

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for revenues from earmarked sources which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

Transit Grant Projects Ordinance Fund - This fund is used to account for federal grants restricted for capital equipment, capital improvements and capital planning activities of the Town's public transit system.

Public Housing Operating Fund - This fund is used to account for federal grants restricted for the Town's conventional public housing programs.

Public Housing Grant Projects Ordinance Funds - These funds are used to account for federal grants legally restricted for specific low and moderate income housing programs and activities. The Drug Elimination Grant is used to account for a public housing resident-based drug elimination program. The Comprehensive Grant Project Fund replaced the Comprehensive Improvement Grants to provide annualized funds for modernization activities for public housing units.

Transitional Housing Fund – This fund is used to account for a program designed to help public housing families make the transition from public housing to the private housing market. Services provided would include budget counseling, homeownership counseling, debt management and basic home maintenance and upkeep guidance.

Revolving Acquisition Fund – This fund is used to account for a program to assist with the purchase of homes to preserve neighborhoods and to provide home ownership opportunities for lower income households.

Community Development Entitlement Grant Projects Ordinance Fund - This fund is used to account for the Town's federal grants that are legally restricted for low and moderate-income housing, community development and rental rehabilitation activities.

Downtown Service District Fund - This fund is used to account for the financial resources for capital improvements and other programs for the downtown service district established by the Town Council. Revenues for these improvements and programs are generated from a special district property tax levied in the downtown area.

Cable Public Access Fund - This fund is used to account for the financial resources for community cable programming.

Land Trust Fund – This fund is used for the acquisition of land for low-income housing.

Housing Loan Trust Fund – This fund enables lower-income families to receive loans for the purchase or renovation of homes at subsidized interest rates.

Library Gift Fund – This fund accounts for private contributions to the Town's library.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds, trust funds or special revenue funds.

The Capital Projects Fund - This fund is used to account for capital asset (including infrastructure) acquisition and construction from general government resources and intergovernmental grants, as outlined in the Town's fifteen-year capital budget.

The Capital Reserve Fund - This fund is used to account for funds reserved for specific capital improvement projects including library facilities, water and sewer improvements and other general capital improvements.

DEBT SERVICE FUND

Debt Service Fund - The Debt Service Fund is used to account for the payment of general obligation long-term debt principal, interest and related costs. Such payments are financed by recurring annual transfers from the General Fund.

OTHER GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2004 (With Comparative Totals as of June 30, 2003)

	Total Special Revenue Funds	Total Capital Projects Funds	Debt Service Fund	Comparative Totals	
				2004	2003
ASSETS					
Cash and cash equivalents	\$ 1,604,387	\$ 859,071	\$ 176,247	\$ 2,639,705	\$ 2,125,793
Receivables					
Governmental units and agencies	668,221	72,904	-	741,125	307,697
Other	180,714	-	-	180,714	69,483
Due from other funds	30,260	-	-	30,260	9,029
Inventories and other assets	170,443	-	-	170,443	162,596
Restricted cash and cash equivalents	60,192	889,431	-	949,623	773,073
TOTAL ASSETS	\$ 2,714,217	\$ 1,821,406	\$ 176,247	\$ 4,711,870	\$ 3,447,671
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ 295,743	\$ -	\$ -	\$ 295,743	\$ 85,714
Accounts payable	221,893	338,813	-	560,706	193,006
Accrued liabilities	53,007	-	-	53,007	51,109
Deferred revenues	90,367	-	-	90,367	32,472
Other	53,777	-	-	53,777	55,562
Total liabilities	714,787	338,813	-	1,053,600	417,863
FUND BALANCES					
Reserved for encumbrances	50,203	-	-	50,203	154,482
Reserved by State statute	879,195	72,904	-	952,099	28,528
Reserved for capital improvements	25,159	889,431	-	914,590	184,540
Reserved for inventory	170,443	-	-	170,443	146,058
Reserved for debt service	-	-	176,247	176,247	171,968
Reserved for community development	96,751	-	-	96,751	-
Reserved for interest subsidies	387,872	-	-	387,872	357,155
Reserved for land in trust	28,957	-	-	28,957	99,357
Reserved for aid to library operations	128,152	-	-	128,152	106,212
Unreserved					
Designated for subsequent year's expenditures	131,818	-	-	131,818	236,698
Undesignated	100,880	520,258	-	621,138	1,544,810
Total fund balances	1,999,430	1,482,593	176,247	3,658,270	3,029,808
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,714,217	\$ 1,821,406	\$ 176,247	\$ 4,711,870	\$ 3,447,671

