NOTE 16: SEGMENT INFORMATION

Primary Government. The Town of Butner water and sewer system is administered by the N.C. Department of Health and Human Services. The State issued revenue bonds to finance upgrades to the Town's water treatment plant, wastewater plant, sanitary sewer system, and water distribution system. This system provides water and sewer services to the State facilities in the Town of Butner as well as to other customers in southern Granville County.

Component Unit. The North Carolina Housing Finance Agency's Home Ownership Bond Programs and Rental Bond Programs are initially funded with revenue bond proceeds. These proceeds are used to purchase single family home and rental property mortgage loans which provide the income along with investment earnings to repay the debt.

Condensed financial statements for the Town of Butner water and sewer system and the two segments of the North Carolina Housing Finance Agency as of and for the fiscal year ended June 30, 2004 are presented below (dollars in thousands).

	Town of Butner Water and Sewer	N.C. Housing Finance Agency	
		Home Ownership	Rental
Condensed Statement of Net Assets			
Assets:			
Current assets	$ 6,486	$ 35,864	$ 20,341
Capital assets-nondepreciable	22,354	—	—
Capital assets-depreciable, net	5,572	—	—
Other assets	4,346	1,224,386	172,954
Total assets	38,758	1,260,250	193,295
Liabilities:			
Current liabilities	3,966	33,326	3,846
Noncurrent liabilities	9,200	1,082,011	138,773
Total liabilities	13,166	1,115,337	142,619
Net assets:			
Invested in capital assets, net of related debt	18,696	—	—
Restricted	1,796	144,913	50,676
Unrestricted	5,100	—	—
Total net assets	$ 25,592	$ 144,913	$ 50,676
Condensed Statement of Revenues, Expenses, and Changes in Net Assets			
Operating revenues (pledged against bonds)	3,723	$ 77,686	$ 13,883
Depreciation expense	(642)	—	—
Other operating expenses	(2,372)	(67,177)	(8,584)
Operating income	709	10,509	5,299
Nonoperating revenues (expenses):			
Investment earnings	187	—	—
Interest expense	(49)	—	—
Other nonoperating revenues (expenses)	(31)	—	—
Capital contributions	862	—	—
Transfers out	(289)	(294)	(54)
Change in net assets	1,389	10,215	5,245
Net assets — July 1, as restated	24,203	134,698	45,431
Net assets — June 30	$ 25,592	$ 144,913	$ 50,676
Condensed Statement of Cash Flows			
Net cash provided (used) by:			
Operating activities	$ 1,469	$ 98,062	$ 27,717
Noncapital financing activities	(289)	(88,014)	(18,940)
Capital and related financing activities	(4,884)	—	—
Investing activities	2,779	(8,266)	1,654
Net increase (decrease)	(925)	1,782	10,431
Cash and cash equivalents at July 1	7,667	74,080	8,208
Cash and cash equivalents at June 30	$ 6,742	$ 75,862	$ 18,639