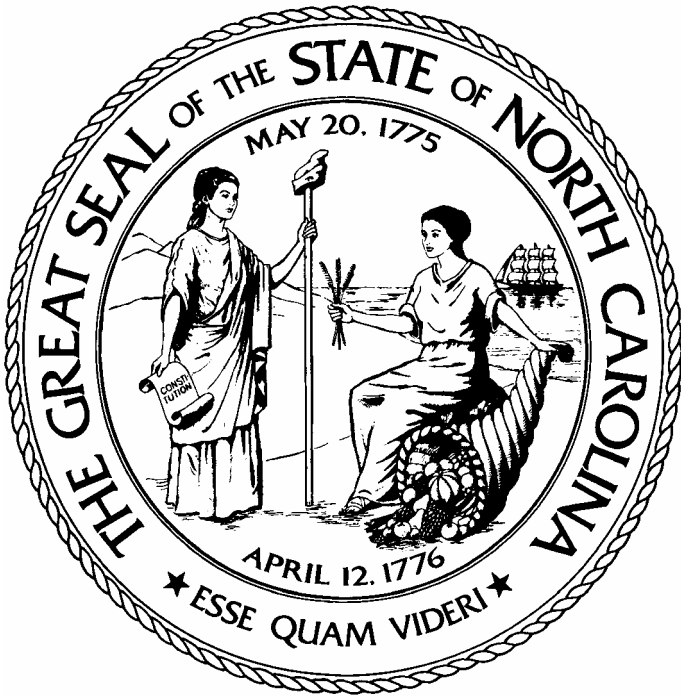

NORTH CAROLINA

**STATEWIDE
ACCOUNTS
RECEIVABLE
REPORT**



***For the Year
Ended
June 30, 2004***

North Carolina Office of the State Controller

Robert L. Powell, State Controller

**State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Report
Based on CAFR Receivables
June 30, 2004**

Background

The Office of the State Controller (OSC) 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 OSC provides you with the Statewide Accounts Receivable Report for fiscal year end June 30, 2004, 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.

Current Situation

The State of North Carolina total receivables for the fiscal year ended June 30, 2004 totaled \$7.898 billion. As compared to the previous fiscal year, receivables increased by \$1.093 billion or 16.06% while total State revenues increased by 17.06% for the same period. A table reflecting summary information by receivable type follows. Additionally, a detail analysis of each receivable type is included on pages 7 through 14 of the report.

[1] Total Receivables consist of the following:				
	<u>2004</u>	<u>% of Total</u>	<u>2003</u>	<u>% of Total</u>
Notes Receivable (page 8)	\$ 3,736,809	47.31%	\$ 3,405,005	50.04%
Taxes Receivable (page 9)	1,044,701	13.23%	1,046,460	15.38%
Intergovernmental Receivables (page 10)	827,359	10.48%	776,902	11.42%
Accounts Receivable (page 11)	960,649	12.16%	590,774	8.68%
Interfund Receivables (page 12)	790,715	10.01%	467,639	6.87%
Contributions, Premiums, Other Receivables (page 13) ...	477,067	6.04%	445,772	6.55%
Interest Receivable (page 14).....	60,429	0.77%	72,599	1.07%
Total Receivables	<u>\$ 7,897,729</u>	<u>100.00%</u>	<u>\$ 6,805,151</u>	<u>100.00%</u>

Total receivable write-offs for the fiscal year ended June 30, 2004 totaled \$1.891 billion consisting of \$365.3 million of Bad Debt write-offs, \$1.249 billion of Contractual Adjustments and \$276.2 million of Indigent Care write-offs. Total receivable write-offs increased by \$413.9 million over the prior fiscal year.

Receivable Collection Initiatives

The NC Department of Revenue (NCDOR) continues to effectively administer the State's Setoff Debt Collection Program that requires NCDOR and State agencies to cooperate in identifying debtors who owe money to the State and who qualify for refunds from the NCDOR. The procedure for setting off against any refund the sum of any debt owed to the State resulted in \$22.2 million of net refunds to claimant agencies during the report period.

