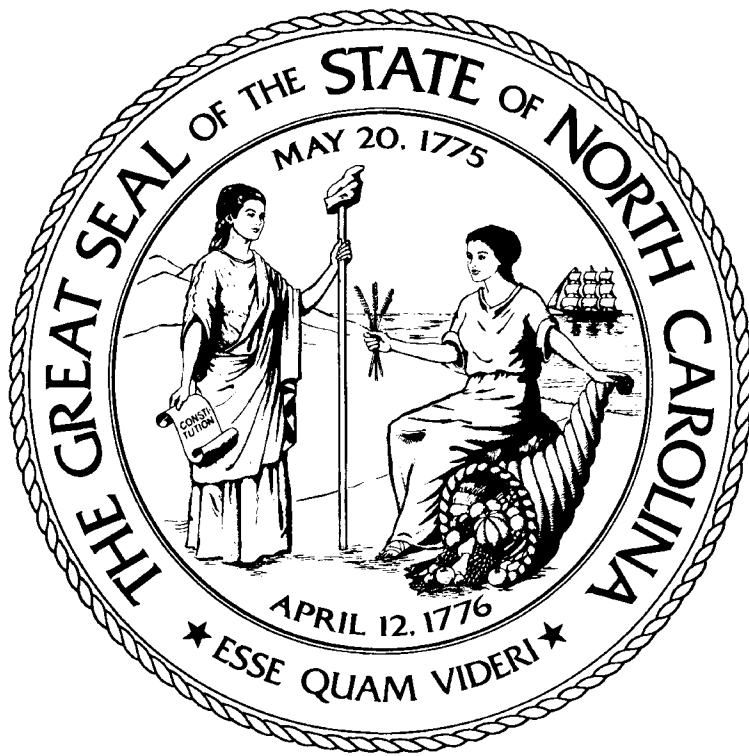


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# NORTH CAROLINA

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**STATEWIDE  
ACCOUNTS  
RECEIVABLE  
REPORT**

**For the Year  
Ended  
June 30, 1999**

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**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 1999**

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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, 1999, 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 \$271 million, or 6.09%, to \$4.71 billion, which equates to 13.3% of total revenues as compared to 12.05% in 1998. Total revenues decreased 3.84% to \$35.4 billion. In summary, for every \$7.52 of revenues the State earns we carry \$1.00 in receivables.

To explain the \$271 million increase in total receivables for 1999 we need to look at several areas. The first involves notes receivable where there was a total increase of \$212 million, most of which occurred in the component unit proprietary funds. The most significant portion lies in the State Education Assistance Authority, \$141 million, the majority of which pertains to the non-current or long term portion of the notes, and the North Carolina Housing Finance Agency, \$45 million. There were also increases of \$12 million in the notes of the component unit University Funds, as well as \$8 million in the 401(k) Supplemental Retirement Income Plan notes, which fall under the pension trust funds.

