

NORTH CAROLINA GENERAL ASSEMBLY



COMMISSION TO STUDY THE GOVERNANCE AND THE ADEQUACY OF THE INVESTMENT AUTHORITY OF VARIOUS STATE-OWNED FUNDS FOR THE PURPOSES OF ENHANCING THE RETURN ON INVESTMENTS

INTERIM REPORT TO THE
2010 SESSION
of the
2009 GENERAL ASSEMBLY

MAY 5, 2010

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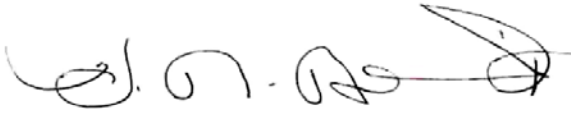
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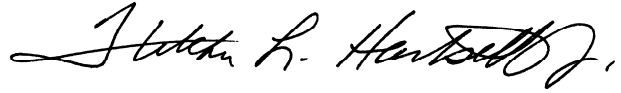
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TRANSMITTAL LETTER

The Commission to Study the Governance and the Adequacy of the Investment Authority of Various State-Owned Funds for the Purposes of Enhancing the Return on Investments was established by Part XLVII of S.L. 2009-574. The Commission respectfully submits the following report.



Representative Henry M. Michaux, Jr.
Co-Chair



Senator Fletcher Lee Hartsell, Jr.
Co-Chair

COMMISSION MEMBERSHIP

Commission to Study the Governance and the Adequacy of the Investment Authority of Various State-Owned Funds for the Purposes of Enhancing the Return on Investments

Co-Chairs

Rep. Henry M. Michaux, Jr. (Co-Chair)	House Appointment
Sen. Fletcher Lee Hartsell, Jr. (Co-Chair)	Senate Appointment

Legislative Members

Rep. William C. McGee	House Appointment
Rep. William Clarence Owens, Jr.	House Appointment
Rep. Deborah K. Ross	House Appointment
Rep. Fred F. Steen, II	House Appointment
Sen. Doug Berger	Senate Appointment
Sen. Anthony E. Foriest	Senate Appointment
Sen. Martin L. Nesbitt, Jr.	Senate Appointment
Sen. Josh Stein	Senate Appointment

Ex Officio Members

Hon. Janet Cowell	Department of State Treasurer
Mr. Rob Nelson	University System
Ms. Jennifer Haygood	Community College System
Mr. Tom Newsome	Office of State Controller
Mr. David Brown	Office of State Budget and Management

Public Members

Mr. Page Allen	Senate Appointment
Ms. Jean Gordon Carter	House Appointment
	Governor's Appointment

COMMISSION AUTHORIZATION

Part XLVII of S.L. 2009-574

PART XLVII. COMMISSION TO STUDY THE GOVERNANCE AND ADEQUACY OF THE INVESTMENT AUTHORITY OF VARIOUS STATE-OWNED FUNDS FOR THE PURPOSES OF ENHANCING THE RETURN ON INVESTMENTS (Michaux)

SECTION 47.1. There is established the Commission to Study the Governance and the Adequacy of the Investment Authority of Various State-Owned Funds for the Purposes of Enhancing the Return on Investments.

SECTION 47.2.(a) The Commission shall be composed of 18 members as follows:

- (1) Five members of the Senate, appointed by the President Pro Tempore of the Senate.
- (2) Five members of the House of Representatives, appointed by the Speaker of the House of Representatives.
- (3) The State Treasurer or her or his designee.
- (4) A representative from The University of North Carolina System.
- (5) A representative from the Community College System.
- (6) A representative from the Office of the State Controller.
- (7) A representative from the Office of State Budget and Management.
- (8) One member of the banking community, appointed by the President Pro Tempore of the Senate.
- (9) One member who is a certified public accountant, appointed by the Speaker of the House of Representatives.
- (10) One member who is a certified financial advisor with investment expertise, appointed by the Governor.

Vacancies on the Commission shall be filled by the appointing authority. The Commission shall be chaired by a Senator and a Representative designated by the appointing authority. A quorum of the Commission shall be 10 members.

The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4, including all the power to request all officers, agents, agencies, and departments of the State to provide any information, data, or documents within their possession, ascertainable from their records, or otherwise available to them.

The Commission may meet at any time upon call of the chairs. The Commission may meet in the Legislative Building, the Legislative Office Building, the Offices of the State Treasurer, or any other location as agreed upon by the Commission. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and Senate's Directors of Legislative Assistants shall assign clerical staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 47.2.(b) The initial meeting of the Commission shall be called by the cochairs.

SECTION 47.3. The Commission shall study issues relating to the source, nature, purpose, and distribution of various State funds. As part of its study, the Commission may examine issues related to:

- (1) The identification, documentation, and categorization of funds, including:
 - a. The source of the funds.
 - b. The current location and type of fund.
 - c. Fund balances, including amounts needed to maintain adequate cash flow and amounts available for investments.
 - d. Guiding documents.
 - e. Governance structure.
 - f. Current protections and investment authority.

The Commission may consider any other issues it deems relevant to this study.

SECTION 47.4. The Commission shall make an interim report to the 2010 Regular Session of the 2009 General Assembly prior to its convening, and shall make a final report to the 2010 Regular Session of the General Assembly. The report shall include any proposed legislation.

COMMISSION PROCEEDINGS

The Commission to Study the Governance and the Adequacy of the Investment Authority of Various State-Owned Funds for the Purposes of Enhancing the Return on Investments was established in The Studies Act of 2009 (S.L. 2009-574). The Commission is composed of 18 members, consisting of ten legislative members, five ex officio members, and three public members. . The legislative members are: Sen. Fletcher Lee Hartsell, Jr. (Co-Chair), Rep. Henry M. Michaux, Jr. (Co-Chair), Sen. Doug Berger, Sen. Anthony E. Foriest, Sen. Martin L. Nesbitt, Jr., Sen. Josh Stein, Rep. William C. McGee, Rep. William Clarence Owens Jr., Rep. Deborah K Ross, and Rep. Fred F. Steen, II. The ex officio members are: the Honorable Janet Cowell, State Treasurer; Rob Nelson, representing the University System; Jennifer Haygood, representing the Community College System; Tom Newsome, representing the Office of State Controller; and David Brown, representing the Office of State Budget and Management. The public members: are: Mr. Page Allen, a member of the banking community appointed by the President Pro Tempore of the Senate and Ms. Jean Gordon Carter, a certified public accountant appointed by the Speaker of the House of Representatives. To date, the Governor's office has not made appointment of a certified financial advisor with investment expertise.

The charge of the Commission is to study issues relating to the source, nature, purpose, and distribution of various State funds. As part of its study, the Commission may examine issues related to the identification, documentation, and categorization of funds, including:

- The source of the funds.
- The current location and type of fund.
- Fund balances, including amounts needed to maintain adequate cash flow and amounts available for investments.
- Guiding documents.
- Governance structure.
- Current protections and investment authority.

The Commission may consider any other issues it deems relevant to this study. The Commission shall make an interim report to the 2010 Regular Session of the 2009 General Assembly and shall make a final report to the 2010 Regular Session.

The Commission met two times after the adjournment of the 2009 Regular Session of the 2009 General Assembly on August 11, 2009.

April 5, 2010

At the initial meeting of the Commission, staff read the charge to the Commission. The State Treasurer then gave an overview of the funds. She explained that these funds consist of 320 short-term investment funds (STIF) and certain long-term investment funds (LTIF). She described the characteristics of short-term and long-term funds, and emphasized the importance of governance in LTIF. The State Treasurer proposed that the Commission

consider possible actions on the following topics: governance standard for State investment entities, UNC hospital monies from the Department of State Treasurer to the UNC Endowment, and State Education Assistance Authority governance proposal (529 savings plan). A copy of the State Treasurer's comments is attached as Appendix A.

Ryan Blackledge, staff to the Commission, then gave a presentation on the results from a survey conducted by the Commission to learn more about Short Term Investment Funds held by the Treasurer's Office on behalf of various State agencies. . The participants of the survey consisted of the 19 STIF account holders with over \$50 million in their accounts with the Office of State Treasurer. Each participant of the survey was asked to state the source of the money in the STIF account, use of the money, any cycles that impact the fund's balance, the decision maker who determines the amount going into the fund, and the overseer of investment of the funds in the account. The 19 STIF account holders included: UNC Constituent Institutions, UNC Administration, the State Education Assistance Authority, the UNC Health Care System, the Housing Finance Agency, the Turnpike Authority, and the local school systems of Charlotte-Mecklenburg and Wake County. At the conclusion of the presentation of survey results, the Commission members expressed concern over control of smaller STIF accounts held by the State Treasurer and asked staff to obtain information on these accounts for a later meeting. A copy of Mr. Blackledge's power point presentation is attached as Appendix B, along with the STIF survey results, which is attached as Appendix C.

May 5, 2010

Amy Bowman, Financial Operations Division, Department of State Treasurer, presented the categorization of the funds by Pam Wortham, Deputy State Treasurer, Financial Operations Division. Ms. Bowman reviewed the total balances within each group. A copy of the spreadsheet presented is attached as Appendix E to this report.

Ryan Blackledge, staff to the Commission, presented an overview of the other STIF accounts not covered during the April 5th meeting. He discussed different ways to think of oversight; the Treasurer's and local governments' investment options; the STIF accounts that are easier to explain, including the Other Post-retirement Employment Benefits (OPEB), bond proceeds, public hospital, and development commission accounts; and the more complex STIF accounts, including UNC constituent institutions, community colleges, local school boards, licensing boards, and other state agencies. A copy of Mr. Blackledge's presentation is attached as Appendix F.

The committee then discussed and approved the interim report, with minor amendments.

FINDINGS AND RECOMMENDATIONS

FINDINGS:

The Commission finds that the laws related to investment options and oversight for state agencies are complex and varied. As such, the laws require continued study and review.

RECOMMENDATIONS:

The Commission would like to continue its studies of State investments, including the following topics:

- UNC Health System investment flexibility
 - Should it be the same as constituent institutions?
- Investment of large funds outside of investment authority of State Treasurer
 - Golden Leaf
 - State agency foundations (universities, community colleges, DHHS)
- Comparison to other states' approaches
 - Centralized vs. decentralized investing
 - Oversight approaches
 - Benchmarks or best practices
- Comparison of state agency investment guidelines to recently enacted Uniform Prudent Management of Institutional Funds Act (S.L. 2009-8) and to Chapter 55A
- Local government investing
 - Where, besides with Treasurer, are local governments invested?
 - Are local governments receiving a good return for their management costs?
- What % of STIFs could go into LTIF
- Uniform investment/governance guidelines for state agencies, including licensing boards
- Possible clarifications to existing statutes

In order to continue its investigation, the Commission proposes the attached legislation, which corrects an error in the original authorization regarding the date of the final report.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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D

BILL DRAFT 2009-MEz-87 [v.1] (05/03)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

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Short Title: State Investment Study Technical Correction.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED
AN ACT TO CORRECT THE AUTHORIZATION FOR THE COMMISSION TO
STUDY THE GOVERNANCE AND ADEQUACY OF THE INVESTMENT
AUTHORITY OF VARIOUS STATE-OWNED FUNDS FOR THE PURPOSES OF
ENHANCING THE RETURN ON INVESTMENTS, AS RECOMMENDED BY
THE COMMISSION TO STUDY THE GOVERNANCE AND ADEQUACY OF
THE INVESTMENT AUTHORITY OF VARIOUS STATE-OWNED FUNDS FOR
THE PURPOSES OF ENHANCING THE RETURN ON INVESTMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 47.4 of S.L. 2009-574 reads as rewritten:

"**SECTION 47.4.** The Commission shall make an interim report to the 2010 Regular Session of the 2009 General Assembly prior to its convening, and shall make a final report to the ~~2010~~ 2011 Regular Session of the 2011 General Assembly. The report shall include any proposed legislation."