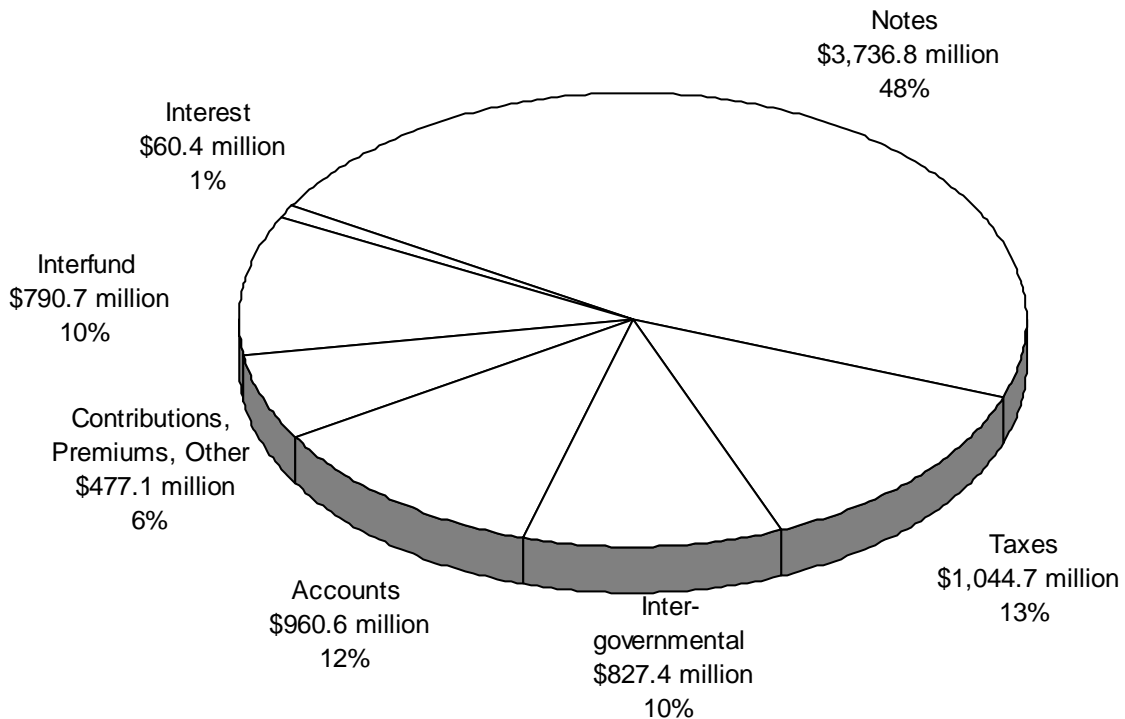
NCDOR Project Collect Tax is an initiative to boost compliance with State revenue laws. The project focuses on the collection of delinquent tax debt over 90 days old resulting in a total of \$479.9 million of collections for the forty-two month period ending December 31, 2004. In addition, the NCDOR officially began operations at its new Taxpayer Assistance and Call Center (TACC) located outside of Rocky Mount, NC on October 1, 2003. The purpose of this center is to provide a more centralized location and focus for collection activities and taxpayer assistance.

The NC Department of Justice (NCDOJ) awarded the state contract for collection services to eight (8) collection agencies on August 1, 2003. A total of \$59 million has been submitted to collection agencies from contract date through July 31, 2004. A total of \$7.6 million has been submitted the NCDOJ for collection on

behalf of universities, community colleges and state agencies for the fiscal year end June 30, 2004. According to suggested guidelines set by the Attorney General’s Office, an agency should submit a past due receivable to a collection service after a 90-day cycle. The Collection Section of the NCDOJ continues to provide informative conferences designed to facilitate efficient communications between the collection agencies and the clients to maximize recovery of debts owed to state agencies, universities and the community colleges. In fiscal year 2004, the Attorney General’s Office implemented new software to accept payments by credit card.

