professional services	31,060	4,090	4,375	-	39,525
Utilities	32,859	2,652	877	-	36,388
Site maintenance	10,911	5,656	6,640	-	23,207
Marketing and management fees	16,710	-	-	-	16,710

**HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES**

CONSOLIDATING SCHEDULE OF REVENUES AND EXPENSES - CONCLUDED  
FOR THE YEAR ENDED JUNE 30, 2010

	HFTC	WHIP	EEIP	Eliminating Entries	Consolidated Total
EXPENSES - CONTINUED					
Insurance	14,100	365	168	-	14,633
Miscellaneous	4,507	-	-	-	4,507
Newsletter publication	4,075	-	-	-	4,075
Donated facilities	976	977	977	-	2,930
Loan service fees	1,149	120	17	-	1,286
Dues	925	-	-	-	925
Western Harnett Industrial Park	122,970	-	-	(122,970)	-
Emmett Edgerton Industrial Properties	87,368	-	-	(87,368)	-
TOTAL EXPENSES	<u>1,027,288</u>	<u>52,750</u>	<u>60,841</u>	<u>(210,338)</u>	<u>930,541</u>
INCREASE IN NET ASSETS	<u>\$ 1,133,630</u>	<u>\$ 96,975</u>	<u>\$ 69,203</u>	<u>\$ -</u>	<u>\$ 1,299,808</u>

See Independent Auditors' Report and  
Accompanying Notes to the Consolidated Financial Statements

**HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES**

CONSOLIDATING SCHEDULE OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2009

	HFTC	WHIP	EEIP	Eliminating Entries	Consolidated Total
<b>PUBLIC SUPPORT AND REVENUE:</b>					
<b>PUBLIC SUPPORT:</b>					
Harnett County	\$ 1,208,421	\$ 26,474	\$ 26,474	\$ -	\$ 1,261,369
Interest	40,703	4,696	14,629	-	60,028
Memberships	17,300	-	-	-	17,300
Grants	16,441	-	-	-	16,441
Harnett Forward Together Committee	-	113,900	131,086	(244,986)	-
Total public support	<u>1,282,865</u>	<u>145,070</u>	<u>172,189</u>	<u>(244,986)</u>	<u>1,355,138</u>
<b>REVENUE:</b>					
Rental income	1,125,583	-	-	-	1,125,583
Weave Plant-maintenance reimbursement	48,635	-	-	-	48,635
Miscellaneous	25	-	-	-	25
Total revenue	<u>1,174,243</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,174,243</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>2,457,108</b>	<b>145,070</b>	<b>172,189</b>	<b>(244,986)</b>	<b>2,529,381</b>
<b>EXPENSES:</b>					
Interest	360,371	-	15,579	-	375,950
Depreciation and amortization	107,755	1,364	1,101	-	110,220
Donated services	66,827	26,474	25,497	-	118,798
Real estate taxes	50,998	7,238	1,948	-	60,184
Contributions	1,075,007	-	-	-	1,075,007
Professional services	37,160	3,282	4,850	-	45,292
Utilities	11,486	2,671	1,026	-	15,183
Site maintenance	9,932	6,125	7,254	-	23,311
Marketing and management fees	242	-	-	-	242

**HARNETT FORWARD TOGETHER COMMITTEE AND RELATED ENTITIES**

CONSOLIDATING SCHEDULE OF REVENUES AND EXPENSES - CONCLUDED  
FOR THE YEAR ENDED JUNE 30, 2009

	HFTC	WHIP	EEIP	Eliminating Entries	Consolidated Total
EXPENSES - CONTINUED					
Insurance	18,000	365	156	-	18,521
Miscellaneous	4,548	34	30	-	4,612
Newsletter publication	6,353	-	-	-	6,353
Donated facilities	2,930	-	977	-	3,907
Loan service fees	1,134	-	-	-	1,134
Dues	640	-	-	-	640
Advertising	100	-	-	-	100
Grant fees	15,745	-	-	-	15,745
Western Harnett Industrial Park	113,900	-	-	(113,900)	-
Emmett Edgerton Industrial Properties	131,086	-	-	(131,086)	-
TOTAL EXPENSES	<u>2,014,214</u>	<u>47,553</u>	<u>58,418</u>	<u>(244,986)</u>	<u>1,875,199</u>
INCREASE IN NET ASSETS	<u>\$ 442,894</u>	<u>\$ 97,517</u>	<u>\$ 113,771</u>	<u>\$ -</u>	<u>\$ 654,182</u>

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