SECTION 2. This act is effective when it becomes law.

APPENDICES

State Treasurer Janet Cowell's Presentation from April 5, 2010.....A-1

Staff Attorney Ryan Blackledge's Presentation from April 5, 2010.....B-1

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Staff Attorney Ryan Blackledge's Presentation from May 5, 2010 F-1

State Owned Funds Study Commission

Janet Cowell, State Treasurer

Three Key Questions

- 1) What is the inventory of investment funds?
- 2) Are there opportunities for better investment return?
 - Short-term → Long-term?
 - Long-term to more aggressive Long-term?
- 3) Can we prevent principal loss through better governance standards?

Inventory of Investment Funds

- ▶ There are approximately 320 STIF funds totaling over \$4.2. billion dollars.
- ▶ 280 of these retain their interest earnings.
- ▶ 19 funds have more than \$50 million each.

3

What are Short-Term Investments?

- ▶ Short-Term Investment Fund (STIF)
- ▶ Managed to be readily convertible into cash
 - Highly liquid AAA rated securities
 - US Treasuries and similar investments make up 80% of investments
- ▶ Less Volatile than long term investments.
 - 5-year return between 3 and 4 percent.
- ▶ As of June 30th 2009 average maturity was 1.8 years.

4

What are Long Term Investments?

- ▶ Specific statutory authority required for longer term investment of funds.
- ▶ Higher risk; higher rate of return
 - Primarily includes stocks
 - Can include real estate, private equity, etc.
- ▶ Less liquid; duration of investment can be from 3 to as much as 30 years depending upon the type of investment.

5

Statutory authority for STIF

- ▶ Every agency of the State and certain component units are required to deposit monies with the State Treasurer (G.S. 147-77)
 - Agencies may make deposits with bank of choice;
 - Account is in name of State Treasurer;
 - Funds sweep to the State Treasurer main account nightly.
- ▶ The State Treasurer is authorized to invest all funds held in deposit (G.S. 147-69.1)
 - General Fund, Highway Fund and Universities are primary participants

6

Governance is most important in LTIF

Elements of governance:

1. Professional expertise
2. Cohesive policies
3. Best management practices
4. Ethical standards
5. Board oversight
6. Standard operating procedures
7. Controls
8. Appropriate resources

7

Possible actions for the Committee

- ▶ Governance standard for state investment entities;
- ▶ UNC hospital monies from DST to UNC endowment;
- ▶ SEAA governance proposal (529 savings plan);

8

Summary of STIF Survey Results

*Commission to Study the Governance and the Adequacy of the
Investment Authority of Various State-Owned Funds for the
Purposes of Enhancing the Return on Investments*

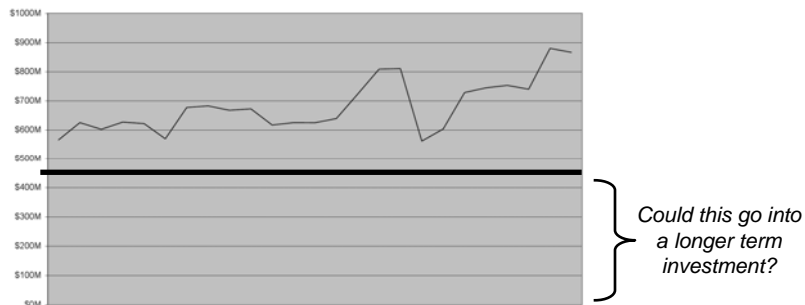
Ryan Blackledge
Bill Drafting
April 5, 2010

Presentation Outline

- The Big Idea
- Survey Methodology
- Survey Results
- Future Directions?

The Big Idea

- Maximize value
 - Asset allocation, considering cycles
 - Management and oversight



Survey Methodology

- Questions
 - Where does the money come from?
 - What's the money used for?
 - What cycles impact the balances?
 - Who decides how much goes into the STIF?
 - Who provides oversight of investment?
- Surveys sent to account holders with over \$50 M (19 accounts)

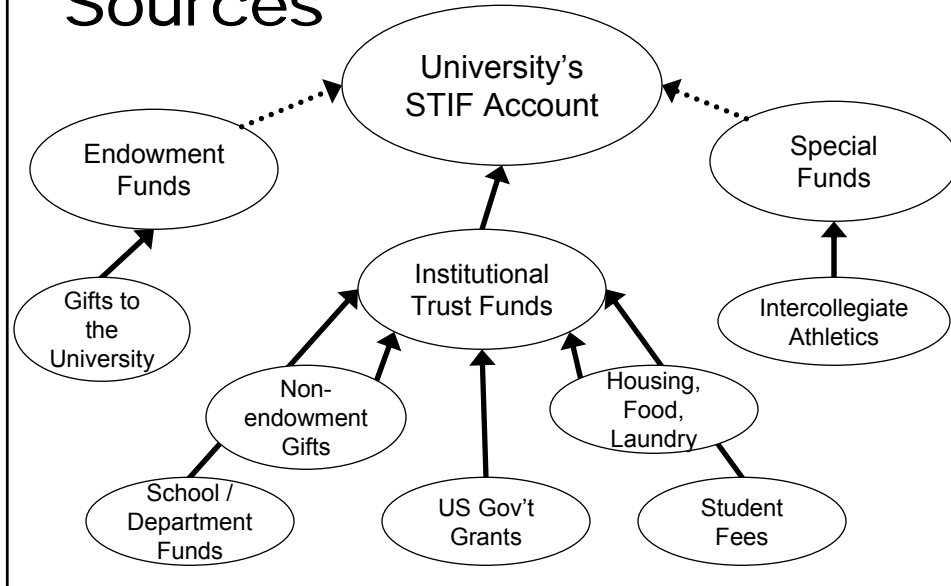
Survey Participants

- University Related
 - UNC Constituent Institutions
 - UNC Administration
 - State Education Assistance Authority
 - UNC Health Care System
- Other State Agencies
 - Housing Finance Agency
 - Turnpike Authority
- Local School Systems
 - Charlotte-Mecklenburg
 - Wake County

University of North Carolina Constituent Institutions

- UNC Chapel Hill
- NC State University
- UNC Charlotte
- East Carolina University
- UNC Greensboro
- UNC Wilmington
- Appalachian State University
- Western Carolina University
- NC A&T University

Constituent Institutions: Sources



Constituent Institutions: Uses of STIF Fund

- Payroll
- Scholarship payments
- Daily operations
 - Often department-level decisions
- Capital expenditures
- Debt service
- Operating reserves
- Liquidity for financing
- Investment

Constituent Institutions: Investment in STIF Accounts

- Institutional trust funds
 - Deposited with Treasurer by law
- Endowment and special funds
 - UNC Management Company
 - Vice Chancellors for Finance
 - Controllers

Constituent Institutions: Oversight and Guidance

- Chancellors
- Boards of Trustees
- Statutes
 - G.S. 116-36 (Endowment Funds)
 - G.S. 116-36.1 (Institutional Trust Funds)
 - G.S. 116-36.2 (Special Funds)
- University System Policies
 - UNC Policy 600.2.4

UNC General Admin

- Money comes from:
 - Grants
 - Contracts
 - General Fund appropriations (financial aid, scholarships)
 - Donor contributions
 - Agency funds held for others
- Money used for:
 - Vendor and employee disbursements
 - Payroll
 - Contracts
 - Grant Activity
- ≈ 65% of funds managed by SEAA
- Guidance on use and investment
 - Same of constituent institutions
 - Federal guidelines
 - Various scholarships within General Statutes
- Investment decisions
 - Associate Vice-President for Finance

State Education Assistance Authority

- National College Savings Program
 - 529 savings plan
 - Investment decisions made by parents
- NC Student Loan Account
 - Funds used for financial assistance
 - Temporary repository for escheat funds
 - Financial aid schedule explains balance variation
 - Executive Director of SEAA decides how to invest, with oversight by Board of Directors

UNC Health Care System: Operating Reserve Fund

- Money comes from:
 - Patient service revenue
 - Annual General Fund appropriation
 - 4% of budget
 - Indigent care
 - Graduate education
 - Cafeteria
 - Wellness Center
- Money used for:
 - Daily operations
 - Payroll
 - Accounts payable
 - Capital expenditures
- Daily spending oversight
 - Departmental managers
 - General Accounting and Budget departments
 - Chief Financial Officer
- Investment decisions
 - Chief Financial Officer
- Investment oversight
 - Finance Committee of BoD and full BoD
 - BoD approved investing 60% of funds *outside* of STIF (e.g., Treasurer equity funds)

UNC Health Care System: Maintenance Reserve

- Set at 7.5% of prior year's gross patient service revenue
 - Required by General Trust Indenture (sec. 6.3)
- Ensures UNC Hospitals' ability to pay for:
 - Facilities acquisition, construction, replacement, repair, reconstruction, restoration
 - Equipment replacement, acquisition, or repair
 - Current expenses or current debt service
- Executive Director has authority to disburse funds
- Oversight functionally provided by:
 - Director of General Accounting
 - Senior VP
 - Chief Financial Officer
- Projected to be \$153.3 M for 2011

NC Housing Finance Agency: Trust Account

- Money comes from:
 - Bond financing (June 2008)
 - Mortgage payments
 - Liquidation of other assets
- Money used for:
 - Liquidity requirements to maintain bond ratings
 - Purchasing mortgages
 - Investment (in lieu of GICs or NCCMT)
- Bank of New York Mellon serves as trustee
 - Invests money within statutory guidelines with goal of maximizing ROI
 - Invests at direction of HFA
- Investment decisions and oversight:
 - CFO, Controller, Manager of Bond Financing
 - Rating agencies
 - Senior underwriters
 - Brokers Trustee

NC Housing Finance Agency: General Account

- Money come from:
 - Escrow reserves
 - State tax credit money
 - Federal programs
- Money used for financing residential housing:
 - Rent subsidies
 - Down-payment assistance
 - Low-interest loans
 - Foreclosure prevention
 - Rehabilitation
 - Special needs housing
 - Escrow payments
- Balance must be maintained to ensure bond ratings
- Liquidity needed for:
 - Loan closings
 - Operating expenses
 - Escrow requirements
- CFO and Controller decide how much goes into the STIF
- Oversight provided by:
 - Board of Directors
 - "Housing Partnership" (13 member advisory board)

NC Turnpike Authority

- Funds come from “State Annual Appropriation Revenue Bonds, Series 2009B”
- Funds for Triangle Expressway project
 - Land acquisition
 - Design Construction
 - Equipping
- Wells Fargo serves as trustee
- Investment decisions by Executive Director CFO, Controller, with assistance from Public Finance Management (PFM)
- Turnpike BoD adopted G.S. 159-30 (“Investment of Idle Funds” for local governments and public authorities)

Local Schools: Wake and Charlotte-Mecklenburg

- Money comes from:
 - General fund appropriations
 - County appropriations
 - Fines and forfeitures
 - Child nutrition programs
 - Contributions and donations
 - Tuition and fees
- Money used for:
 - Daily operations
 - Investment
- Spending oversight
 - School principals
 - Superintendents
 - Central budget managers
- Investment decisions made by CFOs
- Liquidity guidelines
 - Cash accountants
 - G.S. 115C-443

Authorizes investment in primarily low-risk vehicles such as US bonds, NC bonds, any investment allowed under G.S. 159-30, “any form of investment allowed by law to the State Treasurer,” etc.