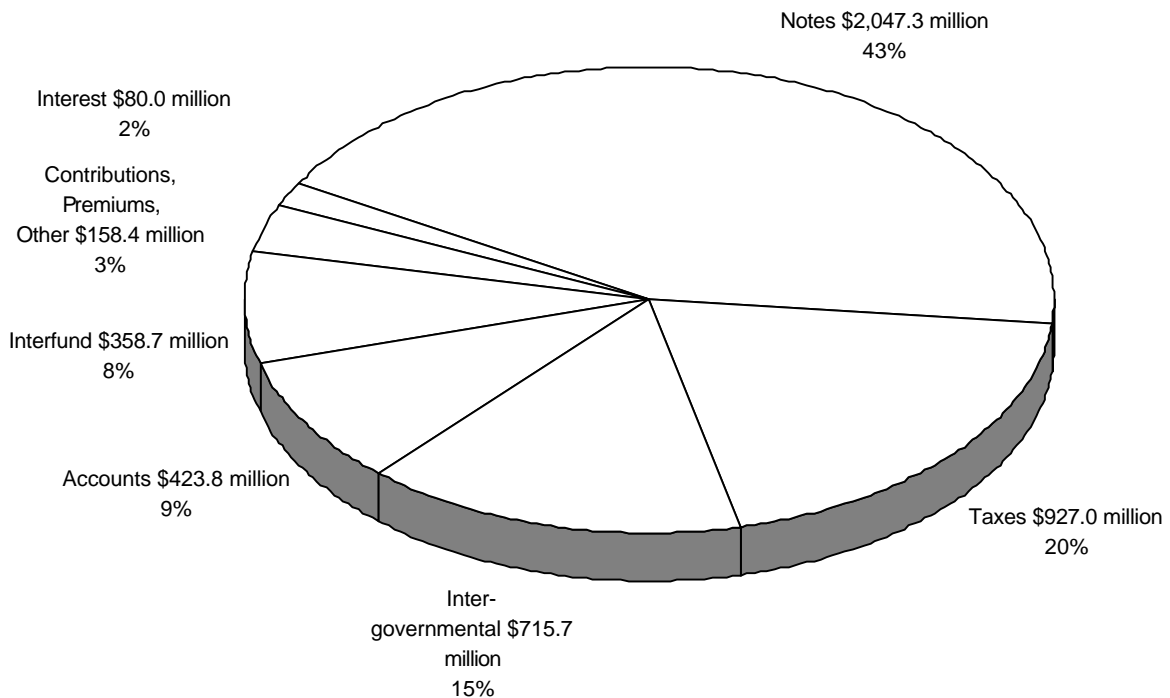
The second area in which major changes occurred is accounts receivable. The majority of the \$52 million increase occurred in the component unit University Funds, which increased \$30 million. In addition, there was an increase in accounts receivable of \$14 million in the special revenue funds and \$9 million in the component unit proprietary funds.

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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, 1999**  
**\$4.71 billion**



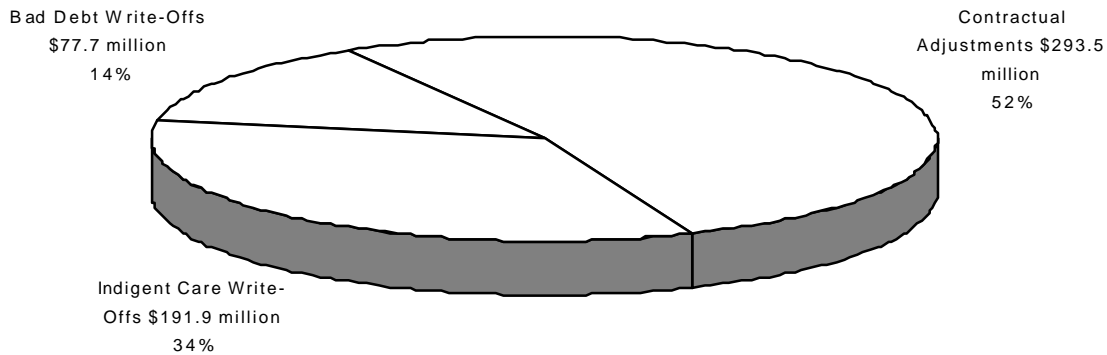
Again this year, a greater effort was undertaken to make improvements in agency reporting of write-off information. Definite progress has been made in this area and we will continue to educate and inform the State's entities on the importance of reporting accurate and complete write-off information. The major area for State write-offs relates to healthcare business. This involves basically four agencies/institutions. These are 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. The second major area for write-offs relates to taxes. These relate specifically to the Department of Revenue and the Employment Security Commission.

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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, 1999**  
**\$563.1 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.

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***Setoff Debt Collection Program Activity***

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

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

| <b>Calendar Year<br/>Tax Year</b>  | <b>1999<br/>1998</b> | <b>1998<br/>1997</b> | <b>1997<br/>1996</b> |
|--|----------------------|----------------------|----------------------|
| Gross Amount of Refunds Setoff   | \$ 14,721,654        | \$ 16,298,065        | \$ 10,845,604        |
| Collection Assistance Fee Applied Based on<br>Prior Year Actual Expenses | <u>\$ (485,146)</u>  | <u>\$ (787,122)</u>  | <u>\$ (399,234)</u>  |
| Net Amount of Refunds Paid to<br>Claimant Agencies                       | \$ 14,236,508        | \$ 15,510,943        | \$ 10,446,370        |
| DOR Administrative Expenses - Current Year                               | \$ 860,824           | \$ 536,901           | \$ 504,027           |
| Total Setoffs (includes completed, denied, and<br>canceled setoffs)      | 81,219               | 106,589              | 61,481               |
| Number of Completed Setoffs  | 72,418               | 79,530               | 54,588               |
| Average Gross Setoff Amount  | \$ 203.29            | \$ 204.93            | \$ 198.68            |
| Average Cost per Setoff  | \$ 10.60             | \$ 5.04              | \$ 8.20              |
| Average Net Amount of Refunds Setoff                                     | \$ 196.59            | \$ 195.03            | \$ 191.37            |

