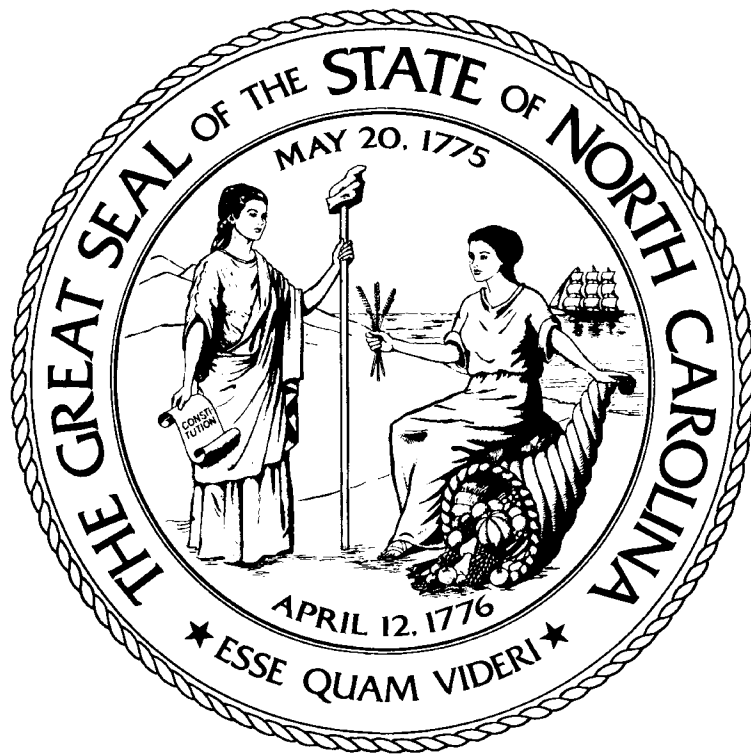

NORTH CAROLINA



***STATEWIDE
ACCOUNTS
RECEIVABLE
REPORT***

***For the Year
Ended
June 30, 2000***

North Carolina Office of the State Controller

Edward Renfrow, State Controller

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Report
December 2000

The Office of the State Controller is responsible for the *Statewide Accounts Receivable Program*. The authority originates from North Carolina General Statute 147-86.20-.27. In fulfilling the reporting requirements, the Office of the State Controller provides you with the Statewide Accounts Receivable Report for fiscal year end June 30, 2000, displayed in a three-year analysis of receivables format.

The *Statewide Accounts Receivable Report* includes all receivables reflected in the State's Comprehensive Annual Financial Report (CAFR). These receivables are recorded in the financial statements based on generally accepted accounting principles (GAAP) for governments. Included in this report are notes receivable, taxes receivable, intergovernmental receivables (due from federal, local or other state governments), accounts receivable, interfund receivables (due from other entities within the State's financial reporting entity), contributions receivable, premiums receivable, interest receivable and other miscellaneous receivables.

Total receivables increased \$916 million, or 19.45%, to \$5.63 billion, which equates to 14.78% of total revenues as compared to 13.27% in 1999. Total revenues increased 7.29% to \$38.07 billion. In summary, for every \$6.77 of revenues the State earns we carry \$1.00 in receivables.

To explain the \$916 million increase in total receivables for 2000 we need to look at several areas. The first involves notes receivable where there was a total increase of \$349 million, most of which occurred in the component unit proprietary funds. The most significant portion of this increase occurred in the North Carolina Housing Finance Agency, which experienced an increase of \$155 million through the issuance of additional mortgage loans. In addition, the notes receivable for the State Education Assistance Authority grew by \$142 million due to the issuance of bonds which allowed the authority to fund more loans. There were also increases of \$44 million in the notes of the Clean Water Revolving Loan and Grant Fund, a nonexpendable trust fund that provides loans to local governments, and \$9.7 million in the 401(k) Supplemental Retirement Income Plan, a pension trust fund that provides loans to participants.

