
NORTH CAROLINA

***For the Year
Ended
June 30, 1997***

***STATEWIDE
ACCOUNTS
RECEIVABLE
REPORT***

North Carolina Office of the State Controller

Edward Renfrow, State Controller

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Report
November 1997

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, 1997, displayed in a three-year analysis of receivables format.

The 1997 report marks completion of our first endeavor to fully integrate all receivable types shown on the Comprehensive Annual Financial Report's combined balance sheet. The new additional receivable types include both Interfund and Notes. Interfund receivables consist of four line items. These are entitled: Due from other funds, Due from component units, Due from primary government, and Advances to component units. Notes receivable is also shown as a separate line item. Consequently, as a result of these new additions, the total receivables in this year's report are considerably higher than in reports issued in previous years. However, after restating the numbers for the three year period and doing the appropriate analysis, the ending results are all comparative.

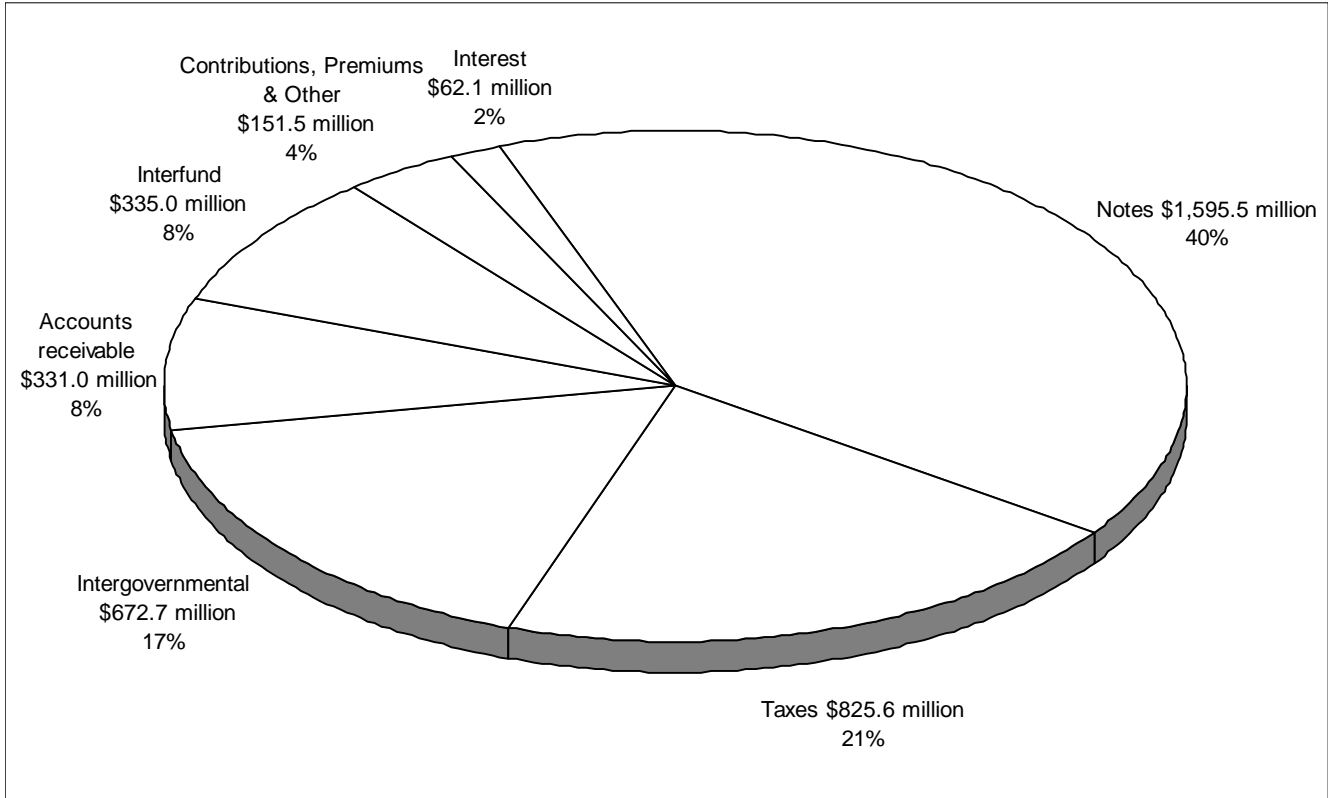
Total receivables increased \$335 million or 9.22% to \$3.973 billion which equates to 13.67% of total revenues as compared to 13.40% in 1996. Total revenues increased 7.10% to \$29.07 billion; therefore, there was only a slight increase in total receivables as a percent of total revenues. In summary, for every \$7.32 of revenues the State earns we carry \$1.00 in receivables.

