

**NOTES TO THE FINANCIAL STATEMENTS****NOTE 6: SHORT-TERM DEBT****Component Units****University of North Carolina System**

The University of North Carolina at Chapel Hill issued commercial paper to provide interim financing for the construction of capital projects. In June of 2012, the Board of Governors for the University of North Carolina issued a resolution to limit the cumulative amount of commercial paper for the University of North Carolina at Chapel Hill under this program to \$250 million. The University had draws during the year totaling \$10 million to bring the total amount of outstanding commercial paper as of June 30, 2015 to \$28 million.

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, 2015, the amount of outstanding commercial paper was \$10 million.

On June 17, 2015, North Carolina A&T State University issued bond anticipation notes under the University of North Carolina General Trust Indenture, dated June 1, 2015, for the construction of a new student union. The notes were structured to provide advances up to \$10 million and were allocated between tax-exempt and taxable debt in the amounts of \$8.5 million and \$1.5 million, respectively. As of June 30, 2015, the amount of outstanding anticipation notes was \$5 million.

UNC Health Care System has a revolving line of credit used to support short-term normal operating expenses and to enhance liquidity. The amount outstanding on the revolving line of credit as of June 30, 2015 was \$30.212 million.

Short-term debt activity for the University of North Carolina System for the fiscal year ended June 30, 2015, is as follows (dollars in thousands):

	<u>Balance</u> <u>July 1, 2014</u>	<u>Draws</u>	<u>Repayments</u>	<u>Balance</u> <u>June 30, 2015</u>
<b><u>University of North Carolina System</u></b>				
Commercial paper program.....	\$ 28,000	\$ 10,000	\$ —	\$ 38,000
Anticipation notes.....	—	5,000	—	5,000
Line of credit.....	12,331	38,488	(20,607)	30,212
Total short-term debt.....	<u>\$ 40,331</u>	<u>\$ 53,488</u>	<u>\$ (20,607)</u>	<u>\$ 73,212</u>