TOWN OF CHAPEL HILL, NORTH CAROLINA

OTHER GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2004

	Transit Special Revenue Fund	Public Housing Operating	Public Housing Projects	Transitional Housing
ASSETS				
Cash and cash equivalents	\$ 31,335	\$ 836,868	\$ 500	\$ 9,189
Receivables				
Governmental units and agencies	551,054	-	33,003	-
Other	-	35,111	-	-
Due from other funds	-	30,260	-	-
Inventories and other assets	-	153,905	-	-
Restricted cash and cash equivalents	-	60,192	-	-
TOTAL ASSETS	\$ 582,389	\$ 1,116,336	\$ 33,503	\$ 9,189
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ 262,740	\$ -	\$ 33,003	\$ -
Accounts payable	95,984	46,016	500	3,195
Accrued liabilities	2,374	42,950	-	-
Unearned revenues	55,256	35,111	-	-
Other	-	53,777	-	-
Total Liabilities	416,354	177,854	33,503	3,195
FUND BALANCES				
Reserved for encumbrances	-	50,203	-	-
Reserved by State statute	551,054	65,371	33,003	-
Reserved for capital improvements	25,159	-	-	-
Reserved for inventory	-	153,905	-	-
Reserved for community development	-	-	-	-
Reserved for interest subsidies	-	-	-	-
Reserved for land in trust	-	-	-	-
Reserved for aid to library operations	-	-	-	-
Unreserved				
Designated for subsequent year's expenditures	-	131,818	-	-
Undesignated	(410,178)	537,185	(33,003)	5,994
Total fund balances	166,035	938,482	-	5,994
TOTAL LIABILITIES AND FUND BALANCES	\$ 582,389	\$ 1,116,336	\$ 33,503	\$ 9,189

Schedule 2

Revolving Acquisition	Community Development Entitlement	Downtown Service District	Cable Public Access	Land Trust Fund	Housing Loan Trust Fund	Library Gift Fund	Total Special Revenue Funds
\$ 88,686	\$ 51,145	\$ 28,586	\$ 15,401	\$ 28,957	\$ 385,568	\$ 128,152	\$ 1,604,387
-	84,164	-	-	-	-	-	668,221
115,000	-	-	28,299	-	2,304	-	180,714
-	-	-	-	-	-	-	30,260
-	-	-	-	16,538	-	-	170,443
-	-	-	-	-	-	-	60,192
<u>\$ 203,686</u>	<u>\$ 135,309</u>	<u>\$ 28,586</u>	<u>\$ 43,700</u>	<u>\$ 45,495</u>	<u>\$ 387,872</u>	<u>\$ 128,152</u>	<u>\$ 2,714,217</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295,743
-	30,875	17,024	28,299	-	-	-	221,893
-	7,683	-	-	-	-	-	53,007
-	-	-	-	-	-	-	90,367
-	-	-	-	-	-	-	53,777
-	<u>38,558</u>	<u>17,024</u>	<u>28,299</u>	-	-	-	<u>714,787</u>
-	-	-	-	-	-	-	50,203
115,000	84,164	-	28,299	-	2,304	-	879,195
-	-	-	-	16,538	-	-	25,159
-	96,751	-	-	-	-	-	170,443
-	-	-	-	-	387,872	-	96,751
-	-	-	-	28,957	-	-	387,872
-	-	-	-	-	-	128,152	28,957
-	-	-	-	-	-	-	128,152
-	-	-	-	-	-	-	131,818
<u>88,686</u>	<u>(84,164)</u>	<u>11,562</u>	<u>(12,898)</u>	-	<u>(2,304)</u>	-	<u>100,880</u>
<u>203,686</u>	<u>96,751</u>	<u>11,562</u>	<u>15,401</u>	<u>45,495</u>	<u>387,872</u>	<u>128,152</u>	<u>1,999,430</u>
<u>\$ 203,686</u>	<u>\$ 135,309</u>	<u>\$ 28,586</u>	<u>\$ 43,700</u>	<u>\$ 45,495</u>	<u>\$ 387,872</u>	<u>\$ 128,152</u>	<u>\$ 2,714,217</u>