To explain the \$335 million increase in total receivables for 1997 we need to look at several areas. The first involves notes receivable where there was a total increase of \$283 million, most of which occurred in the component unit proprietary funds. The bulk of it lies in the NC Housing Finance Agency, \$101 million, and the State Education Assistance Authority, \$117 million, the majority of which pertains to the non-current or long term portion of the notes. There were also increases of \$28 million in the Clean Water Revolving Loan and Grant Fund notes, which fall under nonexpendable trust funds, as well as \$23 million in the Clean Water Bonds Loan Fund notes, from special revenue funds. Secondly, taxes receivable increased by \$51 million, involving expendable trust funds, most of which was directly attributable to an increase of \$48 million in Unemployment Compensation Funds.

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

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State of North Carolina Total Receivables for the Year Ended June 30, 1997
\$3.973 billion

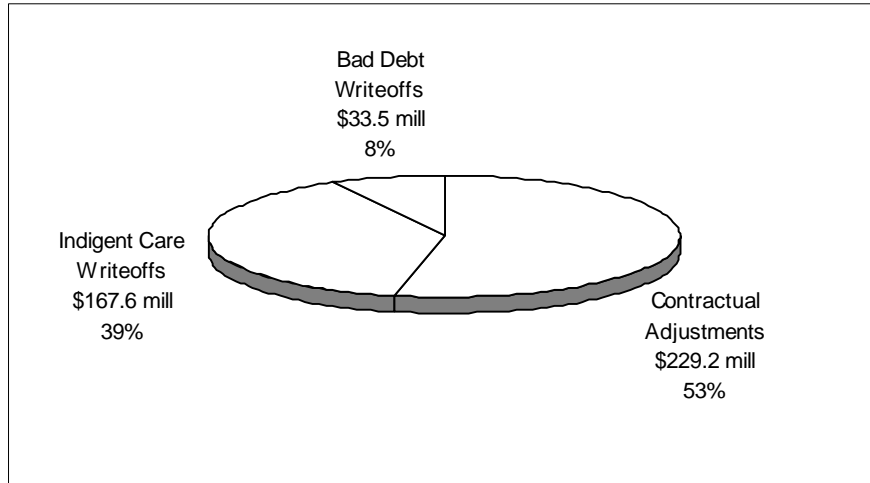


A greater effort was undertaken this year to make improvements in agency reporting of write-off information. Definite progress has been made in this area and we will continue to educate and inform the state's entities on the significant importance of reporting accurate and complete write-off information. 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 Human Resources 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.

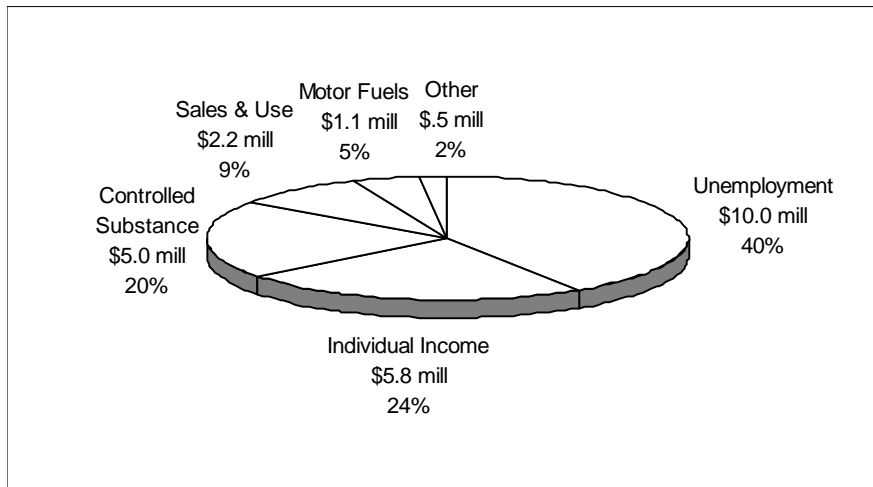
The following charts on page three summarize the State of North Carolina's major write-off components:

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State of North Carolina Total Healthcare Write-offs for FY 1997
\$430.3 million



State of North Carolina Total Tax Write-offs for FY 1997
\$24.6 million



There are two areas in which the Office of the State Controller is currently undertaking activity in order to improve the Statewide Accounts Receivable Program. First, we are in the process of obtaining funding to purchase the GEAC Financial Stream accounts receivable module. This is a software package which will encompass both invoice/billing, as well as accounts receivable processing. This will provide us with the necessary standardization to enhance automated reporting of detailed accounts receivable information statewide.