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, 2004
\$7.898 billion**

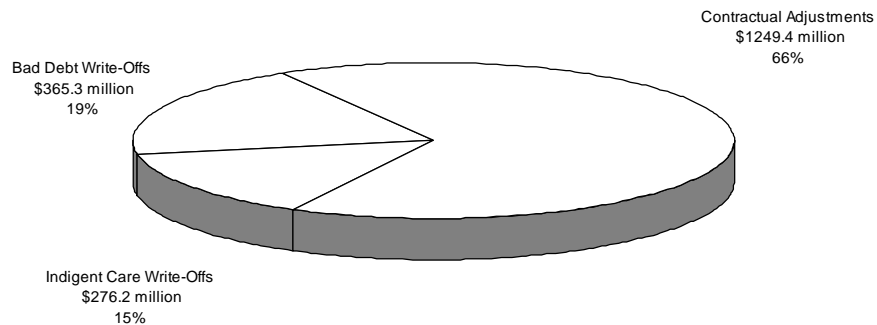


Accounts Receivable Write-offs

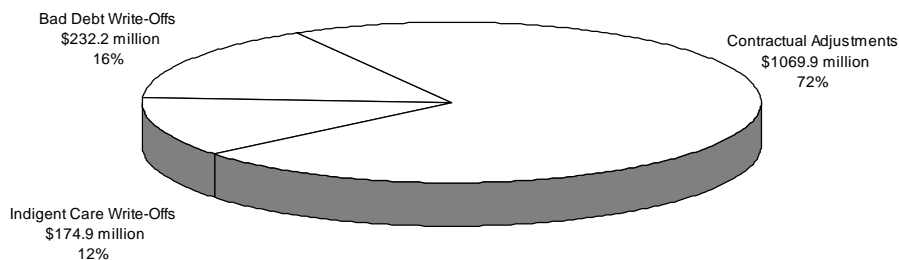
Accounts receivable written off during the fiscal year ending June 30, 2004 were \$1.891 billion. Contractual adjustments account for the largest portion of write-offs. A decision by UNC Hospitals, including Rex Healthcare, to write off \$1.049 billion of receivables was made based on related Medicare and Medicaid adjustments, indigent care provider adjustments, and managed care contractual adjustments. In addition, \$361 million of receivables associated with the patient accounts at mental health institutions across the State were written-off by the Department of Health and Human Services. Contractual adjustments of another \$201 million for Medicare and Medicaid, the Workers’ Compensation Program, indigent care, and bad debt receivables were written-off by the University of North Carolina at Chapel Hill for the Physicians and Associates operation and the School of Dentistry.

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

**State of North Carolina Total Write-offs for the Fiscal Year Ended June 30, 2004
\$1.891 billion**



**State of North Carolina Total Write-offs for the Fiscal Year Ended June 30, 2003
\$1.477 billion**



When compared to the prior year, indigent care write-offs increased by \$101.3 million due to a new project implemented by the Department of Health and Human Services to remove several accounts that were five or more years past due. The Department of Health and Human Services bad debt write-offs also increased by \$133.1 million from the prior year due to a project to remove child support and mental health accounts that were five or more years past due. These past due accounts were previously accounted for in an allowance account and this is reflected in the \$145 million decrease in allowance for doubtful accounts for fiscal year 2005.

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 NCDOR to cooperate in identifying debtors who owe money to the State through its various agencies and who qualify for refunds from

the NCDOR. 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 was effective January 1, 2000. The OSC requested that the NCDOR provide summary debt setoff information for the last five tax years to be included in the annual Statewide Accounts Receivable Report. Summary data for the prior five tax years is reflected below (whole dollars).

Tax Year Debt Setoff Occurs in Calendar Year	2003 2004	2002 2003	2001 2002	2000 2001	1999 2000
Gross Amount of Refunds Setoff	\$30,182,268	\$22,545,441	\$22,452,410	\$24,144,003	\$21,964,609
Collection Assistance Fee Applied					
Based on Prior Year Actual Expenses *	<u>(478,859)</u>	<u>(324,251)</u>	<u>(301,839)</u>	<u>(346,767)</u>	<u>(700,827)</u>
Net Amount of Refunds Paid to Claimant Agencies	<u>\$29,703,409</u>	<u>\$22,221,190</u>	<u>\$22,150,571</u>	<u>\$23,797,236</u>	<u>\$21,263,782</u>
DOR Administrative Expenses - Current Year	\$443,959	\$447,671	\$442,834	\$450,000	\$379,483
Total Setoffs (includes completed, denied and canceled setoffs)	142,320	104,608	106,006	112,965	104,255
Number of Completed Setoffs	136,685	101,125	102,426	109,127	100,870
Average Gross Setoff Amount	\$220.82	\$222.95	\$219.21	\$221.25	\$217.75
Average Cost per Setoff	\$3.12	\$4.28	\$4.18	\$3.98	\$3.64
Average Net Amount of Refunds Setoff	\$217.31	\$219.74	\$216.26	\$218.07	\$210.80

- 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 NCDOR receives a collection assistance fee for these debts from individual income tax collections. For the calendar year 2004, collection assistance fees for child support debts collected through setoff were \$124,843, bringing the total collection assistance fees received by the NCDOR to \$603,702.
- Effective for the calendar year 2005, the 2004 Law Changes has been amended to impose a flat collection assistance fee of \$5.00 for each debt collected through setoff. The subsection was also amended to delete the provision that required the NCDOR to set the amount of the collection assistance fee based on the actual cost of collection (\$15.00) maximum for the immediate preceding year.

NCDOR Project Collect Tax

Project Collect Tax is an initiative to boost compliance with State revenue laws. The project focuses on the collection of delinquent tax debt over 90 days old, which is not measurable and available. Based on a law passed by the NC General Assembly in 2001, every delinquent taxpayer will receive a special notice from NCDOR informing them of the amount of the debt and allowing the delinquent account holder 30 days to pay in full or set up a payment plan. If the debt is not paid within the allotted time, a 20% fee will be added to the total tax debt.

The Collection Division has collected a total of \$479.9 million in Project Collect Tax initiatives for the forty-two month period ending December 31, 2004. The NCDOR continues to review procedures to automate collection processes to aid citizens in becoming compliant with the State's revenue laws. The following link provides more detailed information regarding Project Collect Tax, <http://www.dor.state.nc.us/collect/>.

