

**NOTES TO THE FINANCIAL STATEMENTS****NOTE 10: INTERFUND BALANCES AND TRANSFERS****A. Interfund Balances****Due To/From Fiduciary Funds**

The General Fund balance of \$138.29 million due to fiduciary funds is composed of \$38.52 million related to local sales taxes collected in the General Fund and due to the custodial fund, as well as \$99.77 million related to retirement contributions payable to retirement systems at year end.

Amounts payable to or receivable from fiduciary funds are considered interfund balances in the fund financial statements, but are not reported as internal balances in the government-wide statement of net position.

**Due To/From Other Funds**

Balances due to/from other funds at June 30, 2022 consisted of the following (dollars in thousands):

	<b>Due From Other Funds</b>									Total
	General Fund	Highway Fund	Highway Trust Fund	Other Governmental Funds	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. Turnpike Authority	Other Enterprise Funds	Internal Service Funds	
<b>Due To Other Funds</b>										
General Fund	\$ —	\$ 11,306	\$ —	\$ 9,336	\$ 28,475	\$ 2,115	\$ —	\$ 1,965	\$ 12,077	\$ 65,274
Highway Fund	10,755	—	205,300	1,515	—	—	1,122	—	2,515	221,207
Highway Trust Fund	—	21,209	—	—	—	—	7	—	—	21,216
Other Governmental Funds	866	—	—	—	—	—	—	—	76	942
Unemployment Compensation Fund	661	—	—	—	—	—	—	—	—	661
N.C. State Lottery Fund	127,834	—	—	—	—	—	—	—	—	127,834
N.C. Turnpike Authority	16,718	50,915	2,248	—	—	—	—	—	—	69,881
Other Enterprise Funds	—	—	—	1	—	—	—	1	—	2
Internal Service Funds	—	1,000	—	5,642	—	—	—	—	109	6,751
<b>Total</b>	<b>\$ 156,834</b>	<b>\$ 84,430</b>	<b>\$ 207,548</b>	<b>\$ 16,494</b>	<b>\$ 28,475</b>	<b>\$ 2,115</b>	<b>\$ 1,129</b>	<b>\$ 1,966</b>	<b>\$ 14,777</b>	<b>\$ 513,768</b>

These balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Amounts reported in the funds as interfund receivables and payables were eliminated in the governmental and business-type activities columns of the government-wide statement of net position, except for the net residual amounts due between governmental and business-type activities, which were presented as internal balances.

**Advances To/From Other Funds**

The advance of \$30.42 million to the N.C. Turnpike Authority from the Highway Trust Fund is related to operating costs.

**NOTES TO THE FINANCIAL STATEMENTS****B. Interfund Transfers**

Transfers in/out of other funds for the fiscal year ended June 30, 2022 consisted of the following (dollars in thousands):

	Transfers In								Total
	General Fund	Highway Fund	Other Governmental Funds	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. Turnpike Authority	Other Enterprise Funds	Internal Service Funds	
<b>Transfers Out</b>									
General Fund	\$ —	\$ 334,709	\$ 233,957	\$ 568	\$ 14,019	\$ 23	\$ 11,621	\$ 1,743	\$ 596,640
Highway Fund	29,785	—	18,086	—	—	4,097	—	—	51,968
Highway Trust Fund	2,870	34,205	—	—	—	52,903	—	—	89,978
Other Governmental Funds	220,532	—	18,779	—	—	—	—	—	239,311
EPA Revolving Loan Fund	134	—	—	—	—	—	—	—	134
N.C. State Lottery Fund	931,933	—	1,000	—	—	—	—	—	932,933
Other Enterprise Funds	888	—	2,318	—	—	—	—	—	3,206
Internal Service Funds	70	—	150	—	—	—	—	15,616	15,836
<b>Total</b>	<b>\$ 1,186,212</b>	<b>\$ 368,914</b>	<b>\$ 274,290</b>	<b>\$ 568</b>	<b>\$ 14,019</b>	<b>\$ 57,023</b>	<b>\$ 11,621</b>	<b>\$ 17,359</b>	<b>\$ 1,930,006</b>

Transfers are primarily used to (1) transfer revenues and bond proceeds from the fund required by State statute or budget to collect the revenue to the fund required by State statute or budget to expend them, (2) provide unrestricted revenues collected in the General Fund to finance operating and capital programs accounted for in other funds in accordance with budgetary authorizations, and (3) reflect reversions of State funds from other funds to the General Fund in accordance with Office of State Budget and Management or legislative requirements.

In compliance with the North Carolina State Lottery Act, House Bill 1023 [Session Law 2005-344] as amended by Senate Bill 99 [Session Law 2018-5], all “Net Revenues” of the N.C. State Lottery Fund are required to be transferred to the Education Lottery Fund (General Fund) for educational purposes. Transfers of \$929.8 million were made to the Education Lottery Fund for this fiscal year, as set forth in General Statute 18C-164. The remaining \$2.1 million transfer to the General Fund was made to the Alcohol Law Enforcement Branch for gambling enforcement activities as directed by House Bill 97 [Session Law 2015-241].

House Bill 817 [Session Law 2013-183], amends the law that created the Highway Trust Fund. The amendment directs that funds are to be transferred to the N.C. Turnpike Authority (NCTA) to pay debt service or related financing expenses on revenue bonds or notes issued for the following toll road construction projects: Triangle Expressway and Monroe Connector/Bypass. Debt has been issued for the Triangle Expressway and the Monroe Connector/Bypass, and \$52.9 million was transferred to the NCTA during fiscal year 2022.

Senate Bill 105 [Session Law 2021-180], as amended by House Bill 344 [Session Law 2021-189], directed a \$190 million transfer during fiscal year 2022 from the Department of Commerce to the Department of Transportation for economic development projects. These projects include the Randolph County development project for the Toyota battery plant, improvements at the Piedmont Triad International Airport, an interchange project in Buncombe County, and the development of an urban advanced air mobility system by AeroX. In addition, Session Law 2021-180 directed \$119 million to be transferred from the State Capital and Infrastructure Fund to the Department of Transportation for capital improvements to several airports across the State.