Additionally, the Office of the State Controller continues to evaluate alternative business practices in order to improve the Statewide Accounts Receivable Program. Two initiatives that will have potential impacts on the Statewide Accounts Receivable Program include the Credit Card Acceptance Project and the Accounts Receivable/Debt Collection Clearinghouse Project discussed below.

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**Office of the State Controller**  
*Statewide Accounts Receivable Report*  
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***Impact of Credit Card Acceptance Project on Accounts Receivable***

A joint project between the Office of the State Controller, the Department of State Treasurer, and the Office of Information Technology Services of the Department of Commerce has been initiated for the purpose of providing the citizens of North Carolina with additional and more convenient payment methods. SB 222, ratified in July 1999, authorized State government agencies to maximize acceptance of electronic payments including credit/debit card payments. A key objective of the project is to maximize economies and efficiencies by providing a consistent processing approach to citizens through a single statewide method for processing credit/debit card payments by all State agencies. Additional credit card acceptance objectives are reflected below.

- **Improve customer service for citizens**
- **Reduce accounts receivable**
- **Reduce credit card fees (per transaction)**
- **Enable electronic commerce**
- **Integrate credit card acceptance into current State business processes**

As a result of a competitive bidding process, IBM was engaged to lead a three-month effort to assist in the analysis of requirements for key credit card payment processes and to prepare a bidding document for obtaining processing services that will meet statewide needs. Interviews with representative agencies were conducted to determine common and unique requirements. Best business practices were reviewed by analyzing both government and private sector processes including payment authorization, funds settlement, normal and exception process flows, financial reporting and reconciliation.

We anticipate credit card processing services will be available for use by all agencies in June 2000. Key work tasks and timeframes for meeting this schedule are summarized as follows:

1. In early January 2000, a bidding document was developed to solicit proposals from major credit card processors. A vendor should be selected by mid March 2000.
2. From the end of January 2000 to the end of April 2000, the State's common credit card infrastructure will be built. This work includes: installing the hardware and software necessary to establish the links to the payment processor's system, building back-end processes or systems to handle new financial reporting requirements, and implementing a common payment authorization service.
3. During April and May 2000, a few agencies will be selected to verify that the new infrastructure works. This testing phase will involve a full business cycle (authorization-settlement-reconciliation)

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and is anticipated to have two test cases – one for converting existing users of a swiping system, and another for handling payment in an Internet application.

4. Beginning in June 2000, the procedures will be implemented at additional agencies, as the process is put into practice statewide.

A positive impact on accounts receivable is anticipated based on faster revenue recognition as the credit card acceptance and other electronic payment methods become generally accepted practice within State government.

***Impact of Accounts Receivable/Debt Collection Clearinghouse Project***

Section 26 of the 1999 budget bill requires the OSC to study the feasibility of establishing a one-year Bad Debt Collection Clearinghouse Pilot Program. The study is restricted to approximately one hundred million dollars (\$100,000,000) in bad debts representing appropriate types of accounts receivable. In addition, the study is to address the use of one or more private collection agencies, whether the potential pilot should be administered jointly by the Department of Revenue and the OSC and also address local government participation in the pilot program. The report is due the General Assembly not later than May 1, 2000, along with recommendations on changes in law or procedure to better collect the bad debts including the feasibility of implementing a Bad Debt Collection Clearinghouse Pilot Program.