The NCDOR officially began operations at its new Taxpayer Assistance and Call Center (TACC) located outside of Rocky Mount, NC on October 1, 2003. Implementation of the TACC allowed NCDOR to discontinue using private collection agencies. The center is staffed with 78 people. The purpose of this center is to provide a more centralized location for collection activities and taxpayer assistance. State of the art telephone technology has allowed the NCDOR to answer 99% of its incoming calls. Prior to the opening of the call center, the NCDOR was only able to answer 25% of its incoming calls from taxpayers. The NCDOR

is now able to provide a much higher level of customer service to taxpayers. In January 2004, NCDOR implemented a predictive dialing system that makes calling delinquent taxpayers much more efficient.

Past Due Receivables

The UNC hospitals account for \$52.5 million of patient receivables that are past due over 120 days and the Department of Health and Human Services accounts for the other \$40 million of patient receivables shown on the right. The Department of Health and Human Services account for \$47 million of accounts receivable that are past due over 120 days. All agencies and universities currently submit their past due receivables to either the Attorney General's office or a state approved collection agency.

Need for Aggressive Attitude Toward Collecting Debt

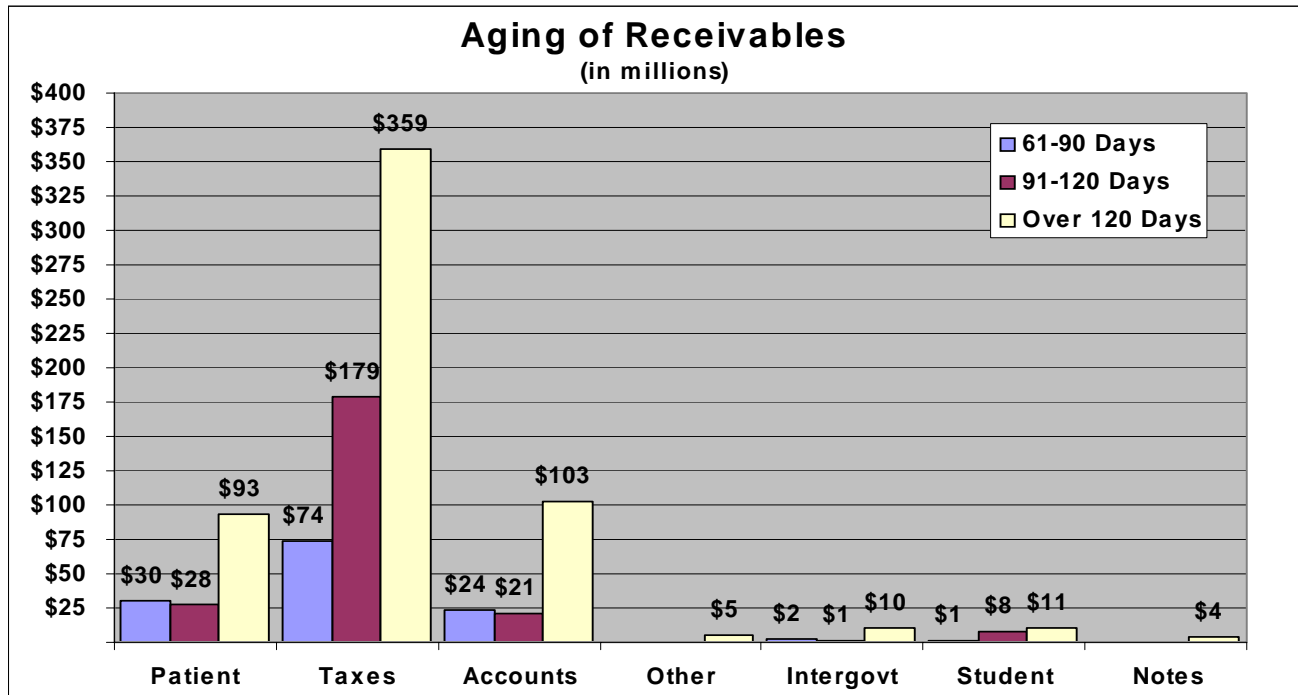
Opportunities exist for the State to increase revenues by adopting a more aggressive attitude toward collecting debt.

Collection experience varies significantly from industry to industry, however, it is well-documented that the longer that debts remain uncollected, the lower the likelihood of collection of all or part of the debt. As the rate or likelihood of debt collection declines, the cost of collection tends to increase significantly.

Potential areas for results include decreasing the time period before bad debts are turned over to a collection agency (currently 90 days or more); passing the cost of debt collection to the debtor; and increasing the use of wage garnishment. For long-term results, the NCDOR has already taken steps to improve debt collection procedures as well as obtain legislation to pass the cost of debt collection on to the debtor.