Future Directions?

- More details from 19 largest accounts
- Review more accounts
 - Next smaller accounts
 - Accounts with least activity
- Encourage longer term investments
 - Statutory impediments to LTIF investment?
- Review management and governance
 - Duplication of investment decisions?
 - Adequate oversight of investment decisions?

STIF Survey Results

Commission to Study the Governance and the Adequacy of the Investment Authority of Various State-Owned Funds for the Purposes of Enhancing the Return on Investments

April 5, 2010

University Related	
Constituent Institutions	
UNC Chapel Hill	1
NC State University	4
UNC Charlotte	7
East Carolina University	11
UNC Greensboro	14
UNC Wilmington	17
Appalachian State University	19
Western Carolina University	21
NC A&T University	23
UNC System General Admin	26
NC State Education Assistance Authority	
National College Savings Program	29
NC Student Loan Account	31
UNC Health Care System	
Hospital Operating Reserve Fund	34
Hospital Maintenance Reserve Fund	37
Other State Agencies	
NC Housing Finance Agency (Trust Acct)	40
NC Housing Finance Agency (Gen Acct)	44
NC Turnpike Authority	47
Local School Boards	
Charlotte-Mecklenburg Schools	50
Wake County Public School System	53

UNC Chapel Hill
UNC Chapel Hill - #1000720

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

Funds in this account serve a wide variety of purposes: payroll, daily operations, capital expenditures, operating reserves, contingent liquidity for financing needs, and investments.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

Primarily from Institutional Trust Funds such as gifts, contracts and grants, fees, scholarships, auxiliary enterprise receipts, and overhead receipts. Special Funds, Debt Funds, and Endowment Funds are not required to be deposited in STIF but are sometimes invested in STIF.

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

Institutional trust funds are regulated by N.C.G.S. § 116-36.1.
Endowment funds are regulated by N.C.G.S. § 116-36.
Special funds are regulated by N.C.G.S. § 116-36.2.
Designated Institutional Trust Funds are regulated by N.C.G.S. § 116-36.1 (h).
Debt Funds are regulated by N.C.G.S. § 116D-27.

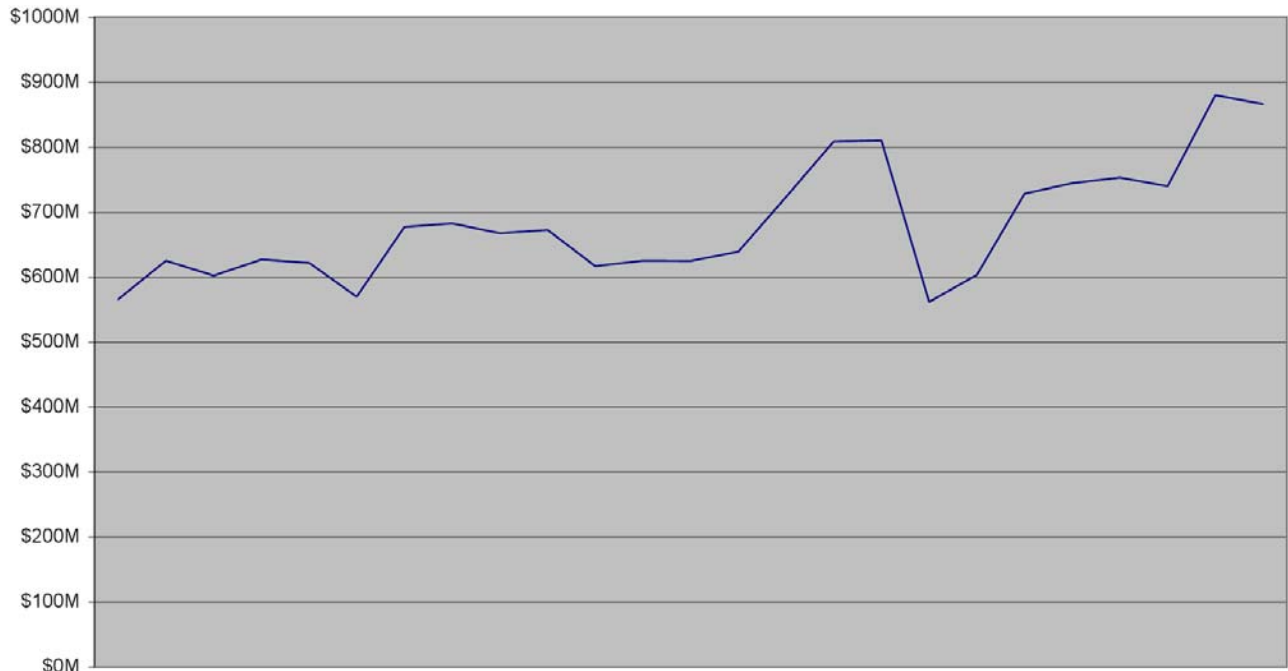
4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

Some of the funds in the account are impacted by (a) the University's semester-based operating cycle; (b) monthly payroll; and (c) regular expenditures.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

Account #1000720	
Month	End of Month Balance
Jan 08	\$565,452,834
Feb 08	\$624,938,165
Mar 08	\$601,986,439
Apr 08	\$626,580,581
May 08	\$621,533,121
June 08	\$569,297,936
July 08	\$676,905,354
Aug 08	\$682,158,076
Sept 08	\$667,152,536
Oct 08	\$672,246,540
Nov 08	\$616,600,474
Dec 08	\$624,914,180
Jan 09	\$624,330,845
Feb 09	\$638,976,616
Mar 09	\$723,121,216
Apr 09	\$808,242,253
May 09	\$810,022,152
June 09	\$561,489,004
July 09	\$603,021,061
Aug 09	\$728,063,114
Sept 09	\$744,264,764
Oct 09	\$752,673,705
Nov 09	\$739,642,687
Dec 09	\$879,762,773
Jan 10	\$866,068,828
Avg	\$681,177,810
Min	\$561,489,004
Max	\$879,762,773

STIF Account Balances - UNC Chapel Hill



	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10
1000720	\$565	\$625	\$602	\$627	\$622	\$569	\$677	\$682	\$667	\$672	\$617	\$625	\$624	\$639	\$723	\$808	\$810	\$561	\$603	\$728	\$744	\$753	\$740	\$880	\$866

The use of Institutional Trust and certain Special Funds is generally determined by individual Schools/Departments within the University. These funds are generally managed based upon established department-level fund authorities, with respect to funds that are generated by or allocated to respective Schools/Departments, and are subject to established internal control procedures. The ultimate responsibility for the custody and management of Institutional Trust and Special Funds lies with the Chancellor of the University.

Endowment Funds of the University are overseen by the Board of Trustees.

6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

Institutional Trust Funds, by State statute, must be deposited with the State Treasurer.

The investment of Endowment Funds, Special Funds, and Designated Institutional Trust Funds is handled by the UNC Management Company. Investment of these funds with the State Treasurer is based upon investment return considerations with respect to money-market alternatives, in conjunction with considerations of safety and liquidity.

Debt funds are invested with the State Treasurer based upon prevailing investment return options, in conjunction with safety and liquidity considerations.

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

Institutional trust funds are invested with the State Treasurer based upon State statute.

Endowment Funds, Special Funds, Designated Institutional Trust Funds, and Debt Funds are invested in the STIF based upon a combination of investment return, liquidity, and safety considerations.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Brian T. Smith, CFA, CTP
Director of Treasury and Risk Management Services

Additional Information

As of January 2010, the University's investment in the STIF represented 43% of the sum of the University's cash and short-term investment holdings (some of which are held on behalf of affiliated entities) and the University's endowment assets. This percentage compares to an average allocation to the STIF of approximately 40% over the last year. This higher percentage is driven by a combination of two factors: the investment of proceeds of a long-term bond issue closed in December to be used on capital projects; and an allocation of funds (not required to be on deposit with the State Treasurer) to the STIF based upon the current (and recent past) rate of return on the STIF in comparison to general money market and short-term bond rates of return.

NC State University
NCSU - #5000714

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

The funds in this account are used for operational purposes including current spending from endowments for purposes such as scholarships, fellowships and professorships. Our NC State Investment Fund uses STIF for private equity capital calls that are anticipated to occur over the next 24 months.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

The money comes from a variety of institutional trust and special funds including gifts, student fees, Federal and State contracts and grants, private contracts and grants, self-supporting auxiliary fees, Vet Med Practice Plan fees, Centennial Campus property rental income, facilities and administrative receipts from contracts and grants, collegiate athletics revenues, and endowment income allocations for spending accounts.

