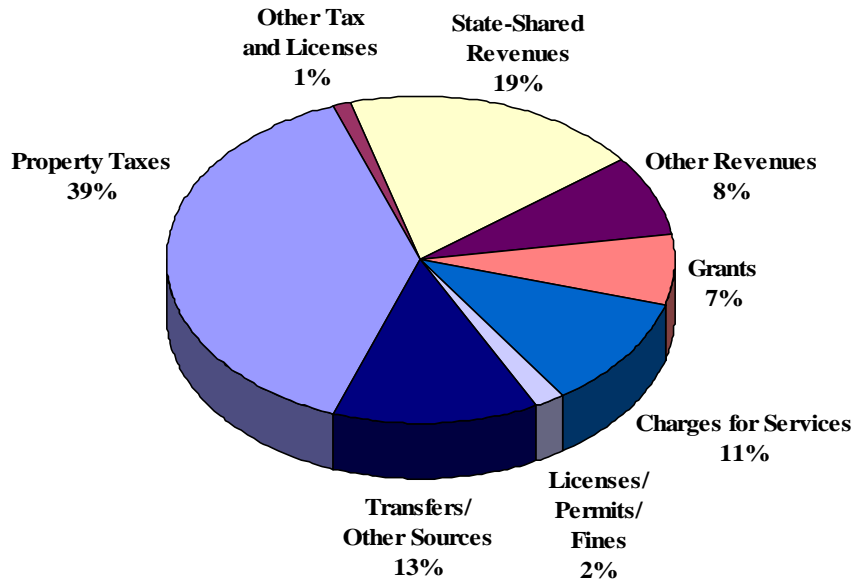
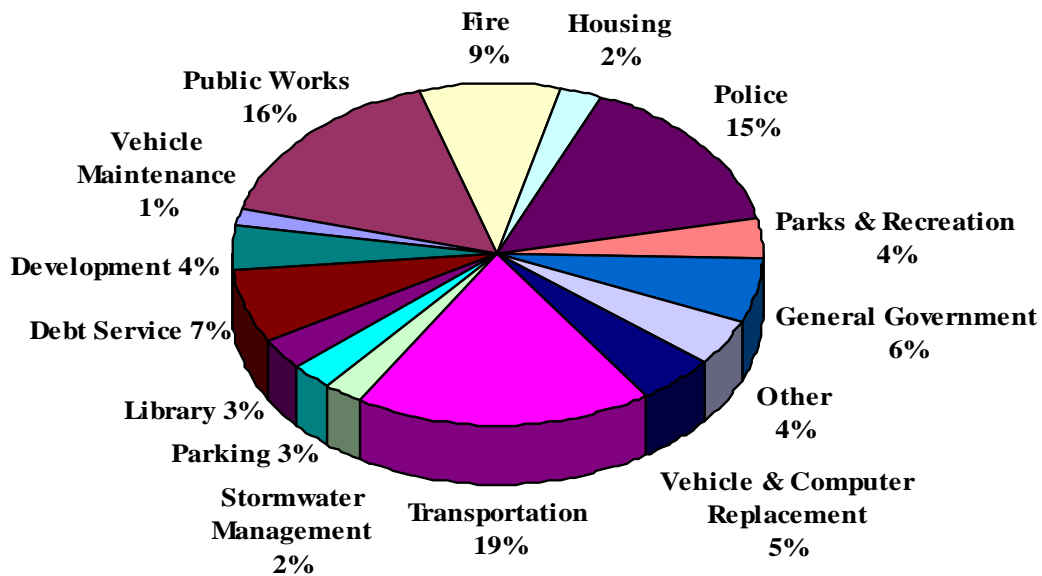


