
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: SHORT-TERM DEBT

Component Units**University of North Carolina System**

North Carolina State University has available commercial paper program financing for short-term credit up to \$100 million to finance capital construction projects. The University's available funds are pledged to the commercial paper program financing with the anticipation of converting to general revenue bond financing in the future. As of June 30, 2007, \$80 million in tax-exempt commercial paper was outstanding.

At the University of North Carolina at Chapel Hill, commercial paper was issued from the University of North Carolina General Revenue Bonds, Series 2002A, to provide interim financing for the construction of capital projects.

North Carolina A&T University issued a bond anticipation note to secure funds for the construction of a 500 space parking deck. Construction began in the spring of 2006 and was completed in the fall of 2006. The note was paid in full with the issuance of University of North Carolina System Pool Revenue Bonds, Series 2006 B issued in February 2007.

Winston-Salem State University engaged in interim financing in anticipation of bonds to be issued in the spring of 2008 to be used for the renovation of Brown Residence Hall and the development of Athletic Fields at Civitan Park. The note was issued from Bank of America, N.A. at 4.06% with a maturity date of January 15, 2008.

Short-term debt activity for the University of North Carolina System for the fiscal year ended June 30, 2007, was as follows (dollars in thousands):

| | <u>Balance</u> <u>July 1, 2006</u> | <u>Draws</u> | <u>Repayments</u> | <u>Balance</u> <u>June 30, 2007</u> |
|-------------------------------|---------------------------------------|--------------|-------------------|--|
| Commercial Paper Program..... | \$ 133,414 | \$ 139,000 | \$ — | \$ 272,414 |
| Anticipation Notes..... | 6,168 | 7,170 | (6,168) | 7,170 |