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

The statutory authority for the funds in this account includes the following:

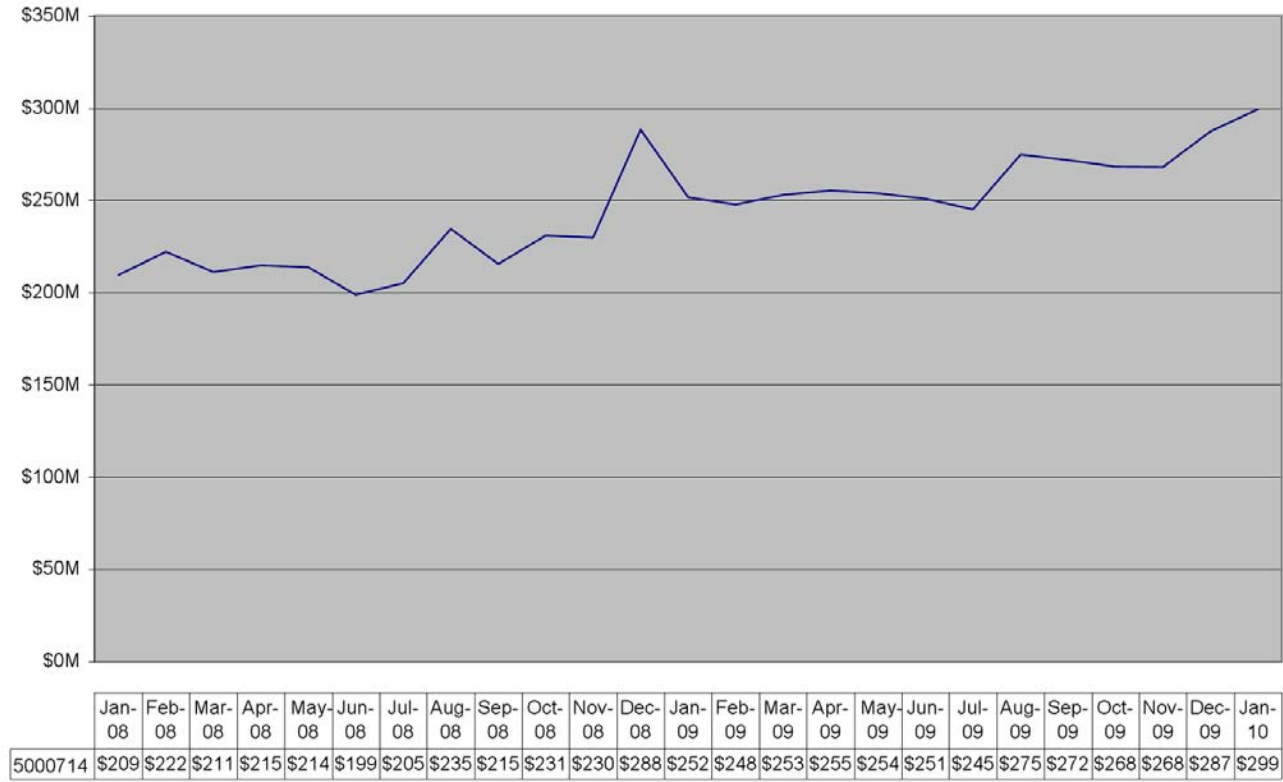
- Endowment Funds – GS 116-36
- Institutional Trust Funds – GS 116-36.1
- Special Funds - GS 116-36.2
- Centennial Campus Trust Funds - GS 116-26.5
- Debt Proceeds – GS 116-41.7
- Facilities and Administrative Receipts – SL 1999-237
- Affiliated Entity Receipts – GS 147-69.3 (b) and 20 NCAC 1G. 0207

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

The account balance variation could result from various factors, such as the amount and timing of: (1) debt proceeds received and expended, (2) Federal Family Education Loan and Federal Direct Loan receipts and disbursements, (3) UNC need based grants or other scholarship payments to students, (4) student auxiliary and student fee collections, (5) vet med practice plan collections, (6) collegiate athletic receipts, (7) contract and grant collections, (8) major gifts to the university, and (9) endowment spending allocations versus actual spending.

Account #5000714	
Month	End of Month Balance
Jan 08	\$209,467,248
Feb 08	\$222,109,702
Mar 08	\$211,074,240
Apr 08	\$214,723,952
May 08	\$213,695,569
June 08	\$198,759,779
July 08	\$205,079,696
Aug 08	\$234,509,577
Sept 08	\$215,474,076
Oct 08	\$230,887,050
Nov 08	\$229,783,326
Dec 08	\$288,286,139
Jan 09	\$251,570,961
Feb 09	\$247,652,031
Mar 09	\$252,922,241
Apr 09	\$255,358,261
May 09	\$253,827,654
June 09	\$250,830,244
July 09	\$245,028,986
Aug 09	\$274,740,414
Sept 09	\$271,766,592
Oct 09	\$268,298,600
Nov 09	\$267,975,489
Dec 09	\$287,316,099
Jan 10	\$299,329,776
Avg	\$244,018,708
Min	\$198,759,779
Max	\$299,329,776

STIF Account Balances - NC State University



5. *Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?*

Written signed Fund Authorities are required for all funds. Funds are established through review by Central Offices including the Controller’s Office, Foundation’s Office, Contracts and Grants Office, or Budget Office. Each Central Office establishes the administrative requirements over the use of and authorization of the funds and provides on-going oversight of fund usage.

The Fund Authorities contain the official purpose for the fund and any restrictions / limitations on its use and names the person/department responsible (trust fund owner) for the fund. A Trust Fund Letter is sent to the trust fund owner with the Fund Authorities outlining the requirements and conditions over the fund. In addition, the University has published Trust Fund Guidelines and Spending Guidelines to provide rules over the spending decisions and use of funds. Day-to-day decision-making for the fund expenditures is made by the university department (trust fund owner) responsible for the fund.

6. *Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?*

All University institutional trust and special funds are deposited into STIF except for those funds that by bond covenants are required to be deposited in another account.

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

No constraints on institutional or special funds – these are automatically placed in STIF due to statutory and self-imposed requirements. These funds are primarily for operational purposes; however, operating reserves are allowed for working capital, future needs and for repayment of borrowed funds for construction. Decisions for reserves are made by the trust fund owner in consultation with Central Offices and the Vice Chancellor for Finance and Business. The placement of foundation funds or endowment funds in STIF is decided by the related boards or investment officer reporting to the external board.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Clifton Flood, University Controller, 919-515-6987, Cliff_Flood@ncsu.edu
Jill Tasaico, Senior Director, Foundations Accounting & Investments, 919-515-1001,
Jill_tasaico@ncsu.edu

Additional Information

North Carolina State University has approximately 44% of its cash and investments in the STIF. This percentage does not vary significantly

UNC Charlotte
UNC-Charlotte - #7000722

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

- Daily operations (instruction and research; institutional and student auxiliaries)
- Payroll
- Capital construction
- Debt service payments
- P&I, Maintenance, and operating reserves required by debt covenants
- Expenditures as restricted by federal, state, local, and private contracts and grants; professorships; endowment agreements; or donor specifications
- Scholarships
- Federal financial aid and student loan funds
- Legislatively-mandated safety initiatives
- Deposits held for others (Agency Funds)

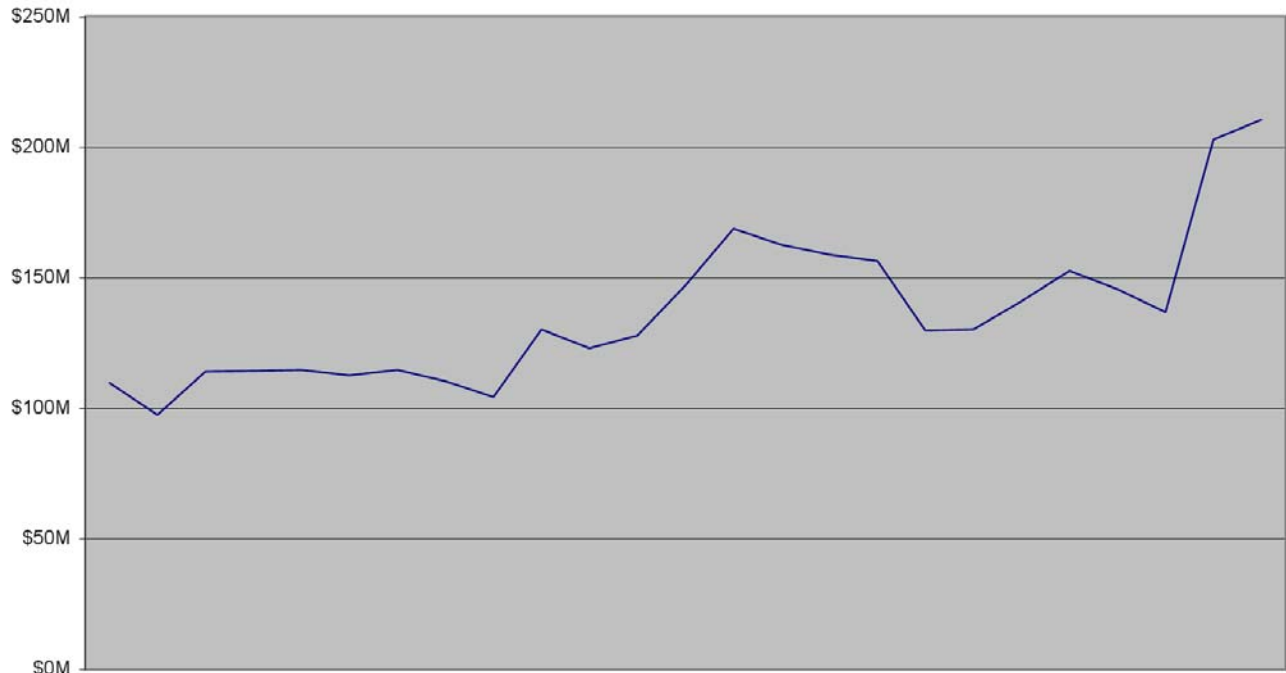
2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

- Student fees (but not tuition)
- Sales and services including housing rentals, dining sales, vehicle registration fees and interdepartmental charges
- Federal, state, local, and private contracts and grants; facilities and administrative (F&A) receipts on grants and contracts
- Participant fees
- Agency Fund deposits
- Debt proceeds
- Endowment spending distributions
- STIF interest reinvested
- Gifts to University and affiliated entities

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

Account #7000722	
Month	End of Month Balance
Jan 08	\$109,669,771
Feb 08	\$97,392,687
Mar 08	\$113,938,441
Apr 08	\$114,176,757
May 08	\$114,528,668
June 08	\$112,483,742
July 08	\$114,564,563
Aug 08	\$110,248,645
Sept 08	\$104,143,775
Oct 08	\$130,101,440
Nov 08	\$122,886,186
Dec 08	\$127,712,894
Jan 09	\$146,997,040
Feb 09	\$168,626,914
Mar 09	\$162,512,588
Apr 09	\$158,734,711
May 09	\$156,321,416
June 09	\$129,596,499
July 09	\$130,041,563
Aug 09	\$140,863,433
Sept 09	\$152,585,531
Oct 09	\$145,506,020
Nov 09	\$136,656,157
Dec 09	\$202,798,504
Jan 10	\$210,423,799
Avg	\$136,540,470
Min	\$97,392,687
Max	\$210,423,799

STIF Account Balances - UNC Charlotte



	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10
7000722	\$110	\$97	\$114	\$114	\$115	\$112	\$115	\$110	\$104	\$130	\$123	\$128	\$147	\$169	\$163	\$159	\$156	\$130	\$130	\$141	\$153	\$146	\$137	\$203	\$210

Institutional Trust Funds

Per G.S. 116-36.1 (b) regarding Institutional Trust Funds, “Trust funds shall be deposited with the State Treasurer who shall hold them in trust in separate accounts in the name of the University of North Carolina and of each institution. The cash balances of these accounts may be pooled for investment purposes, but investment earnings shall be credited pro rata to each participating account. For purposes of distribution of investment earnings, all trust funds of an institution shall be deemed a single account.”

UNC Policy 600.2.4 (as established by the UNC Board of Governors) directed each institution to request authority from the State Treasurer for a [State] agency fund for all of the institution’s Institutional Trust Funds as defined by G.S. 116-36.1 (g). Upon receiving approval, institutions were directed to transfer all cash balances and investments to State Treasurer. Detailed instructions and deadlines were provided in the policy, which can be found at:
http://www.northcarolina.edu/policy/index.php?pg=dl&id=426&inline=1&return_url=%2Fpolicy%2Findex.php%3Fpg%3Dvb%26tag%3DChapter%2B600.