ALL FUNDS SUMMARY

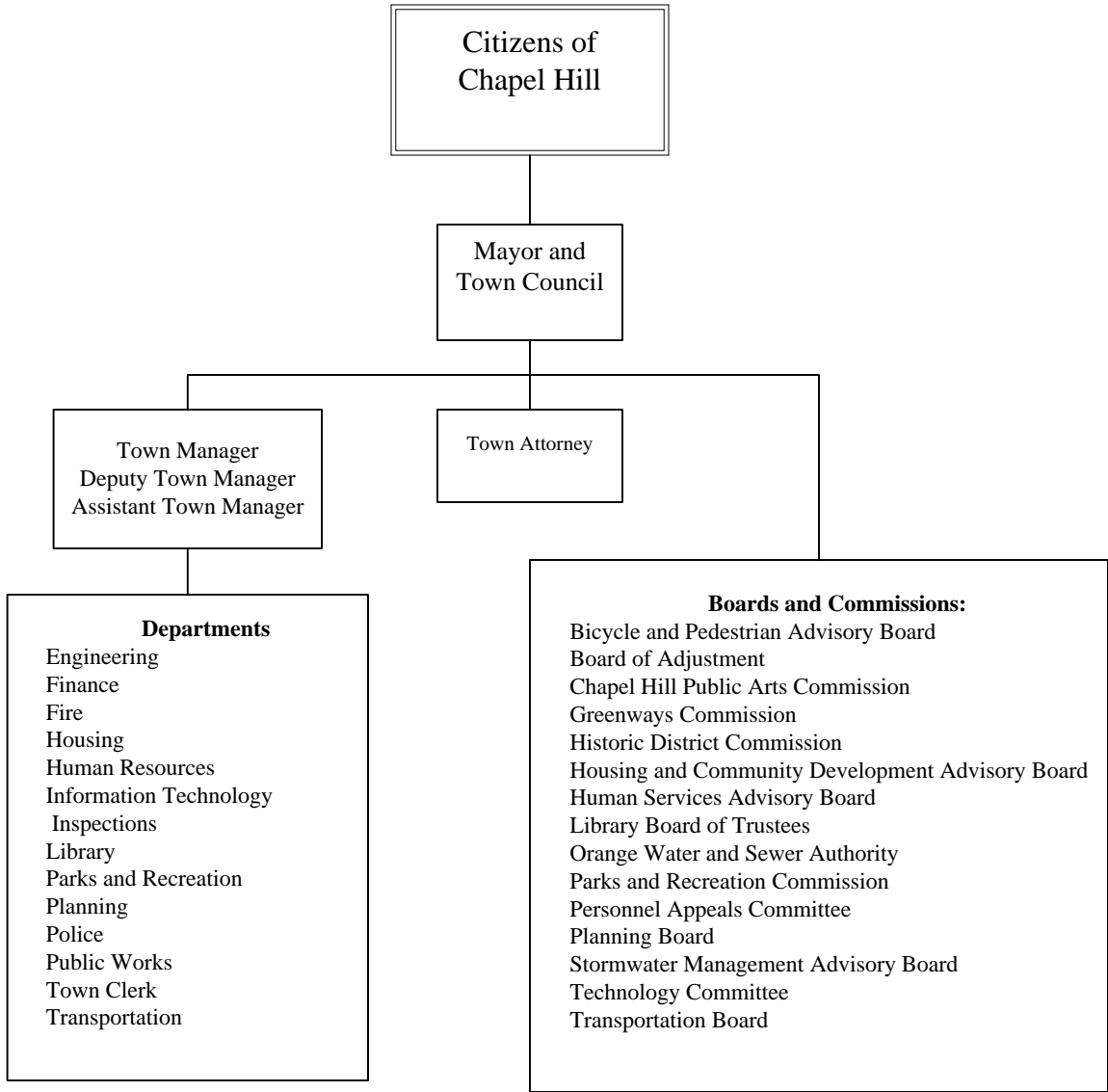
TOTAL BUDGET REVENUES



TOTAL BUDGET EXPENDITURES \$68,284,773 (NET OF TRANSFERS)