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Secondly, we have been directed to conduct a study to determine whether it is desirable and feasible for the State to establish a central clearinghouse for compiling debt setoff information. This directive is the result of Senate Bill 39: An Act To Revise The Setoff Debt Collection Act. It is our intent to explore the possibilities of expanding such a study to also further address statewide collections.

The State Controller believes that by continuing to stress more consistent accounts receivable policies and procedures, monitoring agency activity closely, coordinating information systems between 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		
	1997	1996	1995
Total Receivables			
Governmental Funds:			
General Fund.....	\$ 1,221,804	\$ 1,226,342	\$ 1,142,781
Special Revenue Funds.....	343,699	293,957	224,515
Capital Projects Funds.....	624	1,071	14
Total Governmental Funds.....	<u>1,566,127</u>	<u>1,521,370</u>	<u>1,367,310</u>
Proprietary Funds:			
Enterprise Funds.....	7,971	748	614
Internal Service Funds.....	36,984	33,381	38,523
Total Proprietary Funds.....	<u>44,955</u>	<u>34,129</u>	<u>39,137</u>
Fiduciary Funds:			
Expendable Trust Funds.....	219,134	164,726	177,000
Non-expendable Trust Funds.....	233,996	206,379	165,776
Pension Trust Funds.....	118,433	114,001	112,598
Agency Funds.....	106,417	103,972	9,100
Total Fiduciary Funds.....	<u>677,980</u>	<u>589,078</u>	<u>464,474</u>
Component Units:			
College and University.....	524,837	557,995	584,758
Proprietary.....	1,159,471	935,627	794,845
Total Component Units.....	<u>1,684,308</u>	<u>1,493,622</u>	<u>1,379,603</u>
Total Receivables [1].....	<u>\$ 3,973,370</u>	<u>\$ 3,638,199</u>	<u>\$ 3,250,524</u>
Percent Increase from Prior Year.....	9.22%	11.93%	23.96%
Receivables as % of Total Revenues.....	13.67%	13.40%	13.06%
Total State Revenues.....	<u>\$ 29,069,960</u>	<u>\$ 27,141,763</u>	<u>\$ 24,903,896</u>
Percent Increase from Prior Year.....	7.10%	9.00%	8.20%

[1] Total Receivables consist of the following:		
	1997	% of Total
Notes Receivable.....	\$ 1,595,453	40%
Taxes Receivable.....	825,643	21%
Intergovernmental Receivables.....	672,662	17%
Accounts Receivable.....	331,033	8%
Interfund Receivables (CAFR-Note 8).....	334,974	8%
Contributions, Premiums, Other Receivables.....	151,499	4%
Interest Receivable.....	62,106	2%
Total Receivables	<u>\$ 3,973,370</u>	<u>100%</u>

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

	June 30		
	1997	1996	1995
Notes Receivable			
Governmental Funds:			
General Fund.....	\$ 497	\$ 497	\$ -
Special Revenue Funds.....	99,726	72,346	21,318
Capital Projects Funds.....	-	-	-
Total Governmental Funds.....	<u>100,223</u>	<u>72,843</u>	<u>21,318</u>
Proprietary Funds:			
Enterprise Funds.....	-	-	-
Internal Service Funds.....	-	-	-
Total Proprietary Funds.....	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary Funds:			
Expendable Trust Funds.....	72,560	63,515	51,676
Non-expendable Trust Funds.....	232,585	205,261	165,048
Pension Trust Funds.....	-	-	-
Agency Funds.....	-	-	-
Total Fiduciary Funds.....	<u>305,145</u>	<u>268,776</u>	<u>216,724</u>
Component Units:			
College and University.....	82,031	80,433	77,011
Proprietary.....	1,108,054	890,674	756,050
Total Component Units	<u>1,190,085</u>	<u>971,107</u>	<u>833,061</u>
Total Notes Receivable [1].....	<u>\$ 1,595,453</u>	<u>\$ 1,312,726</u>	<u>\$ 1,071,103</u>
Percent Increase from Prior Year.....	21.54%	22.6%	11.0%