OTHER GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2004 (With Comparative Totals as of June 30, 2003)

	Capital Projects	Capital Reserve	Comparative Totals	
			2004	2003
ASSETS				
Cash and cash equivalents	\$ 859,071	\$ -	\$ 859,071	\$ 236,642
Due from governmental units and agencies	72,904	-	72,904	20,433
Restricted cash and cash equivalents	<u>703,027</u>	<u>186,404</u>	<u>889,431</u>	<u>711,617</u>
TOTAL ASSETS	<u>\$ 1,635,002</u>	<u>\$ 186,404</u>	<u>\$ 1,821,406</u>	<u>\$ 968,692</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 338,813	\$ -	\$ 338,813	\$ 48,968
Total liabilities	<u>338,813</u>	<u>-</u>	<u>338,813</u>	<u>48,968</u>
FUND BALANCES				
Reserved by state statute	72,904	-	72,904	-
Reserved for capital improvements	703,027	186,404	889,431	184,540
Unreserved				
Undesignated	<u>520,258</u>	<u>-</u>	<u>520,258</u>	<u>735,184</u>
Total fund balances	<u>1,296,189</u>	<u>186,404</u>	<u>1,482,593</u>	<u>919,724</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,635,002</u>	<u>\$ 186,404</u>	<u>\$ 1,821,406</u>	<u>\$ 968,692</u>

OTHER GOVERNMENTAL FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2004 (With Comparative Totals as of June 30, 2003)

	Total Special Revenue Funds	Total Capital Projects Funds	Debt Service Fund	Comparative Totals	
				2004	2003
REVENUES					
Taxes	\$ 69,127	\$ -	\$ -	\$ 69,127	\$ 71,070
Intergovernmental revenues					
Federal government	2,254,381	-	-	2,254,381	3,487,570
State government	114,677	-	-	114,677	154,614
Other	-	165,854	-	165,854	143,099
Interest on investments	14,799	7,669	2,889	25,357	34,115
Franchise rental fees	-	62,994	-	62,994	59,973
Dwelling rental	317,076	-	-	317,076	378,181
Program income	186,156	-	-	186,156	198,829
Cable Public Access Reserves	113,017	-	-	113,017	110,341
Library donations	65,490	-	-	65,490	-
Other	309,185	61,233	-	370,418	197,329
Total revenues	<u>3,443,908</u>	<u>297,750</u>	<u>2,889</u>	<u>3,744,547</u>	<u>4,835,121</u>
EXPENDITURES					
Environment and development	3,831,036	-	-	3,831,036	4,992,732
Capital projects	-	1,983,281	-	1,983,281	993,244
Debt service:					
Principal	-	-	1,670,000	1,670,000	1,560,000
Interest and fiscal charges	-	-	880,610	880,610	782,855
Total expenditures	<u>3,831,036</u>	<u>1,983,281</u>	<u>2,550,610</u>	<u>8,364,927</u>	<u>8,328,831</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(387,128)	(1,685,531)	(2,547,721)	(4,620,380)	(3,493,710)
OTHER FINANCING SOURCES (USES)					
Proceeds from financing	345,000	1,050,000	-	1,395,000	-
Transfer from other funds	157,471	1,239,650	2,552,000	3,949,121	3,929,692
Transfer to other funds	(54,029)	(41,250)	-	(95,279)	(635,450)
Total other financing sources	<u>448,442</u>	<u>2,248,400</u>	<u>2,552,000</u>	<u>5,248,842</u>	<u>3,294,242</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	61,314	562,869	4,279	628,462	(199,468)
FUND BALANCES, BEGINNING	1,938,116	919,724	171,968	3,029,808	3,229,276
FUND BALANCES, ENDING	<u>\$ 1,999,430</u>	<u>\$ 1,482,593</u>	<u>\$ 176,247</u>	<u>\$ 3,658,270</u>	<u>\$ 3,029,808</u>