TOWN OF CHAPEL HILL ORGANIZATION CHART



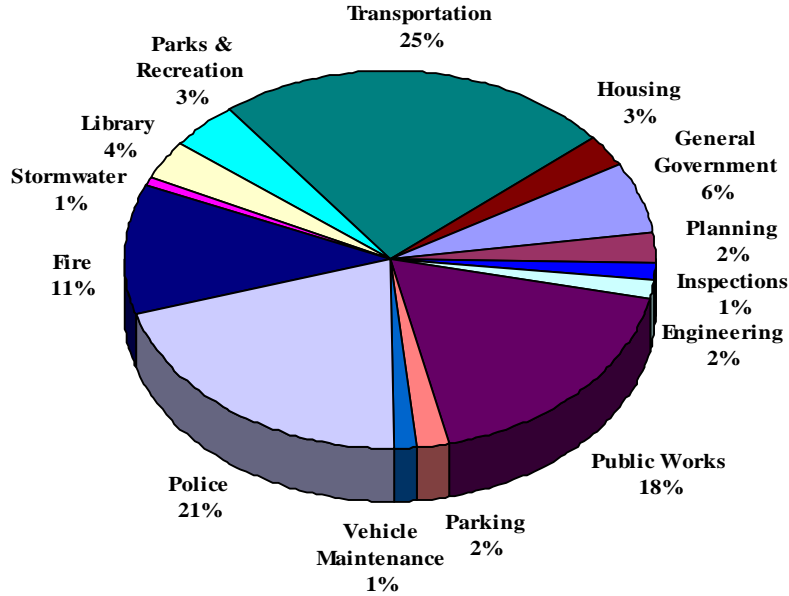
***ALL FUNDS
SUMMARY OF APPROPRIATIONS
2005-06***

Fund	Appropriations	Less Transfers to Other Funds	Net Appropriations
General Fund	46,354,000	5,976,329	40,377,671
Transportation Funds			
Transportation	12,255,300	291,872	11,963,428
Transportation Capital Reserve Fund	834,808	524,808	310,000
Stormwater Management Fund	1,638,930	-	1,638,930
Parking Funds			
Off-Street Parking Fund	1,292,970	-	1,292,970
On-Street Parking Fund	596,660	138,730	457,930
Housing Funds			
Public Housing Fund	1,600,750	-	1,600,750
Housing Loan Trust Fund	90,080	-	90,080
Debt Service Fund	4,817,200	-	4,817,200
Capital Projects			
Capital Improvements Fund	1,176,000	-	1,176,000
Other Funds			
Grants Fund	207,257	-	207,257
Cable Public Access Fund	100,000	-	100,000
Downtown Service District Fund	70,000	-	70,000
Library Gift Fund	90,000	45,000	45,000
Vehicle Replacement Fund	2,869,600	-	2,869,600
Vehicle Maintenance Fund	921,957	-	921,957
Computer Replacement Fund	346,000	-	346,000
TOTAL	75,261,512	6,976,739	68,284,773

STAFFING SUMMARY

Personnel costs make up about 54 percent of the Town's operating budget.

Staffing Summary



2005/2006 STAFFING BY DEPARTMENT IN FULL-TIME EQUIVALENTS

DEPARTMENTS	2003/2004 ADOPTED	2004/2005 ADOPTED	2005/2006 ADOPTED
Mayor	1.00	1.00	1.00
Manager and Clerk	10.53	10.53	10.53
Human Resources	8.00	8.00	8.00
Finance	11.33	11.33	12.33
Information Technology	5.00	6.00	7.00
Legal	2.00	2.00	2.00
Planning	15.53	16.19	16.19
Inspections	10.53	10.53	9.00
Engineering	13.00	12.00	11.80
Public Works	119.00	120.00	121.00
Police	134.00	138.00	138.00
Fire	74.00	74.53	74.53
Parks & Recreation	21.38	21.91	22.79
Library	28.00	28.00	28.00
Transportation	159.09	161.59	164.59
Stormwater	0.00	4.00	5.20
Parking	12.80	12.80	12.80
Housing	18.00	18.00	18.00
Vehicle Maintenance	9.00	9.00	8.00
Total FTE's	652.19	665.41	667.26