[1] Major components of Notes Receivables for 1997:	
NC Housing Finance Agency (Long-Term)	\$ 757,760
State Education Assistance Authority (Long-Term).....	310,816
Clean Water Revolving Loan & Grant Fund.....	231,691
University Funds.....	81,264
Clean Water Bonds Loan Fund.....	76,816
401(k) Supplemental Retirement Income Plan.....	72,560
State Education Assistance Authority (Short-Term).....	29,297
Net Amount.....	<u>\$ 1,560,204</u>

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

	June 30		
	1997	1996	1995
<u>Taxes Receivable</u>			
Governmental Funds:			
General Fund.....	\$ 553,169	\$ 555,409	\$ 546,332
Special Revenue Funds.....	97,070	93,254	90,706
Capital Projects Funds.....	-	-	-
Total Governmental Funds.....	<u>650,239</u>	<u>648,663</u>	<u>637,038</u>
Proprietary Funds:			
Enterprise Funds.....	-	-	-
Internal Service Funds.....	-	-	-
Total Proprietary Funds.....	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary Funds:			
Expendable Trust Funds.....	90,163	42,353	50,967
Non-expendable Trust Funds.....	-	-	-
Pension Trust Funds.....	-	-	-
Agency Funds.....	85,241	83,522	-
Total Fiduciary Funds.....	<u>175,404</u>	<u>125,875</u>	<u>50,967</u>
Component Units:			
College and University.....	-	-	-
Proprietary.....	-	-	-
Total Component Units	<u>-</u>	<u>-</u>	<u>-</u>
Total Taxes Receivable [1].....	<u>\$ 825,643</u>	<u>\$ 774,538</u>	<u>\$ 688,005</u>
Percent Increase from Prior Year.....	6.60%	12.6%	N/A

[1] Major components of Taxes Receivables for 1997:	
Individual Income Tax.....	\$ 253,172
Sales and Use Tax.....	209,211
Unemployment Compensation Funds.....	90,163
Local Sales Tax Collections.....	85,241
State Highway Fund.....	70,119
Corporate Income Tax.....	29,116
Franchise Tax.....	26,999
Highway Trust Fund.....	24,999
Beverage Tax.....	14,202
Net Amount.....	<u>\$ 803,222</u>

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

	June 30		
	1997	1996	1995
<u>Intergovernmental Receivables</u>			
Governmental Funds:			
General Fund.....	\$ 482,651	\$ 520,504	\$ 467,505
Special Revenue Funds.....	67,801	37,903	38,552
Capital Projects Funds.....	249	279	13
Total Governmental Funds.....	<u>550,701</u>	<u>558,686</u>	<u>506,070</u>
Proprietary Funds:			
Enterprise Funds.....	-	-	-
Internal Service Funds.....	370	505	542
Total Proprietary Funds.....	<u>370</u>	<u>505</u>	<u>542</u>
Fiduciary Funds:			
Expendable Trust Funds.....	1,819	2,680	-
Non-expendable Trust Funds.....	-	-	-
Pension Trust Funds.....	-	-	-
Agency Funds.....	6,290	5,718	45
Total Fiduciary Funds.....	<u>8,109</u>	<u>8,398</u>	<u>45</u>
Component Units:			
College and University.....	107,027	106,340	126,374
Proprietary.....	6,455	4,122	2,880
Total Component Units.....	<u>113,482</u>	<u>110,462</u>	<u>129,254</u>
Total Intergovernmental Receivables [1].....	<u>\$ 672,662</u>	<u>\$ 678,051</u>	<u>\$ 635,911</u>
Percent Increase from Prior Year.....	-0.79%	6.63%	21.15%

[1] Major components of Intergovernmental Receivables for 1997:	
Due From Federal Agencies.....	\$ 428,809
State Highway Fund.....	64,619
Community College Funds.....	63,447
Due From Local Governments.....	53,842
University Funds.....	43,580
Net Amount.....	<u>\$ 654,297</u>