Additionally, HB 1433 requires DOR to contract during the 1999-2001 fiscal biennium for the collection of delinquent tax debts owed by nonresidents and foreign entities. Further, the DOR is required to conduct a study to identify and evaluate proposals for more efficient collection of taxes, including using electronic commerce and other technology to increase efficiency. The study shall include an analysis of the most efficient tax collection methods used in other states. The State Controller is required to cooperate with DOR in this study and DOR is to report the results of its study, including findings, recommendations, and estimated revenue gains of each recommendation, to the Revenue Laws Study Committee by May 1, 2000.

Based on the aforementioned legislation, the OSC has engaged PricewaterhouseCoopers LLP in a joint effort to perform work required to:

- Meet the OSC and Department of Revenue (DOR) legislative mandates;
- Perform a best business practice review of DOR collection processes;
- Create an attractive scenario for DOR to participate in the debt collection clearinghouse prototype;
- Keep future options open for debt collection; and
- Generate live supportable numbers on the cost-effectiveness of debt collection within NC.

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The scope of the debt collection clearinghouse prototype is based on total bad debt between \$50,000,000 and \$100,000,000. It is important to stress that this approach is to develop a proof of concept prototype that will validate the reasonableness of this approach for collecting bad debts. While the prototype system is not an on-going operational system, it will allow OSC to test the concept and provide a solid basis for the development of an operational system.

Separate OSC and DOR reports to appropriate legislative committees will be presented in May 2000.

In 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.

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              |                      |                      |
|--|----------------------|----------------------|----------------------|
|  | 1999                 | 1998                 | 1997                 |
| <b>Total Receivables</b>                       |                      |                      |                      |
| Governmental Funds:                            |                      |                      |                      |
| General Fund.....                              | \$ 1,327,720         | \$ 1,380,985         | \$ 1,221,804         |
| Special Revenue Funds.....                     | 425,611              | 371,282              | 343,699              |
| Capital Projects Funds.....                    | 3,924                | 3,629                | 624                  |
| Total Governmental Funds.....                  | <u>1,757,255</u>     | <u>1,755,896</u>     | <u>1,566,127</u>     |
| Proprietary Funds:                             |                      |                      |                      |
| Enterprise Funds.....                          | 2,208                | 2,550                | 7,971                |
| Internal Service Funds.....                    | 61,276               | 52,403               | 36,984               |
| Total Proprietary Funds.....                   | <u>63,484</u>        | <u>54,953</u>        | <u>44,955</u>        |
| Fiduciary Funds:                               |                      |                      |                      |
| Expendable Trust Funds.....                    | 160,203              | 239,210              | 219,134              |
| Non-expendable Trust Funds.....                | 264,499              | 257,746              | 233,996              |
| Pension Trust Funds.....                       | 220,740              | 119,160              | 118,433              |
| Investment Trust Fund.....                     | 10,278               | 4,063                | -                    |
| Agency Funds.....                              | 122,552              | 109,667              | 106,417              |
| Total Fiduciary Funds.....                     | <u>778,272</u>       | <u>729,846</u>       | <u>677,980</u>       |
| Component Units:                               |                      |                      |                      |
| College and University.....                    | 548,693              | 538,286              | 524,837              |
| Proprietary.....                               | 1,563,212            | 1,361,431            | 1,159,471            |
| Total Component Units.....                     | <u>2,111,905</u>     | <u>1,899,717</u>     | <u>1,684,308</u>     |
| <b>Total Receivables [1].....</b>              | <b>\$ 4,710,916</b>  | <b>\$ 4,440,412</b>  | <b>\$ 3,973,370</b>  |
| Percent Increase/Decrease from Prior Year..... | 6.09%                | 11.75%               |                      |
| Receivables as % of Total Revenues.....        | 13.30%               | 12.05%               | 12.09%               |
| Total State Revenues.....                      | <u>\$ 35,432,359</u> | <u>\$ 36,848,957</u> | <u>\$ 32,860,541</u> |
| Percent Increase/Decrease from Prior Year..... | (3.84%)              | 12.14%               |                      |