TAX RATES AND TAX COLLECTIONS

2004-05

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06* Adopted
Assessed Value of Real and Personal Property	4,305,437,000	4,440,000,000	4,458,000,000	5,299,570,000
Tax Rate Per \$100 Valuation				
General Fund	50.2	51.6	51.6	47.4
Transportation Fund	5.1	5.9	5.9	4.8
Total Tax Rate	55.3	57.5	57.5	52.2
Tax Levy	23,790,000	25,300,000	25,600,000	27,664,000
Estimated Collections at 99%	23,675,000	25,081,000	25,081,000	27,387,000
Distribution				
General Fund	21,492,000	22,492,000	22,492,000	24,895,000
Transportation Fund	2,183,000	2,589,000	2,589,000	2,492,000
Downtown Service District Fund				
Tax Rate	6.2	6.2	6.2	5.3
Tax Levy	69,100	70,000	70,000	70,000
1¢ of the Tax Rate Equals (to nearest 1,000)	430,000	440,000	440,000	530,000

*Values after revaluation

ESTIMATED UNDESIGNATED RESERVES ANNUALLY BUDGETED FUNDS

	(in thousands)			
	Approximate Undesignated Net Assets July 1, 2005	2005-06 Budgeted Revenues	2005-06 Budgeted Expenditures	Approximate Undesignated Net Assets June 30, 2006
GENERAL FUND	5,929,101	45,639,007	46,354,000	5,214,108
SPECIAL REVENUE FUNDS				
Public Housing	817,619	1,508,259	1,600,750	725,128
Downtown Service District	11,562	70,000	70,000	11,562
Cable Public Access	15,401	100,000	100,000	15,401
Housing Loan Trust	314,459	900	90,080	225,279
Library Gift	170,663	90,000	90,000	170,663
Grants Fund	93,641	207,257	207,257	93,641
DEBT SERVICE FUND	-	4,817,200	4,817,200	-
CAPITAL IMPROVEMENT FUNDS				
Capital Improvements	-	1,176,000	1,176,000	-
Capital Reserve	166,520	-	-	166,520
ENTERPRISE FUNDS				
Transportation	991,286	11,985,972	11,675,972	1,301,286
Transportation Capital Reserve	2,674,411	269,328	834,808	2,108,931
Parking:				
On-Street	8,250	588,410	596,660	-
Off-Street	1,071,214	1,292,970	1,292,970	1,071,214
Stormwater Management	-	1,638,930	1,638,930	-
INTERNAL SERVICE FUNDS				
Vehicle Replacement	555,323	2,869,600	2,869,600	555,323
Vehicle Maintenance	36,771	885,186	921,957	-
Computer Replacement	-	346,000	346,000	-
TOTAL	12,856,221	73,485,019	74,682,184	11,659,056

NET ASSET VARIANCES

The Town maintains a reserve of net assets for cash flow, emergencies and opportunities. These net assets (fund balance) are basically the difference between revenues received and expenditures made in a given year plus any residual balance remaining at the end of the previous year. Part of the balance remains unused to meet the reserve recommendations of the North Carolina Local Government Commission. The remaining balance is available to be used for additional appropriations.

Undesignated net assets fluctuate each year depending upon the activities of the year. In the General and Special Revenue Funds, undesignated net assets in 2004-05 are anticipated to decrease by 12% and 13%, respectively. The decrease is primarily the result of an anticipated increase in debt service obligations in the General Fund and an anticipated decrease in the federal Public Housing subsidy. We also anticipate a decrease in undesignated fund balance of about 9% in the Transportation Fund, because we have increased reserves over several years in order to pay for the local match on grant funds which we have received for building a new Transit Operations Center. We are using the funds for the actual construction which is currently under way. Undesignated net assets of the other funds are anticipated to change by less significant amounts.