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

	June 30		
	1997	1996	1995
Accounts Receivable			
Governmental Funds:			
General Fund.....	\$ 90,145	\$ 61,927	\$ 53,981
Special Revenue Funds.....	5,112	6,416	4,683
Capital Projects Funds.....	-	-	1
Total Governmental Funds.....	<u>95,257</u>	<u>68,343</u>	<u>58,665</u>
Proprietary Funds:			
Enterprise Funds.....	7,265	75	9
Internal Service Funds.....	13,031	11,840	13,462
Total Proprietary Funds.....	<u>20,296</u>	<u>11,915</u>	<u>13,471</u>
Fiduciary Funds:			
Expendable Trust Funds.....	14,831	17,604	35,414
Non-expendable Trust Funds.....	3	1	-
Pension Trust Funds.....	358	326	325
Agency Funds.....	9,433	2,266	1,241
Total Fiduciary Funds.....	<u>24,625</u>	<u>20,197</u>	<u>36,980</u>
Component Units:			
College and University.....	177,064	170,291	172,573
Proprietary.....	13,791	17,410	16,844
Total Component Units	<u>190,855</u>	<u>187,701</u>	<u>189,417</u>
Total Accounts Receivable [1].....	<u>\$ 331,033</u>	<u>\$ 288,156</u>	<u>\$ 298,533</u>
Percent Increase from Prior Year.....	14.88%	-3.47%	N/A

[1] Major components of Accounts Receivables for 1997:	
University Funds.....	\$ 166,602
DHR-Div'n of Medical Assistance.....	43,334
DHR-Div'n of Mental Health.....	31,943
Unemployment Compensation Funds.....	12,323
Community College Funds.....	10,462
Net Amount.....	<u>\$ 264,664</u>

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

	June 30		
	1997	1996	1995
Interfund Receivables*			
Governmental Funds:			
General Fund.....	\$ 63,744	\$ 57,199	\$ 60,623
Special Revenue Funds.....	59,642	73,585	58,516
Capital Projects Funds.....	375	792	-
Total Governmental Funds.....	<u>123,761</u>	<u>131,576</u>	<u>119,139</u>
Proprietary Funds:			
Enterprise Funds.....			
Internal Service Funds.....	20,336	17,861	21,790
Total Proprietary Funds.....	<u>20,336</u>	<u>17,861</u>	<u>21,790</u>
Fiduciary Funds:			
Expendable Trust Funds.....	25,689	25,405	25,630
Non-expendable Trust Funds.....	-	-	-
Pension Trust Funds.....	-	-	-
Agency Funds.....	3,477	10,913	4,578
Total Fiduciary Funds.....	<u>29,166</u>	<u>36,318</u>	<u>30,208</u>
Component Units:			
College and University.....	148,109	191,434	200,002
Proprietary.....	13,602	11,355	10,237
Total Component Units	<u>161,711</u>	<u>202,789</u>	<u>210,239</u>
Total Interfund Receivables.....	<u>\$ 334,974</u>	<u>\$ 388,544</u>	<u>\$ 381,376</u>
Percent Increase from Prior Year.....	-13.79%	1.88%	53.05%

<p>* Interfund Receivables are comprised of:</p> <ul style="list-style-type: none"> Due From Other Funds Due From Component Units Due From Primary Government Advances to Component Units <p>(For detail see Comprehensive Annual Financial Report - Note 8)</p>

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

	June 30		
	1997	1996	1995
<u>Contributions, Premiums, Other Receivables</u>			
Governmental Funds:			
General Fund.....	\$ 14,098	\$ 13,471	\$ -
Special Revenue Funds.....	4,871	3,456	4,040
Capital Projects Funds.....	-	-	-
Total Governmental Funds.....	<u>18,969</u>	<u>16,927</u>	<u>4,040</u>
Proprietary Funds:			
Enterprise Funds.....	637	654	570
Internal Service Funds.....	1,119	1,055	669
Total Proprietary Funds.....	<u>1,756</u>	<u>1,709</u>	<u>1,239</u>
Fiduciary Funds:			
Expendable Trust Funds.....	12,735	11,853	11,995
Non-expendable Trust Funds.....	-	-	-
Pension Trust Funds.....	117,359	113,072	111,693
Agency Funds.....	680	324	1,879
Total Fiduciary Funds.....	<u>130,774</u>	<u>125,249</u>	<u>125,567</u>
Component Units:			
College and University.....	-	-	-
Proprietary.....	-	-	-
Total Component Units	<u>-</u>	<u>-</u>	<u>-</u>
Total Contributions, Premiums, Other Receivables.....	<u>\$ 151,499</u>	<u>\$ 143,885</u>	<u>\$ 130,846</u>
Percent Increase from Prior Year.....	5.29%	9.97%	9.33%