| [1] Total Receivables consist of the following: |                     |                |                     |                |
|---|---------------------|----------------|---------------------|----------------|
|   | 1999                | % of Total     | 1998                | % of Total     |
| Notes Receivable.....                           | \$ 2,047,308        | 43.46%         | \$ 1,835,168        | 41.33%         |
| Taxes Receivable.....                           | 926,961             | 19.68%         | 981,821             | 22.11%         |
| Intergovernmental Receivables.....              | 715,723             | 15.19%         | 668,903             | 15.06%         |
| Accounts Receivable.....                        | 423,804             | 9.00%          | 371,948             | 8.38%          |
| Interfund Receivables (CAFR-Note 8).....        | 358,721             | 7.61%          | 353,736             | 7.97%          |
| Contributions, Premiums, Other Receivables..... | 158,402             | 3.36%          | 155,681             | 3.51%          |
| Interest Receivable.....                        | 79,997              | 1.70%          | 73,155              | 1.64%          |
| Total Receivables .....                         | <u>\$ 4,710,916</u> | <u>100.00%</u> | <u>\$ 4,440,412</u> | <u>100.00%</u> |

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

|  | June 30             |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | 1999                | 1998                | 1997                |
| <b>Notes Receivable</b>                        |                     |                     |                     |
| Governmental Funds:                            |                     |                     |                     |
| General Fund.....                              | \$ 497              | \$ 497              | \$ 497              |
| Special Revenue Funds.....                     | 111,095             | 112,371             | 99,726              |
| Total Governmental Funds.....                  | <u>111,592</u>      | <u>112,868</u>      | <u>100,223</u>      |
| Fiduciary Funds:                               |                     |                     |                     |
| Expendable Trust Funds.....                    | -                   | 81,154              | 72,560              |
| Non-expendable Trust Funds.....                | 262,499             | 256,142             | 232,585             |
| Pension Trust Funds.....                       | 89,125              | -                   | -                   |
| Total Fiduciary Funds.....                     | <u>351,624</u>      | <u>337,296</u>      | <u>305,145</u>      |
| Component Units:                               |                     |                     |                     |
| College and University.....                    | 96,077              | 84,127              | 82,031              |
| Proprietary.....                               | 1,488,015           | 1,300,877           | 1,108,054           |
| Total Component Units .....                    | <u>1,584,092</u>    | <u>1,385,004</u>    | <u>1,190,085</u>    |
| Total Notes Receivable [1].....                | <u>\$ 2,047,308</u> | <u>\$ 1,835,168</u> | <u>\$ 1,595,453</u> |
| Percent Increase/Decrease from Prior Year..... | 11.56%              | 15.02%              |                     |

| [1] Notes Receivable consists of the following: |                     |                |                     |                |
|---|---------------------|----------------|---------------------|----------------|
|   | 1999                | % of Total     | 1998                | % of Total     |
| NC Housing Finance Agency.....                  | \$ 874,944          | 42.74%         | \$ 830,169          | 45.24%         |
| State Education Assistance Authority.....       | 600,481             | 29.33%         | 459,165             | 25.02%         |
| Clean Water Revolving Loan & Grant Fund.....    | 261,651             | 12.78%         | 255,487             | 13.92%         |
| University Funds.....                           | 95,577              | 4.67%          | 83,461              | 4.55%          |
| Clean Water Bonds Loan Fund.....                | 87,550              | 4.28%          | 88,577              | 4.83%          |
| 401(k) Supplemental Retirement Income Plan..... | 89,125              | 4.35%          | 81,154              | 4.42%          |
| Other.....                                      | 37,980              | 1.85%          | 37,155              | 2.02%          |
| Total Notes Receivable.....                     | <u>\$ 2,047,308</u> | <u>100.00%</u> | <u>\$ 1,835,168</u> | <u>100.00%</u> |

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

|  | June 30           |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | 1999              | 1998              | 1997              |
| <b>Taxes Receivable</b>                        |                   |                   |                   |
| Governmental Funds:                            |                   |                   |                   |
| General Fund.....                              | \$ 594,212        | \$ 675,428        | \$ 553,169        |
| Special Revenue Funds.....                     | 103,499           | 103,133           | 97,070            |
| Total Governmental Funds.....                  | <u>697,711</u>    | <u>778,561</u>    | <u>650,239</u>    |
| Fiduciary Funds:                               |                   |                   |                   |
| Expendable Trust Funds.....                    | 116,234           | 106,293           | 90,163            |
| Agency Funds.....                              | 113,016           | 96,967            | 85,241            |
| Total Fiduciary Funds.....                     | <u>229,250</u>    | <u>203,260</u>    | <u>175,404</u>    |
| Total Taxes Receivable [1].....                | <u>\$ 926,961</u> | <u>\$ 981,821</u> | <u>\$ 825,643</u> |
| Percent Increase/Decrease from Prior Year..... | (5.59%)           | 18.92%            |                   |