GOVERNMENTAL FUNDS

SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

2005-06

	General Fund			Special Revenue Funds		
	03-04 Actual	04-05 Estimated	05-06 Adopted	03-04 Actual	04-05 Estimated	05-06 Adopted
Net Unreserved Assets, Beginning of Year	6,851,022	7,133,550	5,929,101	1,769,948	1,732,715	1,423,345
Financial Source						
Property Taxes	21,644,079	22,613,525	25,005,280	69,127	70,000	70,000
Other Tax and Licenses	1,062,053	1,049,920	1,047,000	-	-	-
State-Shared Revenues	12,503,857	12,474,800	12,787,400	-	-	-
Interest on Investments	133,589	116,200	131,200	13,612	13,295	11,264
Other Revenues	335,170	359,400	323,500	274,421	142,002	100,130
Grants	1,321,860	468,754	424,432	1,014,675	1,427,492	1,247,717
Charges for Services	1,458,285	1,505,212	1,674,959	442,397	476,018	510,676
Licenses/Permits/Fines	1,717,262	1,563,660	1,584,350	-	-	-
Transfers/Other Sources	979,338	2,043,077	1,860,886	-	86,058	36,629
Appropriated Net Assets (Fund Balance)	-	-	800,000	-	-	-
Total Estimated Financial Sources	41,155,493	42,194,548	45,639,007	1,814,232	2,214,865	1,976,416
Expenditures						
Personnel	26,592,341	27,757,325	29,328,380	968,470	1,118,100	1,100,109
Operations	12,882,470	14,316,116	15,805,620	845,982	1,342,657	1,007,978
Capital	1,398,154	1,325,556	1,220,000	37,013	63,478	50,000
Total Budget	40,872,965	43,398,997	46,354,000	1,851,465	2,524,235	2,158,087
Financial Sources less Budget	282,528	(1,204,449)	(714,993)	(37,233)	(309,370)	(181,671)
Net Unreserved Assets, End of Year	7,133,550	5,929,101	5,214,108	1,732,715	1,423,345	1,241,674

Debt Service Fund			Capital Funds		
03-04 Actual	04-05 Estimated	05-06 Adopted	03-04 Actual	04-05 Estimated	05-06 Adopted
(4,279)	-	-	2,396,052	1,907,057	166,520
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,889	411	-	5,805	-	-
-	-	-	9,993	-	-
-	-	-	137,849	-	-
-	-	-	142,239	55,000	60,000
-	-	-	-	-	-
2,552,000	2,559,070	4,817,200	1,239,650	944,000	1,116,000
-	-	-	0	-	-
-	-	-	-	-	-
2,554,889	2,559,481	4,817,200	1,535,536	999,000	1,176,000
-	-	-	-	-	-
2,550,610	2,559,070	4,817,200	-	-	-
-	-	-	2,024,531	2,739,537	1,176,000
2,550,610	2,559,070	4,817,200	2,024,531	2,739,537	1,176,000
4,279	-	-	(488,995)	(1,740,537)	-
-	-	-	1,907,057	166,520	166,520

ENTERPRISE & INTERNAL SERVICE FUNDS
SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES
2005-06

	Parking Funds			Transportation Funds		
	03-04 Actual	04-05 Estimated	05-06 Adopted	03-04 Actual	04-05 Estimated	05-06 Adopted
Net Unreserved Assets, Beginning of Year	954,908	891,999	1,079,464	2,637,542	2,343,819	3,665,697
Financial Source						
Property Taxes	-	-	-	2,190,261	2,596,914	2,499,960
Other Tax and Licenses	-	-	-	-	-	-
State-Shared Revenues	-	-	-	-	-	-
Interest on Investments	8,582	6,978	7,000	16,489	21,000	10,000
Other Revenues	37,146	6,882	5,500	5,109,606	5,714,543	5,567,592
Grants	-	-	-	3,395,045	3,918,823	3,616,088
Charges for Services	1,841,170	1,820,558	1,868,880	431,486	393,275	416,660
Licenses/Permits/Fines	-	-	-	139,950	144,200	145,000
Transfers/Other Sources	-	-	-	41,717	-	-
Appropriated Net Assets (Fund Balance)	-	-	-	-	-	-
Total Estimated Financial Sources	1,886,898	1,834,418	1,881,380	11,324,554	12,788,755	12,255,300
Expenditures						
Personnel	598,064	629,938	665,946	7,409,983	8,160,091	8,551,969
Operations	1,351,743	1,006,975	1,209,684	4,059,852	2,898,242	3,411,459
Capital	-	10,040	14,000	148,442	408,544	547,352
Total Budget	1,949,807	1,646,953	1,889,630	11,618,277	11,466,877	12,510,780
Financial Sources less Budget	(62,909)	187,465	(8,250)	(293,723)	1,321,878	(255,480)
Net Unreserved Assets, End of Year	891,999	1,079,464	1,071,214	2,343,819	3,665,697	3,410,217