Special Funds

Per G.S. 116-36.2 regarding “Special Funds”, “...chancellor of each institution is responsible for the custody and management of the special funds of that institution. The Board shall adopt uniform policies and procedures applicable to the administration of these funds which shall assure that the receipt and

expenditure of such funds is properly authorized and that the funds are appropriately accounted for”.

UNC Policy 600.2.4 (as established by the UNC Board of Governors) allows each institution to deposit at interest or invest these moneys with any bank or trust company. UNC Charlotte has elected to deposit its Special Funds with the State Treasurer.

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

- Student fee payments
- Monthly payroll
- Debt service payments
- Federal financial aid
- Bond sales
- Year-end movement of affiliated entities' cash balances out of STIF

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

Daily decision makers include:

- Directors and business managers of institutional and student auxiliaries
- Academic department chairs
- College and division business managers
- Grants' principal investigators
- Associate Vice Chancellor for Finance
- University Controller and Assistant Controllers
- Financial Aid Director
- Manager of Endowment and Affiliated Entities

Routine oversight is provided by Vice Chancellors. Periodic oversight is provided by the Chancellor and ultimately, the UNC Charlotte Board of Trustees.

6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

The Associate Vice Chancellor for Finance, the Manager of Endowment and Affiliated Entities and the Assistant Controller for Accounting Operations decide how much of our money that is not already required to be on deposit with the State Treasurer goes into STIF. The decision is based on prevailing interest rates and the liquidity of the STIF. There are no minimum balance guidelines that determine how much of our money that is not already required to be on deposit with the State Treasurer goes into STIF. The existing liquidity of STIF is important to our daily operations. Because it is a short term investment fund, liquidity has been assumed and has never been an issue.

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

There are no minimum balance guidelines that determine how much of our money goes into STIF. The existing liquidity of STIF is important to our daily operations. Because it is a short term investment fund, liquidity has been assumed and has never been an issue.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Elizabeth A. Hardin
Vice Chancellor for Business Affairs
704-687-5750
eahardin@uncc.edu

Additional Information

The only account into which we make deposits with the State Treasurer is the STIF account (#7000722); we are not aware of any other account options with the State Treasurer, although there are many investment vehicles outside the State Treasurer that are available.

Having clarified that point, 56% of our current institutional investments (1/31/10) that are not already statutorily required to be on deposit with the State Treasurer are voluntarily held in our STIF account, compared to 28% three years ago (1/31/07). That is due almost exclusively to the deposit of bond proceeds which were received mid-December, 2009.

East Carolina University

ECU - #7000704

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

Institutional Trust Funds are used to improve and increase the functions of the university, enlarge its areas of services, and supplement State appropriations so that the university can become more useful to a greater number of people.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

The money collected in the range of Institutional Trust funds comes from:

- Overhead Receipts
- Endowment principle and income funds
- Debt proceeds, reserves and service funds
- Gifts, devices, and bequests
- Federal and non-federal contracts, grants and agreements
- Extracurricular activities of students
- Self supporting auxiliary enterprises and activities supporting scholarship and student activity programs
- Fees for the service of health care professionals
- Moneys received for the disposition of real property
- Agency Funds
- Intercollegiate Athletics

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

Institutional Trust Funds are authorized by General 116-36.1, G.S. 116-41.7, and S.L. 1999-237 Appropriation Bill, Section 10.13 “UNC Overhead Receipts”

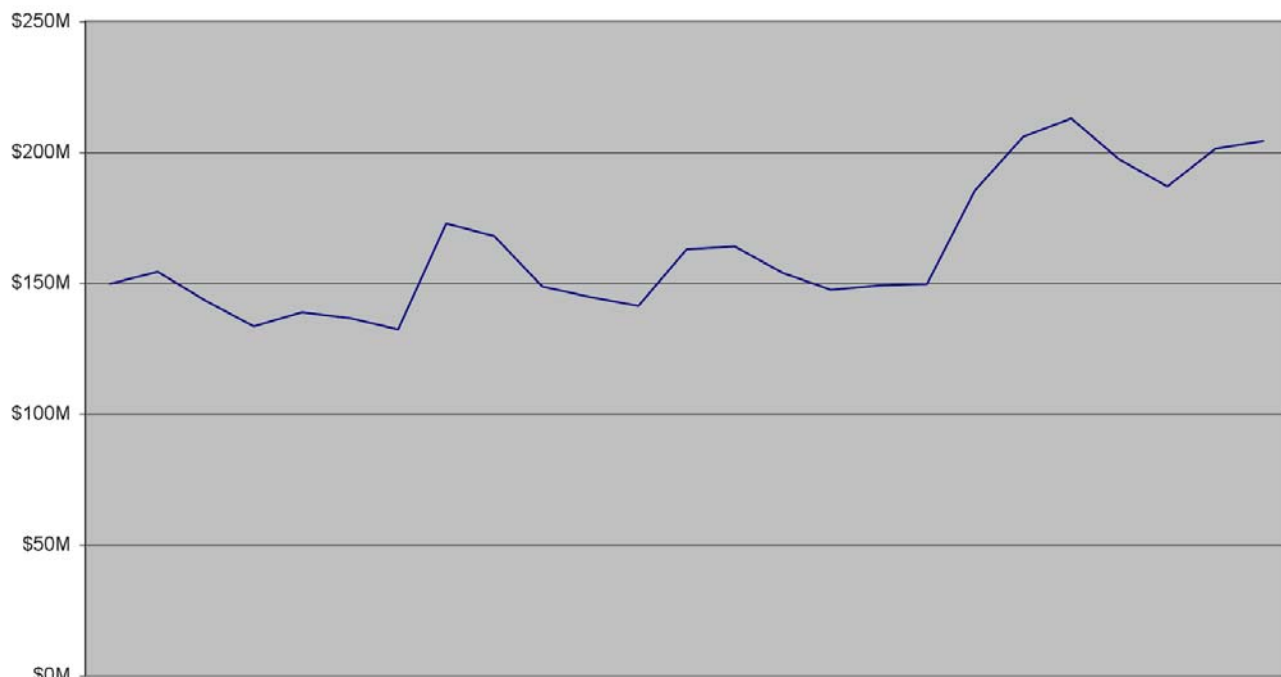
4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

Balance variations are subject to cyclical events such as student billings at the beginning of each semester. Inflows of revenue may result in larger cash balances until the related expenses are incurred. Bimonthly payrolls are charged to many of these funds.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

Account #7000704	
Month	End of Month Balance
Jan 08	\$149,691,842
Feb 08	\$154,352,787
Mar 08	\$143,253,547
Apr 08	\$133,506,983
May 08	\$138,831,556
June 08	\$136,612,686
July 08	\$132,339,052
Aug 08	\$172,823,691
Sept 08	\$167,939,085
Oct 08	\$148,657,988
Nov 08	\$144,653,873
Dec 08	\$141,223,298
Jan 09	\$162,950,255
Feb 09	\$164,032,004
Mar 09	\$153,869,860
Apr 09	\$147,470,859
May 09	\$149,054,025
June 09	\$149,553,787
July 09	\$185,395,347
Aug 09	\$205,953,165
Sept 09	\$212,929,282
Oct 09	\$197,253,851
Nov 09	\$186,930,904
Dec 09	\$201,328,996
Jan 10	\$204,356,016
Avg	\$163,398,590
Min	\$132,339,052
Max	\$212,929,282

STIF Account Balances - East Carolina University



	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10
7000704	\$150	\$154	\$143	\$134	\$139	\$137	\$132	\$173	\$168	\$149	\$145	\$141	\$163	\$164	\$154	\$147	\$149	\$150	\$185	\$206	\$213	\$197	\$187	\$201	\$204

Fund managers make the day-to-day decisions regarding the use of these funds. Oversight of their decisions is provided by the Vice Chancellors.

6. *Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?*

G.S. 116-36.1 (b) asserts the legislative requirement that all Institutional Trust Funds be deposited with the State Treasurer.

7. *Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?*

All Institutional Trust Funds must be deposited with the State Treasurer. These guidelines are based on statutory requirements.

8. *Please provide the contact information for the person completing survey, including their position within your agency.*

Please contact Anne Jenkins, Associate Vice Chancellor for Financial Services, with any questions regarding this survey. Contact information is email at jenkinsa@ecu.edu or by phone at 252-737-1136.

Additional Information

The percentage of current institutional investments (endowment investments) in STIF as of 12/31/09 was approximately 5%. The amount does vary depending on timing of contributions and anticipated cash flow needs but not significantly.

UNC Greensboro
UNC-Greensboro - #3000724

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

These funds are used for the following items; daily operations, payroll expenses, operating expenses for programs not supported by State Funds, issuing of student loans, financial aid, investment, debt service payments, construction expenses, repair and replacement expenses, and research expenses.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

The funds in this account come from a myriad of sources including but not limited to the following; auxiliary operations, internal service funds, scholarship funds, contract and grant funds, loan funds, debt proceeds for construction, payroll tax liability funds, payroll benefit liability funds, and funds held on behalf of other organizations.

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

General Statute 147-86.11 requires that moneys received by a state agency for the purposes listed in item number 2 above must be deposited with the State Treasurer in accordance with G.S. 147-69.3, G.S. 147-77, and G.S. 147-69.1.

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

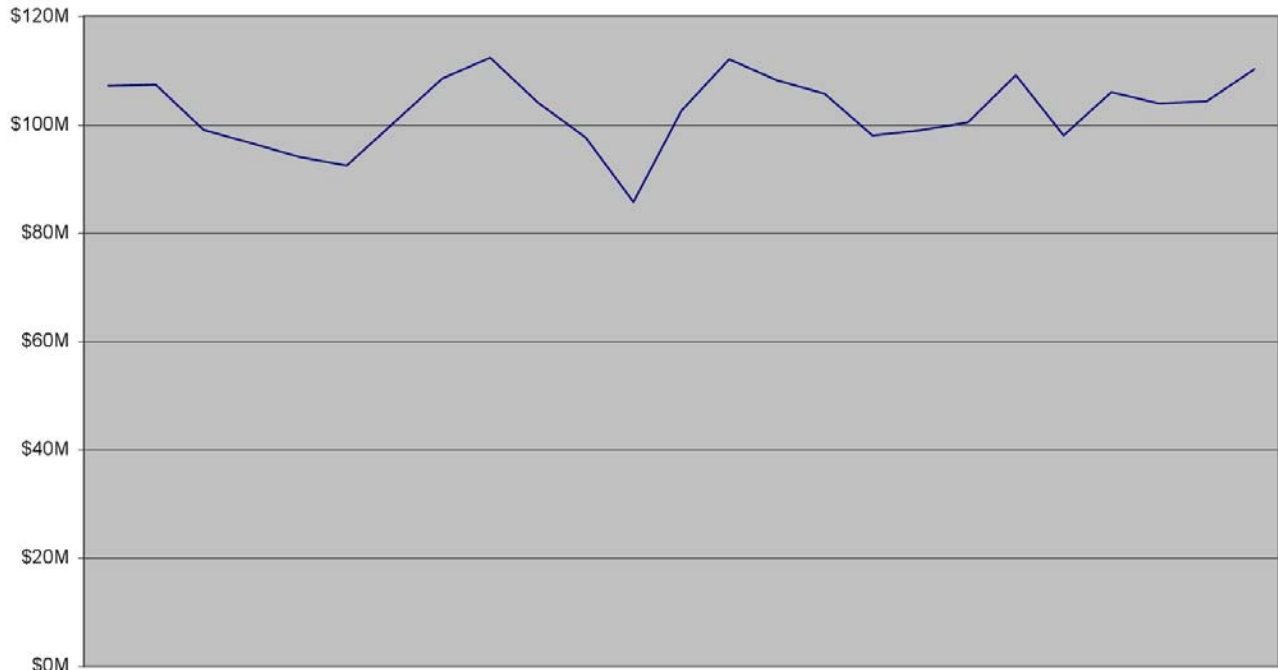
Typically balances increase during registration and payment deadline months and then steadily decrease until the next semester's registration and payment deadline dates occur. The current budget situation has placed a greater strain on the resources in this account to cover regular expenditures that were covered by state funds in the past prior to budget cuts.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

The University is a decentralized agency with authority to expend funds delegated to each department head. Expenditure of funds must adhere to University policies and be in compliance with the policies of the Office of State Budget and Office of State Controller.