TOWN OF CHAPEL HILL, NORTH CAROLINA

OTHER GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2004**

	Transit Special Revenue Fund	Public Housing Operating	Public Housing Projects	Transitional Housing
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues				
Federal government	680,293	1,014,675	198,739	-
State government	114,677	-	-	-
Interest on investments	-	7,382	-	-
Dwelling rental	-	317,076	-	-
Program income	-	-	-	3,373
Cable Public Access Reserves	-	-	-	-
Library donations	-	-	-	-
Other	19,744	76,681	15,112	594
Total revenues	814,714	1,415,814	213,851	3,967
EXPENDITURES				
Environment and development	1,308,156	1,505,921	213,851	1,995
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(493,442)	(90,107)	-	1,972
OTHER FINANCING SOURCES				
Proceeds from financing	345,000	-	-	-
Transfers - in	148,442	-	-	-
Transfers - out	-	-	-	-
Total other financing sources (uses)	493,442	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(90,107)	-	1,972
FUND BALANCES, BEGINNING	166,035	1,028,589	-	4,022
FUND BALANCES, ENDING	\$ 166,035	\$ 938,482	\$ -	\$ 5,994

Schedule 5

Revolving Acquisition	Community Development Entitlement	Downtown Service District	Cable Public Access	Land Trust Fund	Housing Loan Trust Fund	Library Gift Fund	Total Special Revenue Funds
\$ -	\$ -	\$ 69,127	\$ -	\$ -	\$ -	\$ -	\$ 69,127
-	313,314	-	-	47,360	-	-	2,254,381
-	-	-	-	-	-	-	114,677
1,186	-	397	217	-	4,167	1,450	14,799
-	-	-	-	-	-	-	317,076
-	153,826	-	-	28,957	-	-	186,156
-	-	-	113,017	-	-	-	113,017
-	-	-	-	-	-	65,490	65,490
52,500	-	-	-	-	144,554	-	309,185
53,686	467,140	69,524	113,234	76,317	148,721	66,940	3,443,908
-	361,360	69,524	113,017	130,179	127,033	-	3,831,036
53,686	105,780	-	217	(53,862)	21,688	66,940	(387,128)
-	-	-	-	-	-	-	345,000
-	-	-	-	-	9,029	-	157,471
-	(9,029)	-	-	-	-	(45,000)	(54,029)
-	(9,029)	-	-	-	9,029	(45,000)	448,442
53,686	96,751	-	217	(53,862)	30,717	21,940	61,314
150,000	-	11,562	15,184	99,357	357,155	106,212	1,938,116
<u>\$ 203,686</u>	<u>\$ 96,751</u>	<u>\$ 11,562</u>	<u>\$ 15,401</u>	<u>\$ 45,495</u>	<u>\$ 387,872</u>	<u>\$ 128,152</u>	<u>\$ 1,999,430</u>

OTHER GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 2004 (With Comparative Totals as of June 30, 2003)**

	Capital Projects	Capital Reserve	Comparative Totals	
			2004	2003
REVENUES				
Interest on investments	\$ 5,805	\$ 1,864	\$ 7,669	\$ 8,114
Franchise rental fees	62,994	-	62,994	59,973
Intergovernmental revenues - other	165,854	-	165,854	143,099
Other	61,233	-	61,233	25,998
Total revenues	<u>295,886</u>	<u>1,864</u>	<u>297,750</u>	<u>237,184</u>
EXPENDITURES				
Capital projects:				
Municipal facilities	727,646	-	727,646	202,329
Street improvements and sidewalks	500,464	-	500,464	289,845
Parks, recreation and open space	681,629	-	681,629	434,761
Technology and communications	26,021	-	26,021	65,589
Public safety	47,521	-	47,521	720
Total expenditures	<u>1,983,281</u>	<u>-</u>	<u>1,983,281</u>	<u>993,244</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,687,395)</u>	<u>1,864</u>	<u>(1,685,531)</u>	<u>(756,060)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from financing	1,050,000	-	1,050,000	-
Transfer from General Fund	1,239,650	-	1,239,650	708,000
Transfer to Capital Projects Ordinance Fund	(41,250)	-	(41,250)	(7,000)
Total other financing sources	<u>2,248,400</u>	<u>-</u>	<u>2,248,400</u>	<u>701,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>561,005</u>	<u>1,864</u>	<u>562,869</u>	<u>(55,060)</u>
FUND BALANCES, BEGINNING	<u>735,184</u>	<u>184,540</u>	<u>919,724</u>	<u>974,784</u>
FUND BALANCES, ENDING	<u>\$ 1,296,189</u>	<u>\$ 186,404</u>	<u>\$ 1,482,593</u>	<u>\$ 919,724</u>

INTERNAL SERVICE FUNDS

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 government and to other government units on a cost reimbursement basis.