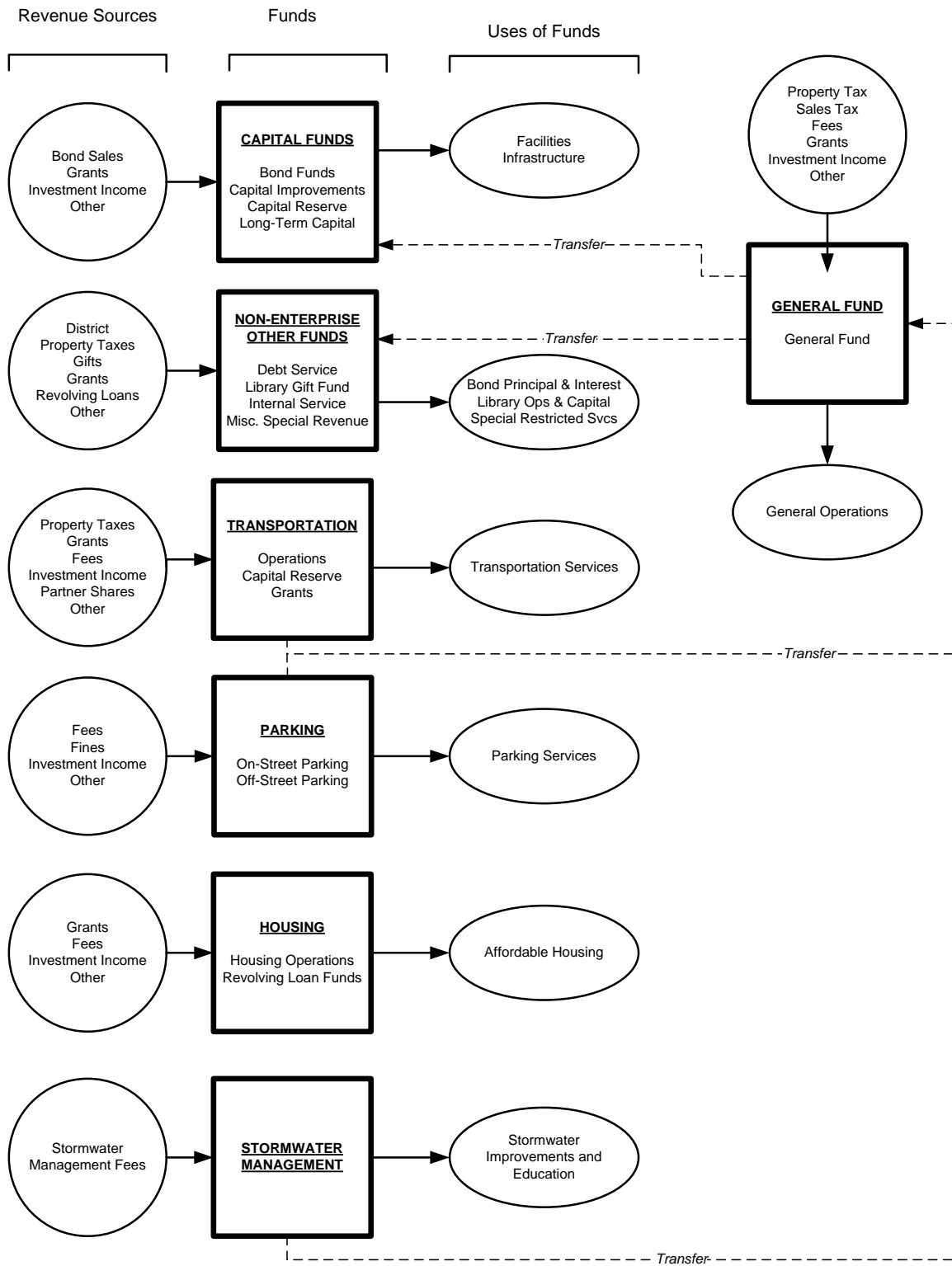
Stormwater Management Fund			Internal Service		
03-04 Actual	04-05 Estimated	05-06 Adopted	03-04 Actual	04-05 Estimated	05-06 Adopted
-	-	-	1,136,720	1,130,389	592,094
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,859	4,365	-
-	3,300	3,600	42,435	129,028	26,208
-	-	-	-	-	-
-	1,637,200	1,628,830	2,238,396	2,230,408	2,101,078
-	-	-	-	-	-
-	6,500	6,500	1,212	894,000	1,973,500
-	-	-	-	-	-
-	1,647,000	1,638,930	2,288,902	3,257,801	4,100,786
-	272,777	423,181	452,385	482,668	444,311
-	1,148,604	949,439	1,842,668	1,927,869	1,869,746
-	225,619	266,310	180	1,385,559	1,823,500
-	1,647,000	1,638,930	2,295,233	3,796,096	4,137,557
-	-	-	(6,331)	(538,295)	(36,771)
-	-	-	1,130,389	592,094	555,323