<u>Category/Agency</u>	<u>61-90 Days</u>	<u>91-120 Days</u>	<u>Over 120 Days</u>	<u>Total</u>
Taxes Receivable				
Revenue	\$14,967,494	\$18,425,989	\$291,846,752	\$325,240,235
Employment Security	59,125,971	160,227,949	67,649,219	287,003,139
	74,093,465	178,653,938	359,495,971	612,243,374
Patient Receivable				
UNC-Hospitals	25,051,563	22,716,681	52,544,841	100,313,085
DHHS	3,850,415	3,445,801	40,187,675	47,483,891
UNC-Chapel Hill	603,340	1,912,948	181,254	2,697,542
	29,505,318	28,075,430	92,913,770	150,494,518
Accounts Receivable				
DHHS	1,456,315	12,505,650	47,163,057	61,125,022
Employment Security	15,600,760	4,434,030	22,179,780	42,214,570
UNC-Chapel Hill	4,415,299	2,726,882	8,364,958	15,507,139
Transportation	183,334	267,232	11,556,905	12,007,471
Corrections	672,474	403,314	3,090,453	4,166,241
Labor	362,087	195,802	3,384,328	3,942,217
ITS	365,204	213,786	2,439,297	3,018,287
NCSU	126,195	62,378	2,490,064	2,678,637
DENR	267,898	1,500	2,296,961	2,566,359
East Carolina Univ.	84,140	23	312,980	397,143
Other	21,590	25,721	108,694	156,005
	23,555,296	20,836,318	103,387,477	147,779,091
Other Receivable				
UNC-Hospitals	173,565	111,626	4,831,208	5,116,399
DHHS	77,093	29,814	485,959	592,866
	250,658	141,440	5,317,167	5,709,265
Student Receivable				
NC Central	57,427	4,715,717	—	4,773,144
NCSU	342,867	121,447	3,569,831	4,034,145
NC A&T	208,340	758,850	1,591,185	2,558,375
UNC-Charlotte	—	17,775	2,487,656	2,505,431
Fayetteville State	63,721	448,289	761,474	1,273,484
East Carolina Univ.	411,680	248,290	425,520	1,085,490
Elizabeth City State	—	—	979,609	979,609
UNC-Greensboro	134,808	74,374	735,177	944,359
Appalachian State	27,366	233,139	466,278	726,783
Winston-Salem State	32,471	505,277	—	537,748
UNC-Wilmington	35,510	299,692	162,038	497,240
Western Carolina	163,550	122,125	—	285,675
Other	10,250	9,296	90,726	110,272
	1,487,990	7,554,271	11,269,494	20,311,755
Intergovernmental				
NCSU	1,578,272	501,301	3,538,043	5,617,616
Transportation	89,453	208,512	3,998,452	4,296,417
Western Carolina	53,086	83,083	723,233	859,402
DENR	64,640	42,859	519,370	626,869
Appalachian State	9,783	120,207	300,574	430,564
UNC-Charlotte	111,013	134,783	101,640	347,436
School of the Arts	—	47,912	104,882	152,794
NC Central	33,804	5,471	126,685	165,960
UNC-Wilmington	24,436	10,770	40,223	75,429
Fayetteville State	11,913	—	47,872	59,785
Winston-Salem State	3,445	33,377	—	36,822
Other	676	—	21,239	21,915
	1,980,521	1,188,275	9,522,213	12,691,009
Notes Receivable				
NC Central	6,637	7,538	3,561,676	3,575,851
	6,637	7,538	3,561,676	3,575,851
	\$130,879,885	\$236,457,210	\$585,467,768	\$952,804,863

The following chart summarizes the State of North Carolina's past due receivables:



The State should continue to pursue multiple strategies related to adopting a more aggressive attitude toward debt collection:

- Continue to expand and enhance the acceptance of electronic payments. Electronic payments offer a convenience to citizens and may serve as a preventive measure for reducing bad debts.
- Increase the use of debt collection tools available, i.e., collection agencies, debt set-off, and wage garnishments.
- Pass the cost of debt collection to the debtor. NCDOR has achieved a legislative change permitting this cost transference.
- Decrease the time before debts are turned over to collection agencies. Consider sending only one notice to the debtor, with automatic turnover to the Attorney General and a collection agency if there is no response.
- Enforce agencies' assessment of interest and penalties on delinquent debt.
- Provide staff training on a routine basis.
- Consider expanding the authority of the NCDOR to collect non-tax debt until other long-term automation and system changes are in place. By centralizing debt collection, the State has the opportunity to leverage existing technologies; lower overall costs; and allow other agencies to focus on their core mission.
- Continue to pursue a new accounts receivable billing and collections system through the implementation of a new business infrastructure for the State.

Conclusion

The State Controller believes with emphasis on the commitment of state entities to enforce the established policies and procedures, monitoring agency activity closely, and coordinating best business practices among agencies, the State can strengthen the collection efforts of past due accounts receivable.