[1] Taxes Receivable consists of the following:

|                                      | 1999              | % of Total     | 1998              | % of Total     |
|--------------------------------------|-------------------|----------------|-------------------|----------------|
| Individual Income Tax.....           | \$ 248,350        | 26.79%         | \$ 296,232        | 30.17%         |
| Sales and Use Tax.....               | 244,330           | 26.36%         | 231,372           | 23.57%         |
| Unemployment Compensation Funds..... | 116,234           | 12.54%         | 106,293           | 10.83%         |
| Local Sales Tax Collections.....     | 113,016           | 12.19%         | 96,967            | 9.88%          |
| State Highway Fund.....              | 73,818            | 7.96%          | 73,735            | 7.51%          |
| Corporate Income Tax.....            | 30,892            | 3.33%          | 76,679            | 7.81%          |
| Franchise Tax.....                   | 32,675            | 3.52%          | 34,711            | 3.54%          |
| Highway Trust Fund.....              | 27,512            | 2.97%          | 27,279            | 2.78%          |
| Beverage Tax.....                    | 15,869            | 1.71%          | 15,349            | 1.56%          |
| Other.....                           | 24,265            | 2.63%          | 23,204            | 2.35%          |
| Total Taxes Receivable.....          | <u>\$ 926,961</u> | <u>100.00%</u> | <u>\$ 981,821</u> | <u>100.00%</u> |

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**Three-Year Analysis of Receivables**  
*(Expressed in Thousands)*

|  | June 30           |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | 1999              | 1998              | 1997              |
| <b>Intergovernmental Receivables</b>           |                   |                   |                   |
| Governmental Funds:                            |                   |                   |                   |
| General Fund.....                              | \$ 517,803        | \$ 440,646        | \$ 482,651        |
| Special Revenue Funds.....                     | 77,601            | 92,766            | 67,801            |
| Capital Projects Funds.....                    | 1,509             | 176               | 249               |
| Total Governmental Funds.....                  | <u>596,913</u>    | <u>533,588</u>    | <u>550,701</u>    |
| Proprietary Funds:                             |                   |                   |                   |
| Internal Service Funds.....                    | 651               | 547               | 370               |
| Total Proprietary Funds.....                   | <u>651</u>        | <u>547</u>        | <u>370</u>        |
| Fiduciary Funds:                               |                   |                   |                   |
| Expendable Trust Funds.....                    | 1,440             | 1,552             | 1,819             |
| Non-expendable Trust Funds.....                | 122               | 2                 | -                 |
| Agency Funds.....                              | -                 | 6,238             | 6,290             |
| Total Fiduciary Funds.....                     | <u>1,562</u>      | <u>7,792</u>      | <u>8,109</u>      |
| Component Units:                               |                   |                   |                   |
| College and University.....                    | 105,398           | 118,841           | 107,027           |
| Proprietary.....                               | 11,199            | 8,135             | 6,455             |
| Total Component Units.....                     | <u>116,597</u>    | <u>126,976</u>    | <u>113,482</u>    |
| Total Intergovernmental Receivables [1].....   | <u>\$ 715,723</u> | <u>\$ 668,903</u> | <u>\$ 672,662</u> |
| Percent Increase/Decrease from Prior Year..... | 7.00%             | (0.56%)           |                   |

| [1] Intergovernmental Receivables consist of the following: |                   |                |                   |                |
|---|-------------------|----------------|-------------------|----------------|
|   | 1999              | % of Total     | 1998              | % of Total     |
| Due From Federal Agencies.....                              | \$ 474,020        | 66.23%         | \$ 392,459        | 58.67%         |
| State Highway Fund.....                                     | 70,922            | 9.91%          | 87,082            | 13.02%         |
| Community College Funds.....                                | 56,127            | 7.84%          | 74,573            | 11.15%         |
| Due From Local Governments.....                             | 65,383            | 9.14%          | 70,521            | 10.54%         |
| University Funds.....                                       | 49,271            | 6.88%          | 44,268            | 6.62%          |
| Total Intergovernmental Receivables.....                    | <u>\$ 715,723</u> | <u>100.00%</u> | <u>\$ 668,903</u> | <u>100.00%</u> |