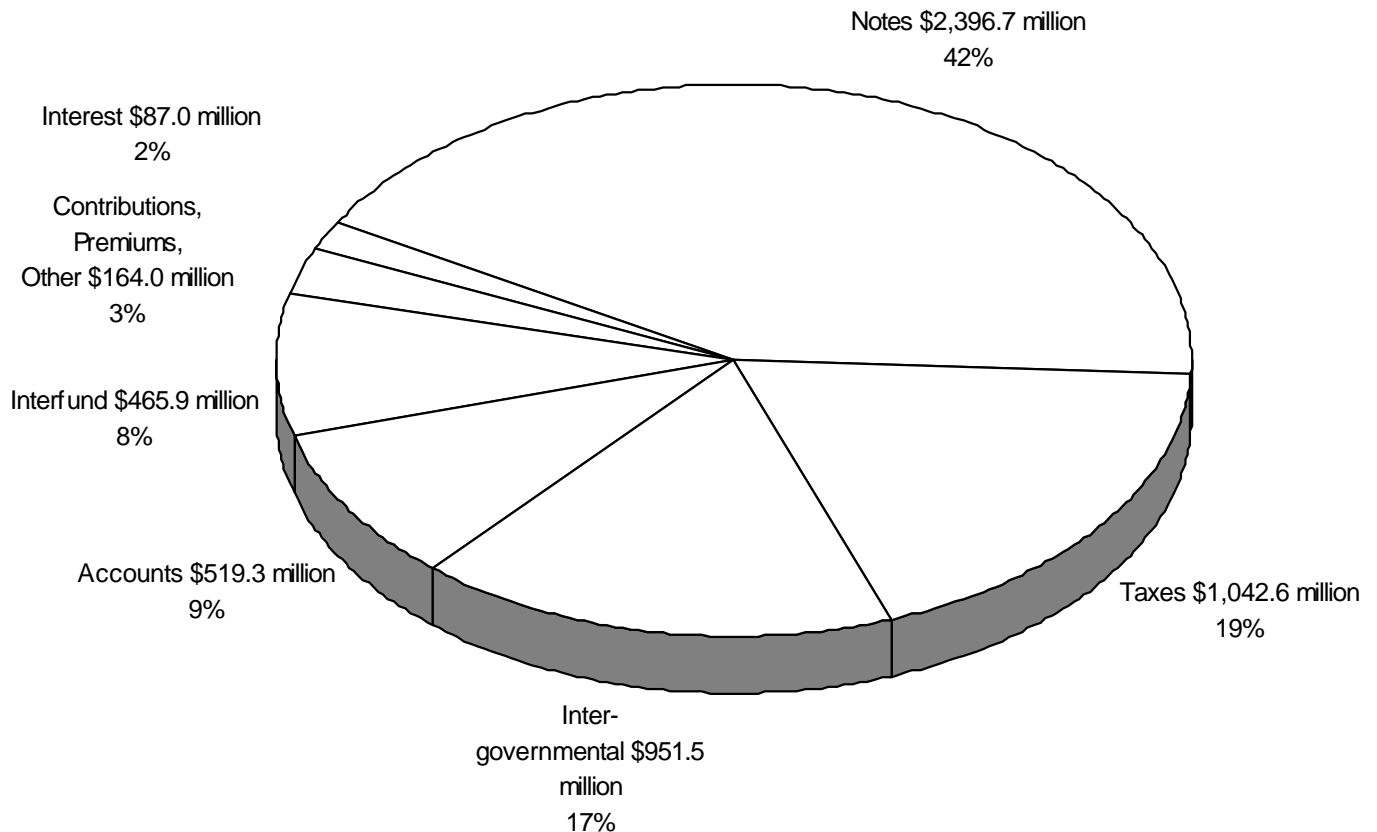
The second area in which major changes occurred is intergovernmental receivables, which increased by \$236 million. Within this category, the amounts due from federal agencies increased by \$110 million, which related primarily to Hurricane Floyd disaster reimbursements and medical assistance reimbursements. In addition, intergovernmental receivables increased in the component unit Community College Funds by \$80 million, primarily due to county construction bonds, and in the component unit University Funds by \$21 million.

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The third area in which major changes occurred is taxes receivable, which increased by \$103 million as a result of an increase in collections due through June 30 but received in July. Additionally, accounts receivable increased \$96 million primarily due to the acquisition of Rex Hospital by UNC Healthcare.

The following chart summarizes the State of North Carolina's receivable components:

State of North Carolina Total Receivables for the Fiscal Year Ended June 30, 2000
\$5.627 billion



Efforts continue to make improvements in agency reporting of write-off information. Definite progress has been made in this area and we will continue to educate and inform the State's entities on the importance of