Vehicle Replacement Fund – This fund is used to account for the rental of motor vehicles to other departments and related costs.

Vehicle Maintenance Fund – This fund is used to account for the cost of the maintenance of Town vehicles.

Computer Equipment Replacement Fund – This fund is used to account for the rental of computer equipment and software.

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2004 (With Comparative Totals as of June 30, 2003)

	Vehicle	Vehicle	Computer	Comparative Totals	
	Replacement	Maintenance	Equipment	2004	2003
	Fund	Fund	Fund		
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 116,789	\$ 70,618	\$ -	\$ 187,407	\$ 23,786
Accounts receivable	-	19,437	-	19,437	7,941
Inventories	-	74,440	-	74,440	77,616
Total current assets	<u>116,789</u>	<u>164,495</u>	<u>-</u>	<u>281,284</u>	<u>109,343</u>
NONCURRENT ASSETS					
Restricted cash and cash equivalents	885,310	-	363,900	1,249,210	1,212,170
Capital assets, net of depreciation	<u>3,250,563</u>	<u>4,553</u>	<u>14,155</u>	<u>3,269,271</u>	<u>3,371,622</u>
Total noncurrent assets	<u>4,135,873</u>	<u>4,553</u>	<u>378,055</u>	<u>4,518,481</u>	<u>4,583,792</u>
TOTAL ASSETS	<u>4,252,662</u>	<u>169,048</u>	<u>378,055</u>	<u>4,799,765</u>	<u>4,693,135</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	79,045	8,556	26,372	113,973	51,021
Accrued liabilities	-	53,228	-	53,228	62,421
Installment purchase agreements	<u>940,820</u>	<u>-</u>	<u>160,877</u>	<u>1,101,697</u>	<u>1,158,898</u>
Total current liabilities	<u>1,019,865</u>	<u>61,784</u>	<u>187,249</u>	<u>1,268,898</u>	<u>1,272,340</u>
NONCURRENT LIABILITIES					
Installment purchase agreements	<u>2,230,547</u>	<u>-</u>	<u>176,263</u>	<u>2,406,810</u>	<u>2,290,406</u>
TOTAL LIABILITIES	<u>3,250,412</u>	<u>61,784</u>	<u>363,512</u>	<u>3,675,708</u>	<u>3,562,746</u>
NET ASSETS					
Invested in capital assets, net of related debt	79,196	4,553	(322,985)	(239,236)	(77,682)
Restricted	885,310	-	363,900	1,249,210	1,212,170
Unrestricted	<u>37,744</u>	<u>102,711</u>	<u>(26,372)</u>	<u>114,083</u>	<u>(4,099)</u>
TOTAL NET ASSETS	<u>\$ 1,002,250</u>	<u>\$ 107,264</u>	<u>\$ 14,543</u>	<u>\$ 1,124,057</u>	<u>\$ 1,130,389</u>

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2004 (With Comparative Totals as of June 30, 2003)

	Vehicle	Vehicle	Computer	Comparative Totals	
	Replacement	Maintenance	Equipment	2004	2003
	Fund	Fund	Replacement		
			Fund		
OPERATING REVENUES					
Charges for services	\$ 1,040,637	\$ 997,759	\$ 200,000	\$ 2,238,396	\$ 2,048,120
OPERATING EXPENSES					
Depreciation and amortization	1,035,623	828	7,191	1,043,641	1,140,984
Personnel	-	452,385	-	452,385	498,163
Operations	14,666	458,464	208,242	681,372	539,120
Total operating expenses	1,050,289	911,677	215,433	2,177,399	2,178,267
OPERATING INCOME (LOSS)	(9,652)	86,082	(15,433)	60,997	(130,147)
NONOPERATING REVENUES					
(EXPENSES)					
Interest on investments	3,817	537	2,504	6,859	16,608
Interest expense	(112,445)	-	(5,389)	(117,834)	(157,676)
Gain on sale of fixed assets	26,100	-	-	26,100	102,064
Other	5,853	10,482	-	16,335	-
Total nonoperating revenues (expenses), net	(76,675)	11,019	(2,885)	(68,540)	(39,004)
INCOME (LOSS) BEFORE TRANSFERS	(86,327)	97,101	(18,318)	(7,544)	(169,151)
TRANSFERS					
Transfers in	-	1,212	-	1,212	-
CHANGE IN NET ASSETS	(86,327)	98,313	(18,318)	(6,332)	(169,151)
NET ASSETS, BEGINNING	1,088,577	8,951	32,861	1,130,389	1,299,540
NET ASSETS, ENDING	\$ 1,002,250	\$ 107,264	\$ 14,543	\$ 1,124,057	\$ 1,130,389