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

|  | June 30           |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | 1999              | 1998              | 1997              |
| <b>Accounts Receivable</b>                     |                   |                   |                   |
| Governmental Funds:                            |                   |                   |                   |
| General Fund.....                              | \$ 95,228         | \$ 101,960        | \$ 90,145         |
| Special Revenue Funds.....                     | 24,900            | 11,385            | 5,112             |
| Capital Projects Funds.....                    | 15                | 203               | -                 |
| Total Governmental Funds.....                  | <u>120,143</u>    | <u>113,548</u>    | <u>95,257</u>     |
| Proprietary Funds:                             |                   |                   |                   |
| Enterprise Funds.....                          | 1,254             | 1,622             | 7,265             |
| Internal Service Funds.....                    | 25,505            | 19,551            | 13,031            |
| Total Proprietary Funds.....                   | <u>26,759</u>     | <u>21,173</u>     | <u>20,296</u>     |
| Fiduciary Funds:                               |                   |                   |                   |
| Expendable Trust Funds.....                    | 14,724            | 12,896            | 14,831            |
| Non-expendable Trust Funds.....                | 5                 | 24                | 3                 |
| Pension Trust Funds.....                       | 593               | 414               | 358               |
| Agency Funds.....                              | 2,602             | 1,821             | 9,433             |
| Total Fiduciary Funds.....                     | <u>17,924</u>     | <u>15,155</u>     | <u>24,625</u>     |
| Component Units:                               |                   |                   |                   |
| College and University.....                    | 232,002           | 204,093           | 177,064           |
| Proprietary.....                               | 26,976            | 17,979            | 13,791            |
| Total Component Units .....                    | <u>258,978</u>    | <u>222,072</u>    | <u>190,855</u>    |
| Total Accounts Receivable [1].....             | <u>\$ 423,804</u> | <u>\$ 371,948</u> | <u>\$ 331,033</u> |
| Percent Increase/Decrease from Prior Year..... | 13.94%            | 12.36%            |                   |

[1] Accounts Receivable consists of the following:

|  | 1999              | % of Total     | 1998              | % of Total     |
|--|-------------------|----------------|-------------------|----------------|
| University Funds.....                    | \$ 221,915        | 52.36%         | \$ 192,205        | 51.68%         |
| DHHS-Division of Medical Assistance..... | 31,089            | 7.34%          | 36,399            | 9.79%          |
| DHHS-Division of Mental Health.....      | 61,612            | 14.54%         | 59,352            | 15.96%         |
| Unemployment Compensation Funds.....     | 14,313            | 3.38%          | 12,424            | 3.34%          |
| Community College Funds.....             | 10,087            | 2.38%          | 11,888            | 3.20%          |
| Other.....                               | 84,788            | 20.00%         | 59,680            | 16.03%         |
| Total Accounts Receivable.....           | <u>\$ 423,804</u> | <u>100.00%</u> | <u>\$ 371,948</u> | <u>100.00%</u> |

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

|  | June 30           |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | 1999              | 1998              | 1997              |
| <b>Interfund Receivables*</b>                  |                   |                   |                   |
| Governmental Funds:                            |                   |                   |                   |
| General Fund.....                              | \$ 84,711         | \$ 126,278        | \$ 63,744         |
| Special Revenue Funds.....                     | 90,302            | 35,865            | 59,642            |
| Capital Projects Funds.....                    | 2,400             | 3,250             | 375               |
| Total Governmental Funds.....                  | <u>177,413</u>    | <u>165,393</u>    | <u>123,761</u>    |
| Proprietary Funds:                             |                   |                   |                   |
| Internal Service Funds.....                    | 28,384            | 24,822            | 20,336            |
| Total Proprietary Funds.....                   | <u>28,384</u>     | <u>24,822</u>     | <u>20,336</u>     |
| Fiduciary Funds:                               |                   |                   |                   |
| Expendable Trust Funds.....                    | 26,296            | 25,711            | 25,689            |
| Agency Funds.....                              | 6,929             | 4,638             | 3,477             |
| Total Fiduciary Funds.....                     | <u>33,225</u>     | <u>30,349</u>     | <u>29,166</u>     |
| Component Units:                               |                   |                   |                   |
| College and University.....                    | 105,168           | 119,678           | 148,109           |
| Proprietary.....                               | 14,531            | 13,494            | 13,602            |
| Total Component Units .....                    | <u>119,699</u>    | <u>133,172</u>    | <u>161,711</u>    |
| Total Interfund Receivables.....               | <u>\$ 358,721</u> | <u>\$ 353,736</u> | <u>\$ 334,974</u> |
| Percent Increase/Decrease from Prior Year..... | 1.41%             | 5.60%             |                   |