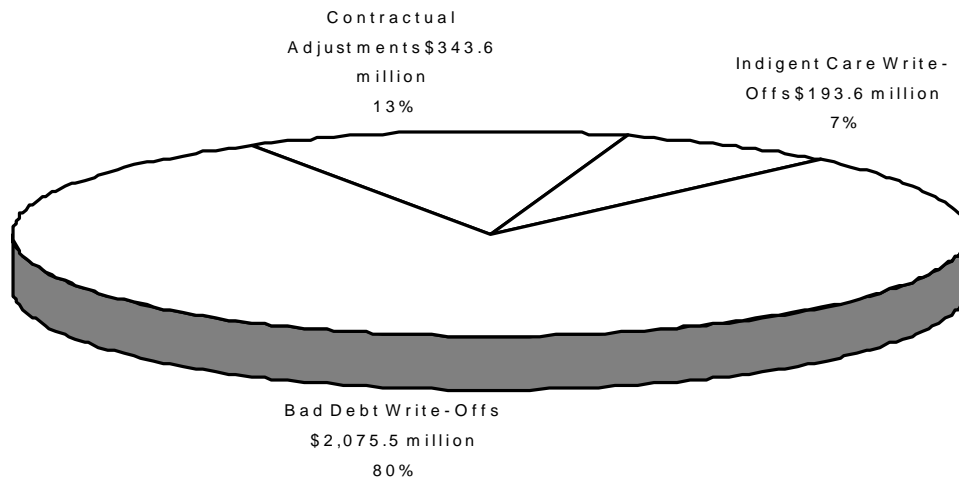
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reporting accurate and complete write-off information. The leading type of State receivable written off during the fiscal year 1999-2000 was taxes receivable. There was a significant increase in this category due to the write-off of \$2.015 billion in receivables by the Department of Revenue for taxes on unauthorized substances. The decision by the Department of Revenue to write off these receivables was made based on advice received from the Attorney General's office that the Unauthorized Substances Tax Division should cease collecting these accounts due to the decision rendered by the 4th Circuit U.S. Court of Appeals in *Lynn v. West, et al.* The decision to write off the receivables was delayed due to various pending court cases which could have reversed the *Lynn* decision thus enabling the Division to resume collection of pre-*Lynn* accounts. Many of these court cases have been resolved, but none in such a manner as to allow the Division to resume collection of these accounts. In addition, a significant amount of receivables associated with the healthcare business in the State were written off. This involves basically four agencies/institutions: UNC Hospitals; UNC Physicians & Associates of UNC-Chapel Hill; ECU's medical program and affiliation with Pitt County Hospital; and the Department of Health and Human Services via their hospital and patient treatment centers.

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The following chart summarizes the State of North Carolina's major write-off components:

State of North Carolina Total Write-offs for the Fiscal Year Ended June 30, 2000
\$2,612.7 million



Contractual Adjustments - The differences between revenue at established rates and the amounts realizable from third-party payors under contractual agreements. These adjustments are made to customer, patient, business, or taxpayer accounts as the result of a contractual agreement to provide certain services or products at a previously negotiated price. The contractual adjustment is the difference between the value assigned by the State provider/supplier of the product or service and the predetermined price as negotiated with a third-party payor (*example: insurance company*).

Indigent Care Write-Offs - The differences between revenue at established rates and the amounts realizable from the financially responsible party for those receiving the State product or service. In this instance, the write-off is the result of the financially responsible party being **unable** to meet the financial obligations due to poverty or a lack of subsistence.

Bad Debt Write-Offs - All write-offs of bad debts other than those for contractual or indigent care reasons.

Setoff Debt Collection Program Activity

G.S. 105A, the Setoff Debt Collection Act, requires all claimant agencies and the Department of Revenue to cooperate in identifying debtors who owe money to the State through its various agencies and who qualify for refunds from the Department of Revenue. It further requires that procedures be established for setting off against any refund the sum of any debt owed to the State.

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Recent changes to G.S. 105A have expanded the list of claimant agencies to include all State agencies. This change was effective January 1, 2000. The Office of the State Controller requested that the Department of Revenue provide summary debt setoff information for the last four tax years to be included in the annual Statewide Accounts Receivable Report. Summary data for the prior four tax years is reflected below.

Calendar Year	2000	1999	1998	1997
Tax Year	1999	1998	1997	1996
Gross Amount of Refunds Setoff	\$21,964,609	\$14,721,654	\$16,298,065	\$10,845,604
Collection Assistance Fee Applied				
Based on Prior Year Actual Expenses *	(700,827)	(485,146)	(787,122)	(399,234)
Net Amount of Refunds Paid to				
Claimant Agencies	<u>\$21,263,782</u>	<u>\$14,236,508</u>	<u>\$15,510,943</u>	<u>\$10,446,370</u>
DOR Administrative Expenses - Current Year	\$379,483	\$860,824	\$536,901	\$504,027
Total Setoffs (includes completed, denied and canceled setoffs)	104,255	81,219	106,589	61,481
Number of Completed Setoffs	100,870	72,418	79,530	54,588
Average Gross Setoff Amount	\$217.75	\$203.79	\$204.93	\$198.68
Average Cost per Setoff	\$3.64	\$10.60	\$5.04	\$8.20
Average Net Amount of Refunds Setoff	\$210.80	\$196.59	\$195.03	\$191.37

* Effective for the calendar year 2000, the cost of collecting child support debts is not charged against the taxpayer's refund. Instead, the gross amount of the refund is applied to the debt and the Department of Revenue receives a collection assistance fee for these debts from individual income tax collections. For the calendar year 2000, collection assistance fees for child support debts collected through setoff were \$324,013, bringing the total collection assistance fees received by the Department of Revenue to \$1,024,840.