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2004 (With Comparative Totals as of June 30, 2003)

	Vehicle	Vehicle	Computer	Comparative Totals	
	Replacement Fund	Maintenance Fund	Equipment Replacement Fund	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 1,040,637	\$ 986,263	\$ 200,000	\$ 2,226,900	\$ 2,125,279
Payments to employees	-	(461,578)	-	(461,578)	(454,887)
Payments to suppliers	56,640	(485,143)	(186,741)	(615,244)	(804,125)
Net cash provided by operating activities	1,097,277	39,542	13,259	1,150,078	866,267
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Other	5,853	10,482	-	16,335	-
Transfers from other funds	-	1,212	-	1,212	-
Net cash provided by noncapital financing activities	5,853	11,694	-	17,547	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from installment purchase agreements	1,028,100	-	190,000	1,218,100	708,100
Principal paid on installment purchase agreements	(1,062,538)	-	(96,359)	(1,158,897)	(1,274,031)
Interest paid on installment purchase agreements	(112,445)	-	(5,389)	(117,834)	(157,676)
Proceeds from sale of capital assets	26,100	-	-	26,100	102,064
Acquisition and construction of capital assets	(941,471)	180	-	(941,291)	(666,492)
Net cash provided by (used in) capital and related financing activities	(1,062,254)	180	88,252	(973,822)	(1,288,035)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	3,817	537	2,504	6,858	16,608
Net cash provided by investing activities	3,817	537	2,504	6,858	16,608
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	44,693	51,953	104,015	200,661	(405,160)
CASH AND INVESTMENTS, BEGINNING	957,406	18,665	259,885	1,235,956	1,641,116
CASH AND INVESTMENTS, ENDING	\$ 1,002,099	\$ 70,618	\$ 363,900	\$ 1,436,617	\$ 1,235,956

Continued

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED JUNE 30, 2004 (With Comparative Totals as of June 30, 2003)

	Vehicle	Vehicle	Computer	Comparative Totals for	
	Replacement	Maintenance	Equipment	Internal Service Funds	
	Fund	Fund	Fund	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ (9,652)	\$ 86,082	\$ (15,433)	\$ 60,997	\$ (130,147)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	1,035,623	828	7,191	1,043,642	1,140,984
Changes in assets and liabilities:					
Receivables	-	(11,496)	-	(11,496)	77,159
Inventories	-	3,176	-	3,176	(9,414)
Accounts payable	71,306	(29,855)	21,501	62,952	(255,591)
Accrued liabilities	-	(9,193)	-	(9,193)	43,276
Net cash provided by operating activities	<u>\$ 1,097,277</u>	<u>\$ 39,542</u>	<u>\$ 13,259</u>	<u>\$ 1,150,078</u>	<u>\$ 866,267</u>

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CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGE BY FUNCTION AND ACTIVITY ¹
YEAR ENDED JUNE 30, 2004