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

	June 30		
	1997	1996	1995
Interest Receivable			
Governmental Funds:			
General Fund.....	\$ 17,500	\$ 17,335	\$ 14,340
Special Revenue Funds.....	9,477	6,997	6,700
Capital Projects Funds.....	-	-	-
Total Governmental Funds.....	<u>26,977</u>	<u>24,332</u>	<u>21,040</u>
Proprietary Funds:			
Enterprise Funds.....	69	19	35
Internal Service Funds.....	2,128	2,120	2,060
Total Proprietary Funds.....	<u>2,197</u>	<u>2,139</u>	<u>2,095</u>
Fiduciary Funds:			
Expendable Trust Funds.....	1,337	1,316	1,318
Non-expendable Trust Funds.....	1,408	1,117	728
Pension Trust Funds.....	716	603	580
Agency Funds.....	1,296	1,229	1,357
Total Fiduciary Funds.....	<u>4,757</u>	<u>4,265</u>	<u>3,983</u>
Component Units:			
College and University.....	10,606	9,497	8,798
Proprietary.....	17,569	12,066	8,834
Total Component Units	<u>28,175</u>	<u>21,563</u>	<u>17,632</u>
Total Interest Receivable.....	<u>\$ 62,106</u>	<u>\$ 52,299</u>	<u>\$ 44,750</u>
Percent Increase from Prior Year.....	18.75%	16.87%	26.20%

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Programs
Three-Year Analysis of Due from Tax Revenues Sources - General Fund
(Expressed in thousands)

	June 30		
	1997	1996	1995
Sales and Use Tax.....	\$ 209,211	\$ 211,783	\$ 223,788
Individual Tax.....	253,172	254,549	231,943
Corporate Tax.....	29,116	27,915	27,553
Franchise Tax.....	26,999	27,813	25,712
Beverage Tax.....	14,202	13,431	20,413
Soft Drink Tax.....	2,737	3,125	3,332
Privilege Tax.....	4,906	5,419	2,768
Tobacco Tax.....	4,113	4,011	4,306
Real Estate Tax.....	6,864	5,801	4,769
Insurance Tax.....	-	-	846
Inheritance Tax.....	1,324	1,131	725
Intangibles Tax.....	382	322	177
Gift Tax.....	125	109	-
White Goods Tax.....	10	-	-
Scrap Tire Tax.....	8	-	-
Total Due From Tax Revenue Sources - General Fund.....	<u>\$ 553,169</u>	<u>\$ 555,409</u>	<u>\$ 546,332</u>

	Change from Prior Year - June 30		
	1997	1996	1995
Sales and Use Tax.....	\$ (2,572)	\$ (12,005)	12,654
Individual Tax.....	(1,377)	22,606	175,734
Corporate Tax.....	1,201	362	16,731
Franchise Tax.....	(814)	2,101	(1,569)
Beverage Tax.....	771	(6,982)	6,750
Soft Drink Tax.....	(388)	(207)	(1,837)
Privilege Tax.....	(513)	2,651	(13,588)
Tobacco Tax.....	102	(295)	297
Real Estate Tax.....	1,063	1,032	(495)
Insurance Tax.....	-	(846)	309
Inheritance Tax.....	193	406	179
Intangibles Tax.....	60	145	16
Gift Tax.....	16	109	-
White Goods Tax.....	10	-	-
Scrap Tire Tax.....	8	-	-
Total Due From Tax Revenue Sources - General Fund.....	<u>\$ (2,240)</u>	<u>\$ 9,077</u>	<u>\$ 195,181</u>

	% Change from Prior Year - June 30		
	1997	1996	1995
Sales and Use Tax.....	(1.2%)	(5.4%)	6.0%
Individual Tax.....	(0.5%)	9.7%	312.6%
Corporate Tax.....	4.3%	1.3%	154.6%
Franchise Tax.....	(2.9%)	8.2%	(5.8%)
Beverage Tax.....	5.7%	(34.2%)	49.4%
Soft Drink Tax.....	(12.4%)	(6.2%)	(35.5%)
Privilege Tax.....	(9.5%)	95.8%	(83.1%)
Tobacco Tax.....	2.5%	(6.9%)	7.4%
Real Estate Tax.....	18.3%	21.6%	(9.4%)
Insurance Tax.....	-	(100.0%)	57.5%
Inheritance Tax.....	17.1%	56.0%	32.8%
Intangibles Tax.....	18.6%	81.9%	9.9%
Gift Tax.....	14.7%	-	-
White Goods Tax.....	-	-	-
Scrap Tire Tax.....	-	-	-
Total Due From Tax Revenue Sources - General Fund.....	<u>(0.4%)</u>	<u>1.7%</u>	<u>55.6%</u>