Account #3000724	
Month	End of Month Balance
Jan 08	\$107,143,766
Feb 08	\$107,361,704
Mar 08	\$99,014,522
Apr 08	\$96,564,056
May 08	\$94,045,317
June 08	\$92,460,828
July 08	\$100,460,806
Aug 08	\$108,505,089
Sept 08	\$112,330,712
Oct 08	\$104,048,912
Nov 08	\$97,615,695
Dec 08	\$85,687,335
Jan 09	\$102,525,909
Feb 09	\$112,049,290
Mar 09	\$108,195,522
Apr 09	\$105,667,880
May 09	\$97,973,602
June 09	\$98,932,716
July 09	\$100,394,485
Aug 09	\$109,115,430
Sept 09	\$98,007,224
Oct 09	\$105,984,851
Nov 09	\$103,898,226
Dec 09	\$104,316,838
Jan 10	\$110,252,312
Avg	\$102,502,121
Min	\$85,687,335
Max	\$112,330,712

STIF Account Balances - UNC Greensboro



	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10
3000724	\$107	\$107	\$99	\$97	\$94	\$92	\$100	\$109	\$112	\$104	\$98	\$86	\$103	\$112	\$108	\$106	\$98	\$99	\$100	\$109	\$98	\$106	\$104	\$104	\$110

6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

The general statutes referred to in question number three require that trust funds be deposited in STIF. The University has depository discretion over debt proceeds and student loan funds. The University has traditionally invested debt proceeds for construction in STIF because the interest rate has been superior to the interest rates offered by commercial banks. Student loan funds are deposited with a commercial bank for the convenience of the loan service provider and the University.

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

As referenced in previous answers, state statute dictates that University trust funds be deposited in STIF except for those situations described in the response to question six.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Wayne Jones

UNC Greensboro

University Controller
Email: wayne_jones@uncg.edu
Phone: 336-334-4386

Additional Information

For UNCG as of the end of FY2009, the University's investment in STIF represented 35% of the sum of the University's cash, short-term investments, and endowment assets. The corresponding figure for the end of FY2008 was 30%. The increase in the percentage was mainly due to a significant decline in the value of investments in FY2009 rather than an increase in the STIF balance during FY2009.

UNC Wilmington
UNC-Wilmington - #8000726

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

Operations, salary, benefits, payroll taxes, personal services, utilities, debt service, financial aid, outside agency expenses.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

Student fees, contracts and grants, auxiliary sales and services (proprietary funds, internal service funds, athletic funds), financial aid (non capital grants) investment income, gifts, lease income, outside agency income, debt service proceeds.

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

General Statues 116.36.1

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

Student fees, housing rents and board plan revenue are semester based, payroll related costs are monthly, debt service is semiannual, operating expenditures and revenues are varied and coincide with fiscal year activities and operating budgets.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

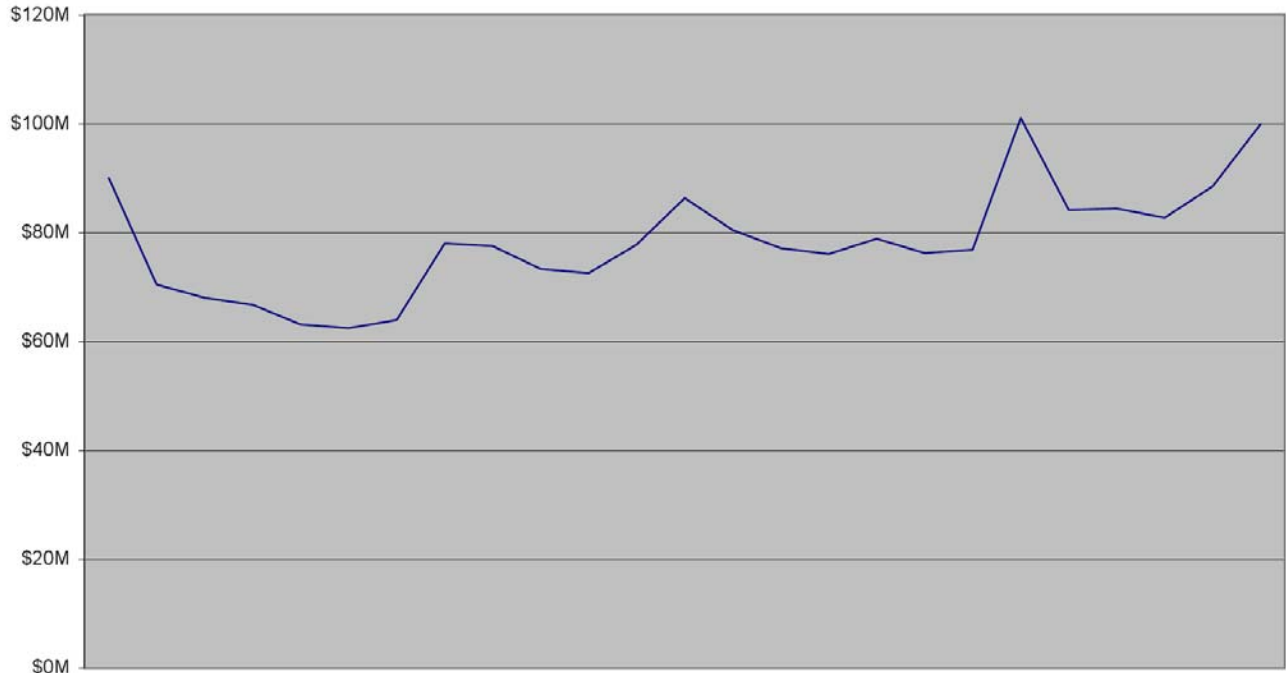
Budget authorities manage the funds on a day-to-day basis with delegation from senior officers with oversight by the Chancellor for the custody and management of the entire fund.

6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

With the exception of decisions made by the endowment board or foundation board, all institutional funds received other than General funds and Capital Improvement funds are deposited with the State Treasurer.

Account #8000726	
Month	End of Month Balance
Jan 08	\$90,090,924
Feb 08	\$70,408,485
Mar 08	\$68,012,325
Apr 08	\$66,731,997
May 08	\$63,106,375
June 08	\$62,419,729
July 08	\$63,951,249
Aug 08	\$78,005,135
Sept 08	\$77,516,479
Oct 08	\$73,323,191
Nov 08	\$72,546,997
Dec 08	\$77,762,512
Jan 09	\$86,355,893
Feb 09	\$80,430,997
Mar 09	\$77,137,387
Apr 09	\$76,048,225
May 09	\$78,840,606
June 09	\$76,236,814
July 09	\$76,838,443
Aug 09	\$101,027,376
Sept 09	\$84,142,621
Oct 09	\$84,388,324
Nov 09	\$82,736,917
Dec 09	\$88,473,170
Jan 10	\$99,909,682
Avg	\$78,257,674
Min	\$62,419,729
Max	\$101,027,376

STIF Account Balances - UNC Wilmington



	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10
8000726	\$90	\$70	\$68	\$67	\$63	\$62	\$64	\$78	\$78	\$73	\$73	\$78	\$86	\$80	\$77	\$76	\$79	\$76	\$77	\$101	\$84	\$84	\$83	\$88	\$100

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

Funds constrained by Endowment or Foundation boards decisions may be deposited with other fiscal agents. Debt Service proceeds may be held by a fiscal agent other than the State Treasurer.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Jan Riemersma, University Controller Lionj@uncw.edu 910 962-3227

Additional Information

UNCW current investments in the STIF fund are 3.55% of our total investments. The percentage of UNCW cash and investments in STIF is 83.4% . This percentage has minimum variation.

Appalachian State University
Appalachian State Univ. - #5000700

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

Daily operations of trust funds including payroll, grants, investments, and bond funds used in construction of plant. Most grant activity is on a reimbursement basis which uses current available funds until reimbursement is made by the grantor to ASU.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

Fees only, no tuition. Also, money comes from Dining, Housing, Athletics, Food Services; all those trust fund or self supporting activities of the University and bond proceeds to fund construction projects.

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

GS 116-36.1 Regulation of Institutional Trust Funds and
GS 116-36.2 Regulation of Special Funds- Athletics and Agency funds

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

Monthly payroll expenditures to include a bi-monthly part-time and student payroll. Routine trust fund expenditures to operate the activity centers. Payments to trust funds from student fee revenue each semester. Bond issuances increase cash balance until the funds are depleted during the construction phase.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

The Board of Trustees are ultimately responsible but responsibility is delegated to the Chancellor and to the appropriate Vice Chancellors and subsequently those staff in the trust cost centers.

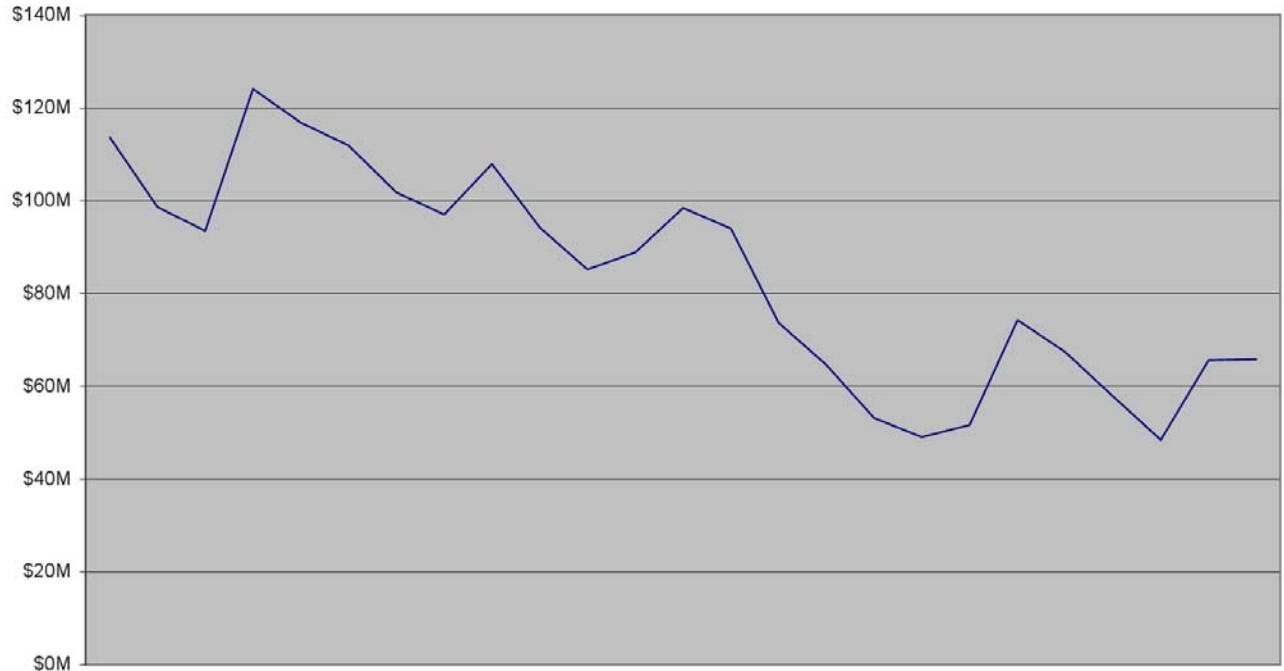
6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

All available cash funds are invested per.....