ANNUAL FUNDS - COMBINED

**SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES
2005-06**

	Annual Funds - Combined Totals		
	03-04 Actual	04-05 Estimated	05-06 Adopted
Net Unreserved Assets, Beginning of Year	15,741,913	15,139,529	12,856,221
Financial Source			
Property Taxes	23,903,467	25,280,439	27,575,240
Other Tax and Licenses	1,202,003	1,049,920	1,047,000
State-Shared Revenues	12,503,857	12,474,800	12,787,400
Interest on Investments	187,825	162,249	159,464
Other Revenues	5,808,771	6,355,155	6,026,530
Grants	5,869,429	5,815,069	5,288,237
Charges for Services	6,553,973	8,117,671	8,261,083
Licenses/Permits/Fines	1,857,212	1,707,860	1,729,350
Transfers/Other Sources	4,813,917	6,532,705	9,810,715
Appropriated Net Assets (Fund Balance)	-	-	800,000
Total Estimated Financial Sources	62,700,454	67,495,868	73,485,019
Expenditures			
Personnel	36,021,243	38,420,899	40,513,896
Operations	23,533,325	25,199,533	29,071,126
Capital	3,608,320	6,158,333	5,097,162
Total Budget	63,162,888	69,778,765	74,682,184
Financial Sources less Budget	(462,434)	(2,282,897)	(1,197,165)
Net Unreserved Assets, End of Year	15,279,479	12,856,632	11,659,056

TOWN OF CHAPEL HILL FLOW OF FUNDS



SUMMARY OF ANNUAL FUND GROUPS

Governmental Funds

General Fund

Special Revenue Funds

- Public Housing Funds
- Grants Fund
- Downtown Service District Fund
- Cable Public Access Fund
- Housing Loan Trust Fund
- Library Gift Fund

Debt Service Fund

Capital Funds

- Capital Projects Fund
- Capital Reserve Fund
- Transportation Capital Reserve Fund

Proprietary Funds

Enterprise Funds

- Transportation Fund
- Stormwater Management Fund
- Parking Fund
 - On-Street Parking
 - Off-Street Parking

Internal Service Funds

- Vehicle Maintenance Fund
- Vehicle Replacement Fund
- Computer Replacement Fund

INTERFUND TRANSFERS						
BUDGET 2005-06						
Transfers to:	Transfers From:					Net Transfers
	General Fund	Transportation	Parking	Transportation Capital Reserve	Library Gift Fund	
General Fund	-	-	138,730	-	45,000	183,730
Debt Service Fund	4,817,200	-	-	-	-	4,817,200
Transit Capital Grants	-	22,544	-	524,808	-	547,352
Transportation Capital Reserve	-	269,328	-	-	-	269,328
Stormwater Management Fund	6,500	-	-	-	-	6,500
Capital Project Fund	1,116,000	-	-	-	-	1,116,000
Grants Fund	36,629	-	-	-	-	36,629
Net Transfers	5,976,329	291,872	138,730	524,808	45,000	6,976,739