

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

The General Fund balance of \$86.54 million due to fiduciary funds is composed of \$26.99 million related to local sales taxes collected in the General Fund and due to the agency fund, as well as \$59.55 million related to retirement contributions payable to retirement systems at year end.

The Highway Fund balance of \$18.22 million and the NC Turnpike Authority balance of \$4.73 million due to fiduciary funds is related to fines and penalties collected by the Highway Fund and the NC Turnpike Authority and due to the agency fund.

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

Due To/From Other Funds

Balances due to/from other funds at June 30, 2015, consisted of the following (dollars in thousands):

	Due From Other Funds								Total
	General Fund	Highway Fund	Highway Trust Fund	Other Governmental Funds	Unemployment Compensation Fund	NC State Lottery Fund	NC Turnpike Authority	Internal Service Funds	
Due To Other Funds									
General Fund.....	\$ —	\$ —	\$ —	\$ 8,333	\$ 20,039	\$ 5,275	\$ —	\$ 9,934	\$ 43,581
Highway Fund.....	1,214	—	56	—	—	—	—	2,669	3,939
Highway Trust Fund.....	—	10,699	—	—	—	—	55	—	10,754
Other Governmental Funds.....	55	—	—	3	—	—	—	253	311
Unemployment Compensation Fund.....	256	—	—	—	—	—	—	—	256
EPA Revolving Loan Fund.....	—	—	—	—	—	—	—	24	24
NC State Lottery Fund.....	10,350	—	—	—	—	—	—	54	10,404
NC Turnpike Authority.....	—	449	174	—	—	—	—	2	625
Other Enterprise Funds.....	67	—	—	1	—	—	—	64	132
Internal Service Funds.....	1	—	—	—	—	—	—	472	473
Total.....	\$11,943	\$ 11,148	\$ 230	\$ 8,337	\$ 20,039	\$ 5,275	\$ 55	\$13,472	\$ 70,499

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

Advances To/From Other Funds

The advance of \$25.29 million to the North Carolina Turnpike Authority from the Highway Trust Fund is related to operating costs.

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

Transfers in/out of other funds for the fiscal year ended June 30, 2015 consisted of the following (dollars in thousands):

	Transfers In							Total
	General Fund	Highway Fund	Other Governmental Funds	EPA Revolving Loan Fund	NC Turnpike Authority	Other Enterprise Funds	Internal Service Funds	
Transfers Out								
General Fund.....	\$ —	\$ —	\$ 71,490	\$ 9,379	\$ —	\$ 6,928	\$ 4,822	\$ 92,619
Highway Fund.....	272,231	—	4,467	—	31,442	—	—	308,140
Highway Trust Fund.....	430	31,701	—	—	62,238	—	—	94,369
Other Governmental Funds.....	128,211	217	3,809	5,205	—	60	30	137,532
Unemployment Compensation Fund.....	1,808	—	—	—	—	—	—	1,808
EPA Revolving Loan Fund.....	1,441	—	—	—	—	—	—	1,441
NC State Lottery Fund.....	526,427	—	1,000	—	—	—	—	527,427
Other Enterprise Funds.....	759	—	300	—	—	—	—	1,059
Internal Service Funds.....	57	—	—	—	—	—	5,762	5,819
Total.....	\$ 931,364	\$ 31,918	\$ 81,066	\$ 14,584	\$ 93,680	\$ 6,988	\$ 10,614	\$ 1,170,214

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

House Bill 817 [Session Law 2013-183], amends the law that created the Highway Trust Fund. The amendment directs that funds are to be transferred to the N.C. Turnpike Authority (NCTA) to pay debt service or related financing expenses on revenue bonds or notes issued for the following toll road construction projects: Triangle Expressway and Monroe Connector/Bypass. Debt has been issued for the Triangle Expressway and the Monroe Connector/Bypass, and \$49 million was transferred to the NCTA during fiscal year 2015.

In compliance with the North Carolina State Lottery Act, House Bill 1023 [Session Law 2005-344], all “Net Revenues” of the N.C. State Lottery Fund are required to be transferred to the Education Lottery Fund (General Fund) for educational purposes. The total transfer for this fiscal year was \$526.43 million, as set forth in General Statute 18C-164.