GS 116-36.1 Regulation of Institutional Trust Funds and
GS 116-36.2 Regulation of Special Funds- Athletics and Agency funds

Account #5000700	
Month	End of Month Balance
Jan 08	\$113,635,060
Feb 08	\$98,547,828
Mar 08	\$93,444,067
Apr 08	\$124,066,873
May 08	\$116,776,155
June 08	\$111,861,252
July 08	\$101,730,142
Aug 08	\$96,976,301
Sept 08	\$107,823,953
Oct 08	\$94,178,576
Nov 08	\$85,143,526
Dec 08	\$88,786,931
Jan 09	\$98,350,971
Feb 09	\$93,946,724
Mar 09	\$73,643,138
Apr 09	\$64,554,126
May 09	\$53,126,591
June 09	\$49,032,357
July 09	\$51,630,345
Aug 09	\$74,228,440
Sept 09	\$67,334,301
Oct 09	\$57,762,096
Nov 09	\$48,402,669
Dec 09	\$65,584,601
Jan 10	\$65,769,398
Avg	\$83,853,457
Min	\$48,402,669
Max	\$124,066,873

STIF Account Balances - Appalachian State University



	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10
5000700	\$114	\$99	\$93	\$124	\$117	\$112	\$102	\$97	\$108	\$94	\$85	\$89	\$98	\$94	\$74	\$65	\$53	\$49	\$52	\$74	\$67	\$58	\$48	\$66	\$66

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

GS 116-36.1 Regulation of Institutional Trust Funds and
 GS 116-36.2 Regulation of Special Funds- Athletics and Agency funds

8. Please provide the contact information for the person completing survey, including their position within your agency.

Mike Stanley 828.262.6426 or
 Rick Presnell 828.262.2030

Additional Information

Appalachian State University currently has 78% of investments in the STIF account. This percentage has minimum variation.

Our policy is simply that we invest the endowed professorships and excess endowment funds in Vanguard index funds and everything else (total in trust funds) in the STIF account.

Western Carolina University
Western Carolina Univ. - #4000728

1. *For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?*

Operations, payroll, grant expenditures, debt reserves

2. *Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?*

Institutional trust funds: Auxiliary services; Student fees relative to auxiliary services provided; Contract and Grants-fed, state, local and private; Overhead Receipts; gifts, devises, bequests, Endowment funds, etc.

3. *What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?*

Trust fund legislation, specifically General Statute 116-36 authorizes and defines regulation for institutional trust funds.

4. *Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?*

Debt payment, payroll and collection of student fee payments affect the balance.

5. *Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?*

Normal operations dictate the use of the funds, under the over site of the Vice Chancellor for Administration and Finance. University Board provides over site for fiscal operations.

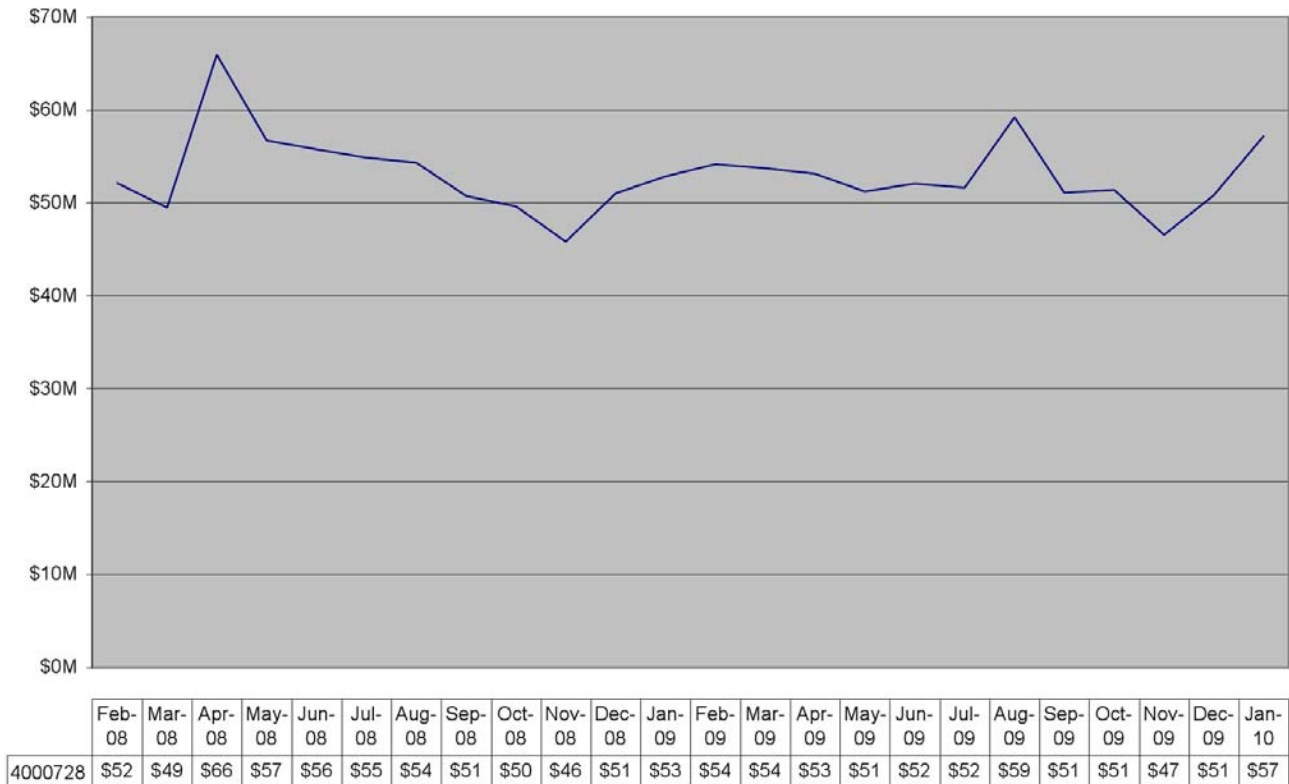
6. *Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?*

General Statute 116.36.1 requires that ALL institutional trust funds be on deposit in STIF with the OST.

7. *Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?*

Account #4000728	
Month	End of Month Balance
Jan 08	\$0,000,000
Feb 08	\$52,122,221
Mar 08	\$49,494,312
Apr 08	\$65,948,306
May 08	\$56,699,679
June 08	\$55,744,681
July 08	\$54,846,054
Aug 08	\$54,319,736
Sept 08	\$50,728,519
Oct 08	\$49,598,732
Nov 08	\$45,830,933
Dec 08	\$51,010,663
Jan 09	\$52,847,034
Feb 09	\$54,149,938
Mar 09	\$53,727,510
Apr 09	\$53,130,994
May 09	\$51,202,982
June 09	\$52,071,732
July 09	\$51,619,205
Aug 09	\$59,209,997
Sept 09	\$51,079,744
Oct 09	\$51,378,606
Nov 09	\$46,560,908
Dec 09	\$50,817,214
Jan 10	\$57,176,688
Avg	\$52,971,516
Min	\$45,830,933
Max	\$65,948,306

STIF Account Balances - Western Carolina University



See response to # 6.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Bobby Justice
 Controller
 Western Carolina University
 justiceb@wcu.edu
 828-227-3479

Additional Information

Currently, 70.2% of WCU institutional investments are held in STIF. Last seven month average ITF balance at STIF reflects approximately a 66% mix. Debt and collection cycle obviously reflect funds on deposit with OST in STIF.

NC A&T University
NC A&T University - #1000702

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

The University utilizes STIF account 1000702 for a variety of purposes including grants, contracts, restricted and unrestricted gifts, student activities and auxiliaries, athletics, overhead reimbursement funds, clearing funds, and miscellaneous receipts. The cash balances are accessed daily to meet the purposes for which the fund was established.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

The primary sources of funds placed in STIF account 1000702 are as follows:

- Federal, State, and Local government contracts and grants.
- Private contract, grants and gifts.
- Student auxiliary and activity fees.
- Athletic student fees and receipts.
- Endowment gifts.
- Overhead reimbursement receipts.
- Clearing funds set up for payroll deductions.
- STIF investment income
- Miscellaneous receipts.

To a lesser amount, the balances in STIF also include:

- Agency funds held for others.
- Funds collected on Perkins loans.

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

Statute G.S. 116-36.1 and G.S. 116-36.2.