Pages 7 through 14 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 Receivables - June 30
(Expressed in Thousands)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Total Receivables			
Governmental Funds:			
General Fund.....	\$ 1,853,852	\$ 1,685,062	\$ 1,578,266
Special Revenue Funds.....	894,524	669,674	847,987
Capital Projects Funds.....	2,951	3,483	8,710
Permanent Funds (GASB 34).....	4	2	2
Total Governmental Funds.....	<u>2,751,331</u>	<u>2,358,221</u>	<u>2,434,965</u>
Proprietary Funds:			
Enterprise Funds.....	733,016	669,192	197,556
Internal Service Funds.....	34,624	37,536	42,873
Total Proprietary Funds.....	<u>767,640</u>	<u>706,728</u>	<u>240,429</u>
Fiduciary Funds:			
Pension Trust Funds.....	239,579	223,610	228,987
Private Purpose Trust Funds (GASB 34).....	2	2	2
Investment Trust Fund.....	1,673	4,685	7,246
Agency Funds.....	179,564	121,399	145,228
Total Fiduciary Funds.....	<u>420,818</u>	<u>349,696</u>	<u>381,463</u>
Component Units:			
College and University.....	1,084,073	756,938	714,960
Other Component Units.....	2,873,867	2,633,568	2,437,128
Total Component Units.....	<u>3,957,940</u>	<u>3,390,506</u>	<u>3,152,088</u>
Total Receivables [1].....	<u>\$ 7,897,729</u>	<u>\$ 6,805,151</u>	<u>\$ 6,208,945</u>
Percent Increase/Decrease from Prior Year.....	16.06%	9.60%	
Receivables as % of Total Revenues.....	17.54%	17.69%	19.72%
Total State Revenues.....	<u>\$ 45,020,552</u>	<u>\$ 38,460,438</u>	<u>\$ 31,491,678</u>
Percent Increase/Decrease from Prior Year.....	17.06%	22.13%	

[1] Total Receivables consist of the following:

	<u>2004</u>	<u>% of Total</u>	<u>2003</u>	<u>% of Total</u>
Notes Receivable	\$ 3,736,809	47.31%	\$ 3,405,005	50.04%
Taxes Receivable	1,044,701	13.23%	1,046,460	15.38%
Intergovernmental Receivables	827,359	10.48%	776,902	11.42%
Accounts Receivable	960,649	12.16%	590,774	8.68%
Interfund Receivables	790,715	10.01%	467,639	6.87%
Contributions, Premiums, Other Receivables	477,067	6.04%	445,772	6.55%
Interest Receivable	60,429	0.77%	72,599	1.07%
Total Receivables	<u>\$ 7,897,729</u>	<u>100.00%</u>	<u>\$ 6,805,151</u>	<u>100.00%</u>

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Receivables - June 30
(Expressed in Thousands)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Notes Receivable			
Governmental Funds:			
General Fund.....	\$ 1,240	\$ 1,892	\$ 2,952
Special Revenue Funds.....	281,438	242,189	519,732
Total Governmental Funds.....	<u>282,678</u>	<u>244,081</u>	<u>522,684</u>
Proprietary Funds:			
Enterprise Funds.....	435,220	410,313	-
Total Proprietary Funds.....	<u>435,220</u>	<u>410,313</u>	<u>-</u>
Fiduciary Funds:			
Pension Trust Funds.....	128,244	115,440	109,466
Total Fiduciary Funds.....	<u>128,244</u>	<u>115,440</u>	<u>109,466</u>
Component Units:			
College and University.....	100,191	88,814	85,639
Other Component Units.....	2,790,476	2,546,357	2,360,083
Total Component Units	<u>2,890,667</u>	<u>2,635,171</u>	<u>2,445,722</u>
Total Notes Receivable [1].....	<u>\$ 3,736,809</u>	<u>\$ 3,405,005</u>	<u>\$ 3,077,872</u>
Percent Increase/Decrease from Prior Year.....	9.74%	10.63%	

[1] Notes Receivable consists of the following:

	<u>2004</u>	<u>% of Total</u>	<u>2003</u>	<u>% of Total</u>
State Education Assistance Authority.....	\$ 1,624,561	43.47%	\$ 1,338,685	39.32%
NC Housing Finance Agency.....	1,154,724	30.91%	1,196,208	35.13%
EPA Revolving Loan Fund.....	435,220	11.65%	410,313	12.05%
Clean Water Funds.....	116,908	3.13%	119,766	3.52%
401(k) Supplemental Retirement Income Plan.....	128,244	3.43%	115,440	3.39%
Natural Gas Bond Proceeds.....	140,618	3.76%	98,047	2.88%
University Funds.....	99,001	2.65%	88,814	2.61%
Other.....	37,533	1.00%	37,732	1.10%
Total Notes Receivable.....	<u>\$ 3,736,809</u>	<u>100.00%</u>	<u>\$ 3,405,005</u>	<u>100.00%</u>