Electronic Payment Acceptance Project

The Office of the State Controller continues to evaluate alternative business practices in order to improve the Statewide Accounts Receivable Program. Session Law 1999-434 amended G.S. 146-86.10,.11,&.22 by authorizing state government agencies to maximize acceptance of electronic payments including credit/debit card payments. As a result of this legislation, the Electronic Payment of Accounts Receivable, known as the Credit/Debit Card Acceptance Project, was begun in March 2000.

A joint project between the OSC, the Department of State Treasurer (DST), and the Office of Information Technology Services (ITS) was initiated for the purpose of providing the citizens of North Carolina with additional and more convenient payment methods. As with the other major electronic commerce initiatives in State government, the Credit/Debit Card Project follows an enterprise approach that intends to

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maximize cost savings by aggregating demand and attaining the greatest volume discounts from a credit/debit card processing vendor selected through a formal bidding process.

The ability for state agencies to accept credit/debit card payments is now possible because the State Controller has negotiated two contracts. Through a request for proposal procedure the State reached an agreement with Wachovia Merchant Services (WMS) to provide credit and debit card processing for electronic payments. The State also signed a contract with PaylinX to provide the computer software that now provides a common payment software connection between agency Internet applications and WMS. The signing of these contracts established a major component of electronic commerce to move North Carolina to the forefront of electronic government. The State, through NC@Your Service located on the Internet at www.ncgov.com, is now positioned to conduct e-commerce on a scale that will have far-reaching impacts for improved citizen services. Policies and operational guidelines, developed in support of electronic payments, will result in more timely receipt of payments made by citizens and businesses. This should ultimately reduce agency accounts receivable.

Need for a Statewide Business Infrastructure

Previous reports to the General Assembly have stressed the importance of implementing new modern accounts receivable, billing and collection systems. To date, funding issues have prevented the implementation of such systems. The State of North Carolina is currently at a critical juncture with regard to many of its financial management systems. Several of the State's central management agencies are considering the replacement of their key financial systems. Never before has there been a time in which so many of the State's core business infrastructure systems have been subject to replacement within a relatively short period of time. Most of the systems under consideration for replacement are old, utilize outdated technology, and are becoming increasingly expensive to maintain. With the State moving forward aggressively with electronic government initiatives it is imperative that our financial management systems are prepared to meet the challenges they bring.

The State now has a great opportunity to consider the replacement of the State's core business infrastructure systems from an ***enterprise*** perspective and to select ***one*** business platform that is fully integrated and totally interoperable. However, for an effort of this magnitude to be successful, there is a need for the key players responsible for making these far-reaching decisions to partner, collaborate, and leverage scarce resources to achieve the fullest economic benefit for the State. The OSC will continue to collaborate with the key players to develop a strategy on how the State should proceed to determine the best administrative platform for the future from a professional, technological and business perspective.

Need for Additional Legislative Language

Other states have enacted legislation that allows those states to pass the cost of collecting bad debts on to the debtor. The OSC plans to request statutory language to support this concept for North Carolina agencies. The ability to pass the cost of collecting bad debts on to the debtor would place the State in position to potentially out-source the collection of bad debts without incurring these costs.

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Pilot Program on Collections of Bad Debts

SESSION LAW 2000-67, HOUSE BILL 1840 contained a special provision entitled PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY STATE AGENCIES EXTENDED. The OSC must report the results of the Bad Debt Collection Clearinghouse Pilot to the General Assembly no later than May 15, 2001, along with recommendations on changes in law or procedure to better collect the bad debts including the feasibility of implementing a centralized Bad Debt Collection Clearinghouse.

OSC with the assistance of PricewaterhouseCoopers (PwC) developed and operated a prototype debt collection clearinghouse that resulted in limited collections. While the prototype system was not an on-going operational system, it did allow OSC to test the concept and provide a solid basis to validate the reasonableness of this approach for collecting bad debts. OSC will present a report to the General Assembly that will:

- Provide background information on previous accounts receivable/debt collection studies performed in response to legislative request.
- Summarize the activities, results and issues related to the prototype debt collection clearinghouse that utilized Windham Professional collection agency.
- Provide information related to best business practices associated with the collection of bad debts. The information will include alternative collection techniques to include Internet based collection applications as well as the potential use of an out-sourced bad debt clearinghouse.
- Document proposed legislative language changes in support of the statewide accounts receivable program. Particular language is required to support the ability of the State to pass the cost of collecting a bad debt on to the debtor.
- Provide alternative solutions and suggested next steps.

Conclusion

The State Controller believes that by continuing to stress more consistent accounts receivable policies and procedures, monitoring agency activity closely, coordinating best business practices among agencies, and establishing and enforcing procedures for write-offs and setoff debt collection, the State can maximize the collection of past due accounts receivable.