Function and Activity	Governmental Funds Capital Assets as Restated July 1, 2003	Additions	Deductions	Governmental Funds Capital Assets June 30, 2004
General Government				
Town Manager	\$ 169,367	\$ -	\$ -	\$ 169,367
Personnel	6,491	-	-	6,491
Finance	418,930	9,413	-	428,343
Information Systems	39,565	52,438	-	92,003
Legal	5,960	-	-	5,960
General Government Buildings	3,094,288	-	-	3,094,288
Total General Government	<u>3,734,601</u>	<u>61,851</u>	<u>-</u>	<u>3,796,452</u>
Environment and Development				
Planning	93,697	-	-	93,697
Inspections	40,537	-	-	40,537
Engineering	472,197	131,911	-	604,108
Community Development	1,421,461	233,225	-	1,654,686
Housing	16,270,296	744,781	26,938	16,988,139
Transitional Housing	117,500	-	-	117,500
Homeless Shelter	1,470,142	-	-	1,470,142
Public Works	38,741,656	1,264,872	100,055	39,906,473
Total Environment and Development	<u>58,627,486</u>	<u>2,374,789</u>	<u>126,993</u>	<u>60,875,282</u>
Public Safety				
Police	2,448,986	7,000	62,574	2,393,412
Court Facility	255,709	-	-	255,709
Fire	3,794,119	-	-	3,794,119
Total Public Safety	<u>6,498,814</u>	<u>7,000</u>	<u>62,574</u>	<u>6,443,240</u>
Leisure				
Parks and Recreation	13,468,273	4,336,136	252,318	17,552,091
Library	7,272,215	85,400	143,705	7,213,910
Total Leisure	<u>20,740,488</u>	<u>4,421,536</u>	<u>396,023</u>	<u>24,766,001</u>
Land and Leasehold Improvements and Buildings				
Acquired Prior to July 1, 1977 Not Allocated to Function	3,344,243	-	-	3,344,243
Construction in Progress	8,510,089	2,337,371	3,535,573	7,311,887
Total General Fixed Assets	<u>\$ 101,455,721</u>	<u>\$ 9,202,547</u>	<u>\$ 4,121,163</u>	<u>\$ 106,537,105</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally the capital assets of internal service funds are included as governmental activities in the statement of net assets.

TOWN OF CHAPEL HILL, NORTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF FUNCTION AND ACTIVITY¹
YEAR ENDED JUNE 30, 2004

Function and Activity	Land	Land Improvements	Buildings and Building Improvements
General Government	\$ -	\$ -	\$ -
Town Manager	-	-	-
Personnel	-	-	-
Finance	-	-	-
Legal	-	-	-
Information Systems	-	-	3,094,288
General Government Buildings	-	-	3,094,288
Total General Government	-	-	3,094,288
Environment and Development	-	47,955	-
Planning	-	-	-
Inspections	-	389,723	-
Engineering	383,987	326,923	881,062
Community Development	1,701,659	284,780	14,371,486
Housing	-	-	117,500
Transitional Housing	259,128	-	1,211,014
Homeless Shelter	9,647,724	1,993,834	152,766
Public Works	11,992,498	3,043,215	16,733,828
Total Environment and Development	-	-	-
Public Safety	-	-	1,375,355
Police	255,709	-	-
Court Facility	334,961	-	1,779,594
Fire	590,670	-	3,154,949
Total Public Safety	-	-	-
Leisure	8,952,195	2,166,889	6,163,667
Parks and Recreation	734,128	-	5,132,412
Library	9,686,323	2,166,889	11,296,079
Total Leisure	-	-	-
Land and Leasehold Improvements and Buildings	-	-	-
Acquired Prior To July 1, 1977 not Allocated to Function	1,593,062	-	1,751,181
Construction In Progress	-	-	-
Total Capital Assets	\$ 23,862,553	\$ 5,210,104	\$ 36,030,325

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Schedule II

Equipment	Infrastructure	Construction in Progress	Total
\$ 169,367	\$ -	\$ -	\$ 169,367
6,491	-	-	6,491
428,343	-	-	428,343
5,960	-	-	5,960
92,003	-	-	92,003
-	-	-	3,094,288
<u>702,164</u>	<u>-</u>	<u>-</u>	<u>3,796,452</u>
45,742	-	-	93,697
40,537	-	-	40,537
214,385	-	-	604,108
62,714	-	-	1,654,686
630,214	-	-	16,988,139
-	-	-	117,500
-	-	-	1,470,142
2,814,349	25,297,800	-	39,906,473
<u>3,807,941</u>	<u>25,297,800</u>	<u>-</u>	<u>60,875,282</u>
1,018,057	-	-	2,393,412
-	-	-	255,709
1,679,564	-	-	3,794,119
<u>2,697,621</u>	<u>-</u>	<u>-</u>	<u>6,443,240</u>
269,340	-	-	17,552,091
1,347,370	-	-	7,213,910
<u>1,616,710</u>	<u>-</u>	<u>-</u>	<u>24,766,001</u>
-	-	-	3,344,243
-	-	7,311,887	7,311,887
<u>\$ 8,824,436</u>	<u>\$ 25,297,800</u>	<u>\$ 7,311,887</u>	<u>\$ 106,537,105</u>

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