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Receivables - June 30
(Expressed in Thousands)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Taxes Receivable			
Governmental Funds:			
General Fund.....	\$ 759,276	\$ 827,616	\$ 745,719
Special Revenue Funds.....	120,325	112,344	115,041
Total Governmental Funds.....	<u>879,601</u>	<u>939,960</u>	<u>860,760</u>
Fiduciary Funds:			
Agency Funds.....	165,100	106,500	126,912
Total Fiduciary Funds.....	<u>165,100</u>	<u>106,500</u>	<u>126,912</u>
Total Taxes Receivable [1].....	<u>\$ 1,044,701</u>	<u>\$ 1,046,460</u>	<u>\$ 987,672</u>
Percent Increase/Decrease from Prior Year.....	(0.17%)	5.95%	

[1] Taxes Receivable consists of the following:				
	<u>2004</u>	<u>% of Total</u>	<u>2003</u>	<u>% of Total</u>
Individual Income Tax.....	\$ 343,615	32.89%	\$ 369,749	35.33%
Sales and Use Tax.....	321,222	30.75%	371,768	35.53%
Local Sales Tax Collections.....	165,100	15.80%	106,500	10.18%
State Highway Fund.....	85,791	8.21%	81,688	7.81%
Highway Trust Fund.....	29,888	2.86%	28,496	2.72%
Franchise Tax.....	43,679	4.18%	33,584	3.21%
Corporate Income Tax.....	17,678	1.69%	21,259	2.03%
Beverage Tax.....	18,005	1.72%	16,536	1.58%
Other.....	19,723	1.89%	16,880	1.61%
Total Taxes Receivable.....	<u>\$ 1,044,701</u>	<u>100.00%</u>	<u>\$ 1,046,460</u>	<u>100.00%</u>

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Receivables - June 30
(Expressed in Thousands)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Intergovernmental Receivables			
Governmental Funds:			
General Fund.....	\$ 714,716	\$ 680,934	\$ 659,024
Special Revenue Funds.....	31,468	11,173	31,206
Capital Projects Funds.....	2,312	2,677	5,725
Total Governmental Funds.....	<u>748,496</u>	<u>694,784</u>	<u>695,955</u>
Proprietary Funds:			
Enterprise Funds.....	36	3,598	1,616
Total Proprietary Funds.....	<u>36</u>	<u>3,598</u>	<u>1,616</u>
Fiduciary Funds:			
Agency Funds.....	954	1,051	3,068
Total Fiduciary Funds.....	<u>954</u>	<u>1,051</u>	<u>3,068</u>
Component Units:			
College and University.....	72,497	73,379	75,852
Other Component Units.....	5,376	4,090	5,630
Total Component Units.....	<u>77,873</u>	<u>77,469</u>	<u>81,482</u>
Total Intergovernmental Receivables [1].....	<u>\$ 827,359</u>	<u>\$ 776,902</u>	<u>\$ 782,121</u>
Percent Increase/Decrease from Prior Year.....	6.49%	(0.67%)	

[1] Intergovernmental Receivables consist of the following:				
	<u>2004</u>	<u>% of Total</u>	<u>2003</u>	<u>% of Total</u>
Due From Federal Agencies.....	\$ 646,309	78.12%	\$ 614,649	79.12%
Due From Local Governments.....	83,624	10.11%	82,874	10.67%
University Funds.....	72,497	8.76%	73,379	9.45%
State Highway Fund.....	24,929	3.01%	6,000	0.76%
Total Intergovernmental Receivables.....	<u>\$ 827,359</u>	<u>100.00%</u>	<u>\$ 776,902</u>	<u>100.00%</u>

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(Expressed in Thousands)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Accounts Receivable			
Governmental Funds:			
General Fund.....	\$ 333,791	\$ 142,845	\$ 105,399
Special Revenue Funds.....	24,566	31,001	31,769
Capital Projects Funds.....	196	455	276
Total Governmental Funds.....	<u>358,553</u>	<u>174,301</u>	<u>137,444</u>
Proprietary Funds:			
Enterprise Funds.....	23,658	19,087	20,150
Internal Service Funds.....	13,979	17,880	24,126
Total Proprietary Funds.....	<u>37,637</u>	<u>36,967</u>	<u>44,276</u>
Fiduciary Funds:			
Pension Trust Funds.....	24,267	6,648	5,603
Agency Funds.....	849	856	532
Total Fiduciary Funds.....	<u>25,116</u>	<u>7,504</u>	<u>6,135</u>
Component Units:			
College and University.....	529,359	357,407	366,606
Other Component Units.....	9,984	14,595	12,401
Total Component Units	<u>539,343</u>	<u>372,002</u>	<u>379,007</u>
Total Accounts Receivable [1].....	<u>\$ 960,649</u>	<u>\$ 590,774</u>	<u>\$ 566,862</u>
Percent Increase/Decrease from Prior Year.....	62.61%	4.22%	