Pages eight through fifteen of this document contain a three-year analysis of receivables. Please contact the Office of the State Controller if additional information is required.

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	2000	1999	1998
Total Receivables			
Governmental Funds:			
General Fund.....	\$ 1,515,763	\$ 1,327,720	\$ 1,380,985
Special Revenue Funds.....	521,526	425,611	371,282
Capital Projects Funds.....	3,099	3,924	3,629
Total Governmental Funds.....	<u>2,040,388</u>	<u>1,757,255</u>	<u>1,755,896</u>
Proprietary Funds:			
Enterprise Funds.....	10,066	2,208	2,550
Internal Service Funds.....	62,841	61,276	52,403
Total Proprietary Funds.....	<u>72,907</u>	<u>63,484</u>	<u>54,953</u>
Fiduciary Funds:			
Expendable Trust Funds.....	164,993	160,203	239,210
Non-expendable Trust Funds.....	310,432	264,499	257,746
Pension Trust Funds.....	244,002	220,740	119,160
Investment Trust Fund.....	16,977	10,278	4,063
Agency Funds.....	131,362	122,552	109,667
Total Fiduciary Funds.....	<u>867,766</u>	<u>778,272</u>	<u>729,846</u>
Component Units:			
College and University.....	767,131	548,693	538,286
Proprietary.....	1,878,790	1,563,212	1,361,431
Total Component Units.....	<u>2,645,921</u>	<u>2,111,905</u>	<u>1,899,717</u>
Total Receivables [1].....	<u>\$ 5,626,982</u>	<u>\$ 4,710,916</u>	<u>\$ 4,440,412</u>
Percent Increase/Decrease from Prior Year.....	19.45%	6.09%	
Receivables as % of Total Revenues.....	14.78%	13.27%	12.04%
Total State Revenues.....	<u>\$ 38,073,702</u>	<u>\$ 35,487,736</u>	<u>\$ 36,876,040</u>
Percent Increase/Decrease from Prior Year.....	7.29%	-3.76%	

[1] Total Receivables consist of the following:

	2000	% of Total	1999	% of Total
Notes Receivable.....	\$ 2,396,747	42.59%	\$ 2,047,308	43.46%
Taxes Receivable.....	1,042,553	18.53%	926,961	19.68%
Intergovernmental Receivables.....	951,533	16.91%	715,723	15.19%
Accounts Receivable.....	519,286	9.23%	423,804	9.00%
Interfund Receivables (CAFR-Note 8).....	465,917	8.28%	358,721	7.61%
Contributions, Premiums, Other Receivables.....	163,977	2.91%	158,402	3.36%
Interest Receivable.....	86,969	1.55%	79,997	1.70%
Total Receivables	<u>\$ 5,626,982</u>	<u>100.00%</u>	<u>\$ 4,710,916</u>	<u>100.00%</u>

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Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	2000	1999	1998
Notes Receivable			
Governmental Funds:			
General Fund.....	\$ 3,011	\$ 497	\$ 497
Special Revenue Funds.....	117,335	111,095	112,371
Total Governmental Funds.....	<u>120,346</u>	<u>111,592</u>	<u>112,868</u>
Fiduciary Funds:			
Expendable Trust Funds.....	-	-	81,154
Non-expendable Trust Funds.....	308,166	262,499	256,142
Pension Trust Funds.....	98,829	89,125	-
Total Fiduciary Funds.....	<u>406,995</u>	<u>351,624</u>	<u>337,296</u>
Component Units:			
College and University.....	86,793	96,077	84,127
Proprietary.....	1,782,613	1,488,015	1,300,877
Total Component Units	<u>1,869,406</u>	<u>1,584,092</u>	<u>1,385,004</u>
Total Notes Receivable [1].....	<u>\$ 2,396,747</u>	<u>\$ 2,047,308</u>	<u>\$ 1,835,168</u>
Percent Increase/Decrease from Prior Year.....	17.07%	11.56%	

[1] Notes Receivable consists of the following:

	2000	% of Total	1999	% of Total
NC Housing Finance Agency.....	\$ 1,029,908	42.97%	\$ 874,944	42.74%
State Education Assistance Authority.....	742,271	30.97%	600,481	29.33%
Clean Water Revolving Loan & Grant Fund.....	305,944	12.76%	261,651	12.78%
University Funds.....	86,397	3.60%	95,577	4.67%
Clean Water Funds.....	82,934	3.46%	87,550	4.28%
401(k) Supplemental Retirement Income Plan.....	98,829	4.12%	89,125	4.35%
Other.....	50,464	2.12%	37,980	1.85%
Total Notes Receivable.....	<u>\$ 2,396,747</u>	<u>100.00%</u>	<u>\$ 2,047,308</u>	<u>100.00%</u>