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

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|  | June 30           |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | 1999              | 1998              | 1997              |
| <b><u>Contributions, Premiums, Other Receivables</u></b> |                   |                   |                   |
| Governmental Funds:                                      |                   |                   |                   |
| General Fund.....  | \$ 14,413         | \$ 14,519         | \$ 14,098         |
| Special Revenue Funds.....                               | 8,092             | 6,962             | 4,871             |
| Total Governmental Funds.....                            | <u>22,505</u>     | <u>21,481</u>     | <u>18,969</u>     |
| Proprietary Funds:                                       |                   |                   |                   |
| Enterprise Funds.....                                    | 803               | 812               | 637               |
| Internal Service Funds.....                              | 5,284             | 5,541             | 1,119             |
| Total Proprietary Funds.....                             | <u>6,087</u>      | <u>6,353</u>      | <u>1,756</u>      |
| Fiduciary Funds:   |                   |                   |                   |
| Expendable Trust Funds.....                              | 154               | 9,882             | 12,735            |
| Pension Trust Funds.....                                 | 129,656           | 117,965           | 117,359           |
| Agency Funds.....  | -                 | -                 | 680               |
| Total Fiduciary Funds.....                               | <u>129,810</u>    | <u>127,847</u>    | <u>130,774</u>    |
| Total Contributions, Premiums, Other Receivables.....    | <u>\$ 158,402</u> | <u>\$ 155,681</u> | <u>\$ 151,499</u> |
| Percent Increase/Decrease from Prior Year.....           | 1.75%             | 2.76%             |                   |

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

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| <b>Interest Receivable</b>                     | June 30   |           |           |
|--|-----------|-----------|-----------|
|  | 1999      | 1998      | 1997      |
| <b>Governmental Funds:</b>                     |           |           |           |
| General Fund.....                              | \$ 20,856 | \$ 21,657 | \$ 17,500 |
| Special Revenue Funds.....                     | 10,122    | 8,800     | 9,477     |
| Total Governmental Funds.....                  | 30,978    | 30,457    | 26,977    |
| <b>Proprietary Funds:</b>                      |           |           |           |
| Enterprise Funds.....                          | 151       | 116       | 69        |
| Internal Service Funds.....                    | 1,452     | 1,942     | 2,128     |
| Total Proprietary Funds.....                   | 1,603     | 2,058     | 2,197     |
| <b>Fiduciary Funds:</b>                        |           |           |           |
| Expendable Trust Funds.....                    | 1,355     | 1,722     | 1,337     |
| Non-expendable Trust Funds.....                | 1,873     | 1,578     | 1,408     |
| Pension Trust Funds.....                       | 1,366     | 781       | 716       |
| Investment Trust Fund.....                     | 10,278    | 4,063     | -         |
| Agency Funds.....                              | 5         | 3         | 1,296     |
| Total Fiduciary Funds.....                     | 14,877    | 8,147     | 4,757     |
| <b>Component Units:</b>                        |           |           |           |
| College and University.....                    | 10,048    | 11,547    | 10,606    |
| Proprietary.....                               | 22,491    | 20,946    | 17,569    |
| Total Component Units .....                    | 32,539    | 32,493    | 28,175    |
| Total Interest Receivable.....                 | \$ 79,997 | \$ 73,155 | \$ 62,106 |
| Percent Increase/Decrease from Prior Year..... | 9.35%     | 17.79%    |           |