[1] Accounts Receivable consists of the following				
	<u>2004</u>	<u>% of Total</u>	<u>2003</u>	<u>% of Total</u>
University Funds.....	\$ 467,019	48.61%	\$ 288,563	30.04%
Community College Funds.....	62,340	6.49%	67,701	7.05%
DHHS-Division of Mental Health.....	53,258	5.54%	55,410	5.77%
DHHS-Division of Medical Assistance.....	127,305	13.25%	28,843	3.00%
Unemployment Compensation Funds.....	23,205	2.42%	18,362	1.91%
Other.....	227,522	23.69%	131,895	13.73%
Total Accounts Receivable.....	<u>\$ 960,649</u>	<u>100.00%</u>	<u>\$ 590,774</u>	<u>100.00%</u>

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(Expressed in Thousands)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Interfund Receivables*			
Governmental Funds:			
General Fund.....	\$ 11,185	\$ 3,623	\$ 36,465
Special Revenue Funds.....	419,208	255,708	132,098
Capital Projects Funds.....	443	348	2,704
Total Governmental Funds.....	<u>430,836</u>	<u>259,679</u>	<u>171,267</u>
Proprietary Funds:			
Enterprise Funds.....	91	42	9
Internal Service Funds.....	20,463	19,602	18,667
Total Proprietary Funds.....	<u>20,554</u>	<u>19,644</u>	<u>18,676</u>
Fiduciary Funds:			
Agency Funds.....	7,090	6,349	8,673
Total Fiduciary Funds.....	<u>7,090</u>	<u>6,349</u>	<u>8,673</u>
Component Units:			
College and University.....	295,155	145,228	130,468
Other Component Units.....	37,080	36,739	25,793
Total Component Units	<u>332,235</u>	<u>181,967</u>	<u>156,261</u>
Total Interfund Receivables.....	<u>\$ 790,715</u>	<u>\$ 467,639</u>	<u>\$ 354,877</u>
Percent Increase/Decrease from Prior Year.....	69.09%	31.77%	

* Interfund Receivables are comprised of:

- Due From Other Funds
- Due From Component Units
- Due From Primary Government
- Advances to Component Units
- Advances to Other Funds

(For detail see Comprehensive Annual Financial Report - Note 9)

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	<u>2004</u>	<u>2003</u>	<u>2002</u>
Contributions, Premiums, Other Receivables			
Governmental Funds:			
General Fund.....	\$ 28,139	\$ 20,744	\$ 19,987
Special Revenue Funds.....	10,417	10,002	6,292
Total Governmental Funds.....	<u>38,556</u>	<u>30,746</u>	<u>26,279</u>
Proprietary Funds:			
Enterprise Funds.....	271,376	233,408	174,853
Internal Service Funds.....	141	-	21
Total Proprietary Funds.....	<u>271,517</u>	<u>233,408</u>	<u>174,874</u>
Fiduciary Funds:			
Pension Trust Funds.....	85,730	98,571	110,095
Total Fiduciary Funds.....	<u>85,730</u>	<u>98,571</u>	<u>110,095</u>
Component Units:			
College and University.....	80,111	81,414	78,862
Other Component Units.....	1,153	1,633	375
Total Component Units	<u>81,264</u>	<u>83,047</u>	<u>79,237</u>
Total Contributions, Premiums, Other Receivables.....	<u>\$ 477,067</u>	<u>\$ 445,772</u>	<u>\$ 390,485</u>
Percent Increase/Decrease from Prior Year.....	7.02%	14.16%	

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Interest Receivable	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental Funds:			
General Fund.....	\$ 5,505	\$ 7,408	\$ 8,720
Special Revenue Funds.....	7,102	7,257	11,849
Capital Projects Funds.....	-	3	5
Permanent Funds (GASB 34).....	4	2	2
Total Governmental Funds.....	<u>12,611</u>	<u>14,670</u>	<u>20,576</u>
Proprietary Funds:			
Enterprise Funds.....	2,635	2,744	928
Internal Service Funds.....	41	54	59
Total Proprietary Funds.....	<u>2,676</u>	<u>2,798</u>	<u>987</u>
Fiduciary Funds:			
Pension Trust Funds.....	1,338	2,951	3,823
Private Purpose Trust Funds (GASB 34).....	2	2	2
Investment Trust Fund.....	1,673	4,685	7,246
Agency Funds.....	5,571	6,643	6,043
Total Fiduciary Funds.....	<u>8,584</u>	<u>14,281</u>	<u>17,114</u>
Component Units:			
College and University.....	6,760	10,696	9,580
Other Component Units.....	29,798	30,154	32,846
Total Component Units	<u>36,558</u>	<u>40,850</u>	<u>42,426</u>
Total Interest Receivable.....	<u>\$ 60,429</u>	<u>\$ 72,599</u>	<u>\$ 81,103</u>
Percent Increase/Decrease from Prior Year.....	(16.76%)	(10.49%)	