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Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	2000	1999	1998
Taxes Receivable			
Governmental Funds:			
General Fund.....	\$ 697,497	\$ 594,212	\$ 675,428
Special Revenue Funds.....	109,352	103,499	103,133
Total Governmental Funds.....	<u>806,849</u>	<u>697,711</u>	<u>778,561</u>
Fiduciary Funds:			
Expendable Trust Funds.....	117,427	116,234	106,293
Agency Funds.....	118,277	113,016	96,967
Total Fiduciary Funds.....	<u>235,704</u>	<u>229,250</u>	<u>203,260</u>
Total Taxes Receivable [1].....	<u>\$ 1,042,553</u>	<u>\$ 926,961</u>	<u>\$ 981,821</u>
Percent Increase/Decrease from Prior Year.....	12.47%	(5.59%)	

[1] Taxes Receivable consists of the following:

	2000	% of Total	1999	% of Total
Individual Income Tax.....	\$ 341,842	32.79%	\$ 248,350	26.79%
Sales and Use Tax.....	254,845	24.44%	244,330	26.36%
Unemployment Compensation Funds.....	117,427	11.26%	116,234	12.54%
Local Sales Tax Collections.....	118,277	11.34%	113,016	12.19%
State Highway Fund.....	78,492	7.53%	73,818	7.96%
Corporate Income Tax.....	35,092	3.37%	30,892	3.33%
Franchise Tax.....	33,501	3.21%	32,675	3.52%
Highway Trust Fund.....	28,596	2.74%	27,512	2.97%
Beverage Tax.....	17,319	1.66%	15,869	1.71%
Other.....	17,162	1.66%	24,265	2.63%
Total Taxes Receivable.....	<u>\$ 1,042,553</u>	<u>100.00%</u>	<u>\$ 926,961</u>	<u>100.00%</u>

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Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	2000	1999	1998
Intergovernmental Receivables			
Governmental Funds:			
General Fund.....	\$ 620,490	\$ 517,803	\$ 440,646
Special Revenue Funds.....	99,805	77,601	92,766
Capital Projects Funds.....	1,109	1,509	176
Total Governmental Funds.....	<u>721,404</u>	<u>596,913</u>	<u>533,588</u>
Proprietary Funds:			
Enterprise Funds.....	8,077	-	-
Internal Service Funds.....	666	651	547
Total Proprietary Funds.....	<u>8,743</u>	<u>651</u>	<u>547</u>
Fiduciary Funds:			
Expendable Trust Funds.....	1,304	1,440	1,552
Non-expendable Trust Funds.....	35	122	2
Agency Funds.....	3,258	-	6,238
Total Fiduciary Funds.....	<u>4,597</u>	<u>1,562</u>	<u>7,792</u>
Component Units:			
College and University.....	206,389	105,398	118,841
Proprietary.....	10,400	11,199	8,135
Total Component Units.....	<u>216,789</u>	<u>116,597</u>	<u>126,976</u>
Total Intergovernmental Receivables [1].....	<u>\$ 951,533</u>	<u>\$ 715,723</u>	<u>\$ 668,903</u>
Percent Increase/Decrease from Prior Year.....	32.95%	7.00%	

[1] Intergovernmental Receivables consist of the following:

	2000	% of Total	1999	% of Total
Due From Federal Agencies.....	\$ 583,996	61.37%	\$ 474,020	66.23%
State Highway Fund.....	93,903	9.87%	70,922	9.91%
Community College Funds.....	136,505	14.35%	56,127	7.84%
Due From Local Governments.....	67,245	7.07%	65,383	9.14%
University Funds.....	69,884	7.34%	49,271	6.88%
Total Intergovernmental Receivables.....	<u>\$ 951,533</u>	<u>100.00%</u>	<u>\$ 715,723</u>	<u>100.00%</u>

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Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	2000	1999	1998
Accounts Receivable			
Governmental Funds:			
General Fund.....	\$ 97,164	\$ 95,228	\$ 101,960
Special Revenue Funds.....	12,460	24,900	11,385
Capital Projects Funds.....	27	15	203
Total Governmental Funds.....	<u>109,651</u>	<u>120,143</u>	<u>113,548</u>
Proprietary Funds:			
Enterprise Funds.....	94	1,254	1,622
Internal Service Funds.....	22,582	25,505	19,551
Total Proprietary Funds.....	<u>22,676</u>	<u>26,759</u>	<u>21,173</u>
Fiduciary Funds:			
Expendable Trust Funds.....	16,283	14,724	12,896
Non-expendable Trust Funds.....	4	5	24
Pension Trust Funds.....	899	593	414
Agency Funds.....	2,191	2,602	1,821
Total Fiduciary Funds.....	<u>19,377</u>	<u>17,924</u>	<u>15,155</u>
Component Units:			
College and University.....	328,396	232,002	204,093
Proprietary.....	39,186	26,976	17,979
Total Component Units	<u>367,582</u>	<u>258,978</u>	<u>222,072</u>
Total Accounts Receivable [1].....	<u>\$ 519,286</u>	<u>\$ 423,804</u>	<u>\$ 371,948</u>
Percent Increase/Decrease from Prior Year.....	22.53%	13.94%	

[1] Accounts Receivable consists of the following:

	2000	% of Total	1999	% of Total
University Funds.....	\$ 318,208	61.28%	\$ 221,915	52.36%
DHHS-Division of Medical Assistance.....	27,909	5.37%	31,089	7.34%
DHHS-Division of Mental Health.....	69,976	13.48%	61,612	14.54%
Unemployment Compensation Funds.....	15,413	2.97%	14,313	3.38%
Community College Funds.....	10,188	1.96%	10,087	2.38%
Other.....	77,592	14.93%	84,788	19.99%
Total Accounts Receivable.....	<u>\$ 519,286</u>	<u>100.00%</u>	<u>\$ 423,804</u>	<u>100.00%</u>

State of North Carolina
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Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	2000	1999	1998
Interfund Receivables*			
Governmental Funds:			
General Fund.....	\$ 80,956	\$ 84,711	\$ 126,278
Special Revenue Funds.....	160,132	90,302	35,865
Capital Projects Funds.....	1,935	2,400	3,250
Total Governmental Funds.....	<u>243,023</u>	<u>177,413</u>	<u>165,393</u>
Proprietary Funds:			
Internal Service Funds.....	38,082	28,384	24,822
Total Proprietary Funds.....	<u>38,082</u>	<u>28,384</u>	<u>24,822</u>
Fiduciary Funds:			
Expendable Trust Funds.....	26,901	26,296	25,711
Agency Funds.....	7,631	6,929	4,638
Total Fiduciary Funds.....	<u>34,532</u>	<u>33,225</u>	<u>30,349</u>
Component Units:			
College and University.....	135,176	105,168	119,678
Proprietary.....	15,104	14,531	13,494
Total Component Units	<u>150,280</u>	<u>119,699</u>	<u>133,172</u>
Total Interfund Receivables.....	<u>\$ 465,917</u>	<u>\$ 358,721</u>	<u>\$ 353,736</u>
Percent Increase/Decrease from Prior Year.....	29.88%	1.41%	

* Interfund Receivables are comprised of:
 Due From Other Funds
 Due From Component Units
 Due From Primary Government
 Advances to Component Units

(For detail see Comprehensive Annual Financial Report - Note 8)

State of North Carolina
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Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	2000	1999	1998
<u>Contributions, Premiums, Other Receivables</u>			
Governmental Funds:			
General Fund.....	\$ -	\$ 14,413	\$ 14,519
Special Revenue Funds.....	9,182	8,092	6,962
Total Governmental Funds.....	<u>9,182</u>	<u>22,505</u>	<u>21,481</u>
Proprietary Funds:			
Enterprise Funds.....	1,754	803	812
Internal Service Funds.....	1,451	5,284	5,541
Total Proprietary Funds.....	<u>3,205</u>	<u>6,087</u>	<u>6,353</u>
Fiduciary Funds:			
Expendable Trust Funds.....	1,676	154	9,882
Pension Trust Funds.....	143,142	129,656	117,965
Total Fiduciary Funds.....	<u>144,818</u>	<u>129,810</u>	<u>127,847</u>
Component Units:			
College and University.....	2,015	-	-
Proprietary.....	4,757	-	-
Total Component Units	<u>6,772</u>	<u>-</u>	<u>-</u>
Total Contributions, Premiums, Other Receivables.....	<u>\$ 163,977</u>	<u>\$ 158,402</u>	<u>\$ 155,681</u>
Percent Increase/Decrease from Prior Year.....	3.52%	1.75%	

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

Interest Receivable	June 30		
	2000	1999	1998
Governmental Funds:			
General Fund.....	\$ 16,645	\$ 20,856	\$ 21,657
Special Revenue Funds.....	13,260	10,122	8,800
Capital Projects Funds.....	28	-	-
Total Governmental Funds.....	<u>29,933</u>	<u>30,978</u>	<u>30,457</u>
Proprietary Funds:			
Enterprise Funds.....	141	151	116
Internal Service Funds.....	60	1,452	1,942
Total Proprietary Funds.....	<u>201</u>	<u>1,603</u>	<u>2,058</u>
Fiduciary Funds:			
Expendable Trust Funds.....	1,402	1,355	1,722
Non-expendable Trust Funds.....	2,227	1,873	1,578
Pension Trust Funds.....	1,132	1,366	781
Investment Trust Fund.....	16,977	10,278	4,063
Agency Funds.....	5	5	3
Total Fiduciary Funds.....	<u>21,743</u>	<u>14,877</u>	<u>8,147</u>
Component Units:			
College and University.....	8,362	10,048	11,547
Proprietary.....	26,730	22,491	20,946
Total Component Units	<u>35,092</u>	<u>32,539</u>	<u>32,493</u>
Total Interest Receivable.....	<u>\$ 86,969</u>	<u>\$ 79,997</u>	<u>\$ 73,155</u>
Percent Increase/Decrease from Prior Year.....	8.72%	9.35%	

Analysis of Receivables
(Amounts Expressed in Thousands)

	Balance 06/30/00	Balance 06/30/99	Increase (Decrease)	% Change	Explanation
General Fund:					
Taxes Receivable	\$ 697,497	\$ 594,212	\$ 103,285	17.38%	Per DOR's MD&A, they had an increase in collections received in July. Therefore, the amount accrued at June 30, 2000 was higher than in the prior year. Individual income taxes receivable made up \$93,492 of the total increase in taxes receivable.
Intergovernmental Receivables	620,490	517,803	102,687	19.83%	As stated in the A/R report, amounts "Due from Federal Agencies" increased by \$110 million. The majority of this increase occurred at Crime Control and Public Safety. According to their MD&A Report, they had a \$60 million increase in NCDOT claims for disaster related costs; a \$15 million increase resulted from Hurricane Floyd related reimbursements due. In addition, DHHS experienced a large increase in amounts due from the federal gov't. Their accrued liabilities went up and therefore the amount due from the federal gov't went up since the majority of expenditures are federally supported. According to DHHS - increase due in part to increased costs of medical assistance.
Special Revenue Funds:					
Intergovernmental Receivables	99,805	77,601	22,204	28.61%	Highway Fund MD&A - Increase of \$23 million due to the accrual of estimated receivables from the Federal government that had been earned but not billed.
Interfund Receivables	160,132	90,302	69,830	77.33%	\$60 million of this increase relates to the disaster money due from Crime Control and Public Safety discussed above.

Analysis of Receivables
(Amounts Expressed in Thousands)

	<u>Balance 06/30/00</u>	<u>Balance 06/30/99</u>	<u>Increase (Decrease)</u>	<u>% Change</u>	<u>Explanation</u>
Internal Service Funds:					
Interfund Receivables	38,082	28,384	9,698	34.17%	Addition of the Worker's Compensation Program as an internal service fund (previously an enterprise fund). This increased the Interfund receivables by \$1.4 million. Centralized Computing Services increased \$5.3 million and State Telecommunication Services increased \$4.2 million per CAFR. Appears to be due to agencies not paying bills by end of fiscal year.
Non-Expendable Trust Funds:					
Notes Receivable	308,166	262,499	45,667	17.40%	Increase in loans to local governments due to the issuance of Clean Water bonds.
Component Units - Proprietary:					
Notes Receivable	1,782,613	1,488,015	294,598	19.80%	This increase is mentioned in the A/R report narrative section. SEAA had an increase of \$142 million due to the issuance of bonds which allowed them to fund more loans. NC Housing Finance Agency had an increase of \$155 million. According to their MD&A, the increase was due to the issuance of more mortgage loans.
Component Units - Colleges and Universities:					
Intergovernmental Receivables	206,389	105,398	100,991	95.82%	\$80 million of this increase relates to the Comm. Colleges. Central Piedmont C.C. had an increase of \$74 million due to new County construction bonds approved in 1999. Other colleges had increases due to construction projects and the related bond funds. Per MD&A reports - NCSU had an increase of \$8 million due to the increase in contract and grant receivables due from federal gov't agencies. UNC-CH had an increase of \$4.4 million due to growth in contract and grant funded activities. UNC Hospitals had an increase of \$7.6 million - amount due from Medicaid from 1999 cost report settlement.

Analysis of Receivables
(Amounts Expressed in Thousands)

	Balance 06/30/00	Balance 06/30/99	Increase (Decrease)	% Change	Explanation
Accounts Receivable	328,396	232,002	96,394	41.55%	This increase is due to the acquisition of Rex by UNC Health-care and the addition of their receivables to those of UNC Healthcare. UNC Hospitals had an increase of \$12.3 million in A/R, and A/R for Rex were added in the amount of \$72.5 million.
Interfund Receivables	135,176	105,168	30,008	28.53%	This increase appears to be attributable to UNC-CH. Per their MD&A, the amount "Due from other Funds" increased by \$24 million, including an \$11 million increase in interfund borrowings between Restricted Funds and Unrestricted General Fund. Amounts "Due from Primary Government" increased \$3.8 million for amounts due from NCDHHS - various divisions.