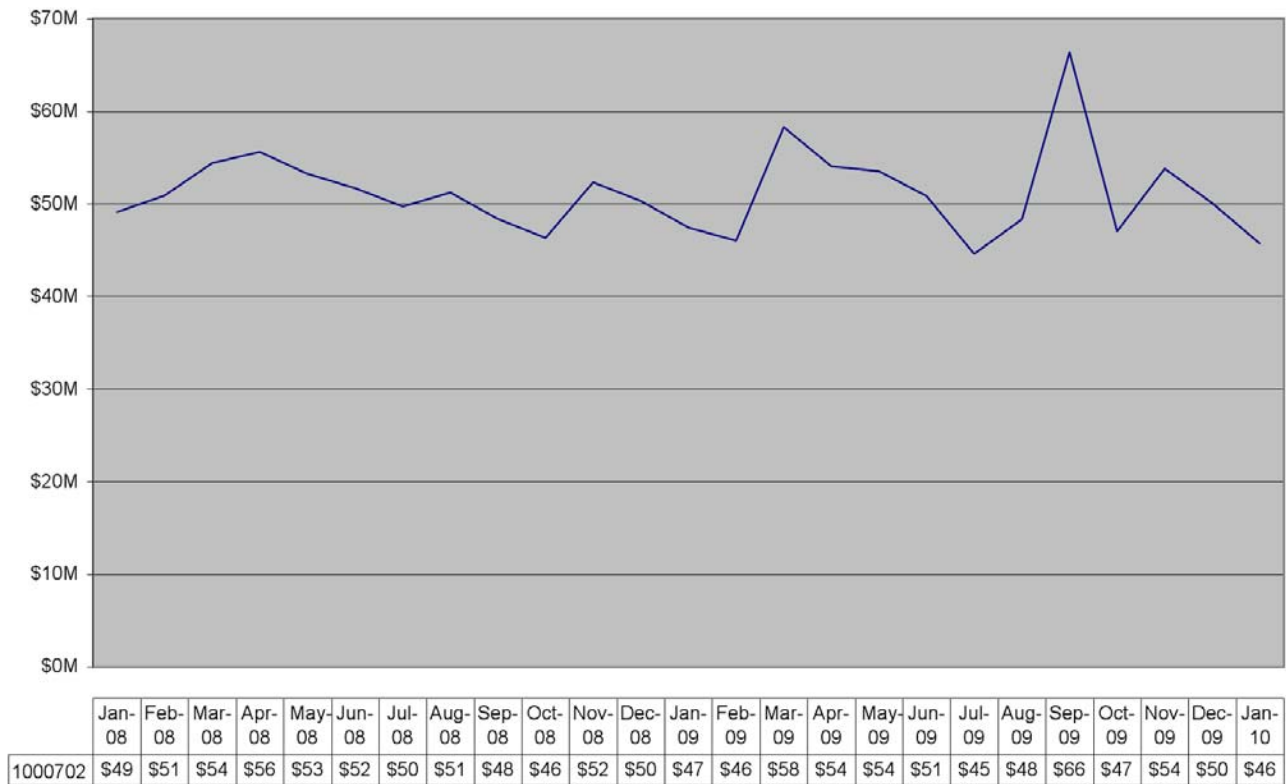
4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

The fluctuation in the STIF balance is due primarily to the receipt of student fees, endowment gifts, and contracts and grants. The amount in STIF can also be affected by the timing of draw downs for federal funds to cover contracts, grants, and financial aid awards.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

Account #1000702	
Month	End of Month Balance
Jan 08	\$49,114,246
Feb 08	\$50,876,547
Mar 08	\$54,394,350
Apr 08	\$55,600,409
May 08	\$53,254,593
June 08	\$51,686,022
July 08	\$49,697,445
Aug 08	\$51,225,989
Sept 08	\$48,362,699
Oct 08	\$46,332,074
Nov 08	\$52,308,780
Dec 08	\$50,314,906
Jan 09	\$47,434,484
Feb 09	\$46,011,697
Mar 09	\$58,274,836
Apr 09	\$54,037,212
May 09	\$53,532,891
June 09	\$50,847,176
July 09	\$44,595,306
Aug 09	\$48,326,198
Sept 09	\$66,370,773
Oct 09	\$47,034,375
Nov 09	\$53,787,080
Dec 09	\$50,067,681
Jan 10	\$45,702,538
Avg	\$51,167,612
Min	\$44,595,306
Max	\$66,370,773

STIF Account Balances - NC A&T State University



The management of contract, grant, and gifts funds rests with the principle investigator and is subject to review by their supervisor as well as the Contracts and Grants office or the Controller’s office. Endowment funds are managed by Controller’s office and the office of the Vice Chancellor for Finance. Student activities and auxiliaries are controlled by Auxiliary Administration and the office of the Vice Chancellor. Athletic funds are managed by the Athletic Director with support and review provided by Auxiliary Administration. The Comptroller’s office also has oversight for payroll and other clearing funds, loan funds, and miscellaneous unrestricted funds. Overhead funds are managed by designated University department with assistance from the Budget Office.

6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

The University has a practice of utilizing the STIF account for almost all receipts outside of the state maintenance account. There are few receipts that require an outside bank. At this time the University only maintains one outside bank account for the collection of Perkins loans and cash in that account is transferred to STIF periodically.

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

Most funds within the STIF account do not have balance requirements. The University does maintain balances in its endowment fund that allows for current year spending needs while excess cash is placed in other types of investments. In addition, the University must manage the draw down of Federal funds so that the transfer closely matches the timing of the related expenditures.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Katherine Burckley
Director of Financial Reporting
336.256.2299

Additional Information

None

UNC System (Gen Admin)
 UNC General Administration - #8000732

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

Funds in this account are used for vendor and employee disbursements, staff payroll, contracts and grants activity. Approximately 65% of the account balance is student financial aid scholarship and loan activity administered by the State Education Assistance Authority (SEAA).

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

Funds originate from General Fund Appropriations (financial aid loans & scholarships), federal, state and non-governmental sources (financial aid, contracts & grants), STIF interest earnings, donor contributions, agency funds (funds held for others), and clearing account activity for pass-through funds.

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

- G.S. 116-36.1 Regulation of Institutional Trust Funds
- G.S. 116-36.2 Regulation of Special Funds of Individual Institutions
- UNC Policy Manual 600.2.4.1
- Federal Loan Program Funds statutory authority based on Section 438 of Higher Education Act of 1965 as amended by the College Cost Reduction & Access Act (Pub Law # 110.84). Fund deposits and uses are federal restricted by 34 C.F.R. 682.
- Education Lottery Funds established by Article 35A of Chapter 115C of NC General Statutes.
- Other Scholarship, Grant Trust Funds established by various NC General Statutes.

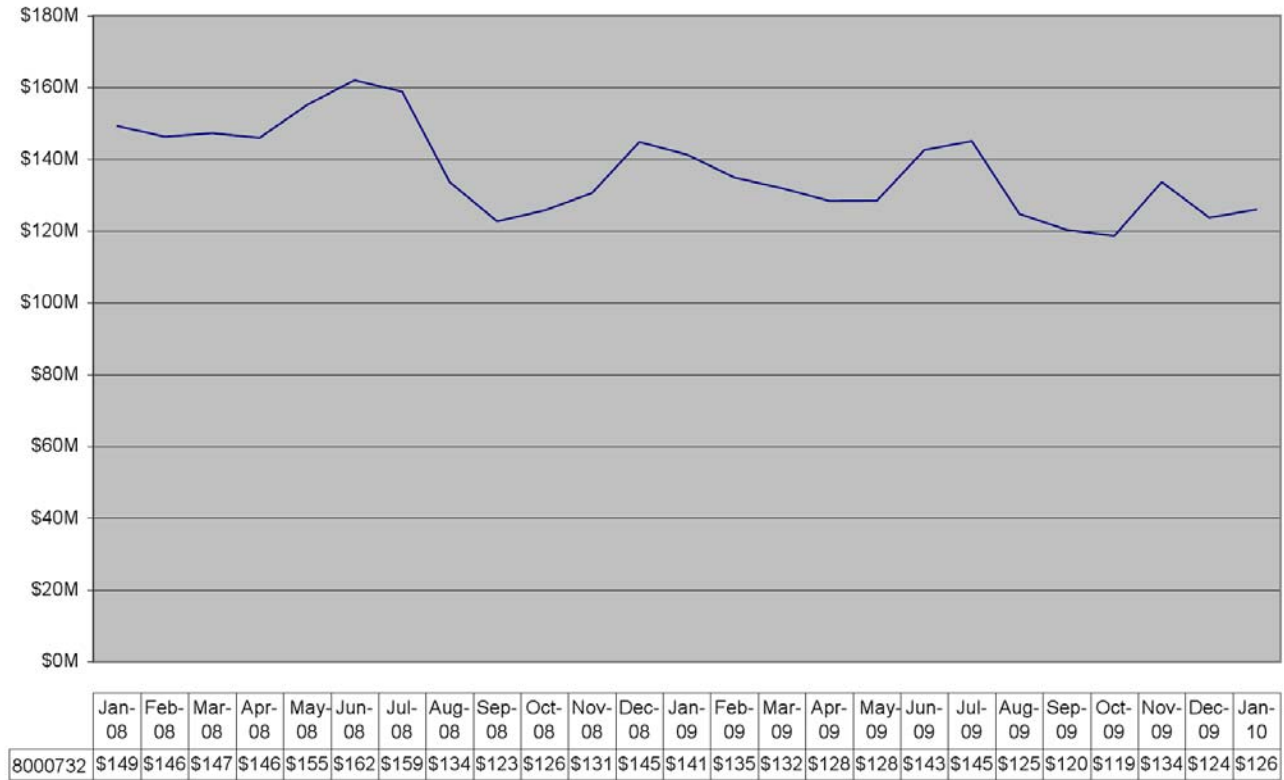
4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

Funds are subject to daily disbursement cycles for vendor payments, employee reimbursements, issue of scholarship and loans, and contract and grant activity. Payroll cycles occur on a bi-weekly and monthly basis.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

Account #8000732	
Month	End of Month Balance
Jan 08	\$149,267,250
Feb 08	\$146,299,086
Mar 08	\$147,263,667
Apr 08	\$145,921,851
May 08	\$155,121,072
June 08	\$162,003,886
July 08	\$158,789,080
Aug 08	\$133,660,529
Sept 08	\$122,688,918
Oct 08	\$125,724,958
Nov 08	\$130,539,903
Dec 08	\$144,794,944
Jan 09	\$141,229,097
Feb 09	\$134,865,302
Mar 09	\$131,887,432
Apr 09	\$128,331,226
May 09	\$128,402,705
June 09	\$142,524,948
July 09	\$145,066,349
Aug 09	\$124,736,576
Sept 09	\$120,253,701
Oct 09	\$118,574,002
Nov 09	\$133,657,941
Dec 09	\$123,712,040
Jan 10	\$125,925,969
Avg	\$136,849,697
Min	\$118,574,002
Max	\$162,003,886

STIF Account Balances - UNC General Administration



When funds are received for deposit, the Fund Authority is established to specify usage, disbursement restrictions and schedule, term of fund, and signature authority for disbursement. The Fund Authority is reviewed by department manager, signature authority for the fund, contract and grant manager, and reporting manager. Oversight of decisions outlined in the Fund Authority is provided by the Associate Vice President for Finance, the Vice President for Finance, and the Chief of Staff.

6. *Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?*

The Associate Vice President for Finance in consultation with the signature authority for the fund determines where the funds should be deposited based on fund source and associated requirements such as: investment restrictions, liquidity requirements, risk threshold, donor restrictions, and required funds available for disbursement.

SEAA administration and program managers forecasts student financial aid expenditures based upon cash flow analysis, forecasts of anticipated student grant and scholarship awards, and biennial budget forecasts for state funding.

7. *Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?*

Yes, funds are subject to donor, state and federal government restrictions that specify investment restrictions, adversity to risk, and maintenance of fund availability for disbursement.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Kenneth D. Craig, Associate Vice President for Finance
craigk@northcarolina.edu
919/843-5183

Additional Information

Current institutional investments are not in our STIF account. Funds in the account are operational in nature. Percentage has not varied from recent past.

NC State Education Assistance Authority (National College Savings Program)
 UNC -GA SEAA - #0112031

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

To enable qualified parents and other interested parties consistent with Section 529 of the internal Revenue Code, to save and invest funds to meet the costs of the postsecondary education expenses of eligible students.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

Contributors to the State's 529 program who elect to invest their contributions in the investment option provided by the State Treasurer through the Short-term investment Fund (STIF).

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

G.S. § 116-209.25

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

Not applicable, due to the purpose of the fund.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

Not applicable, due to the purpose of the fund.

6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

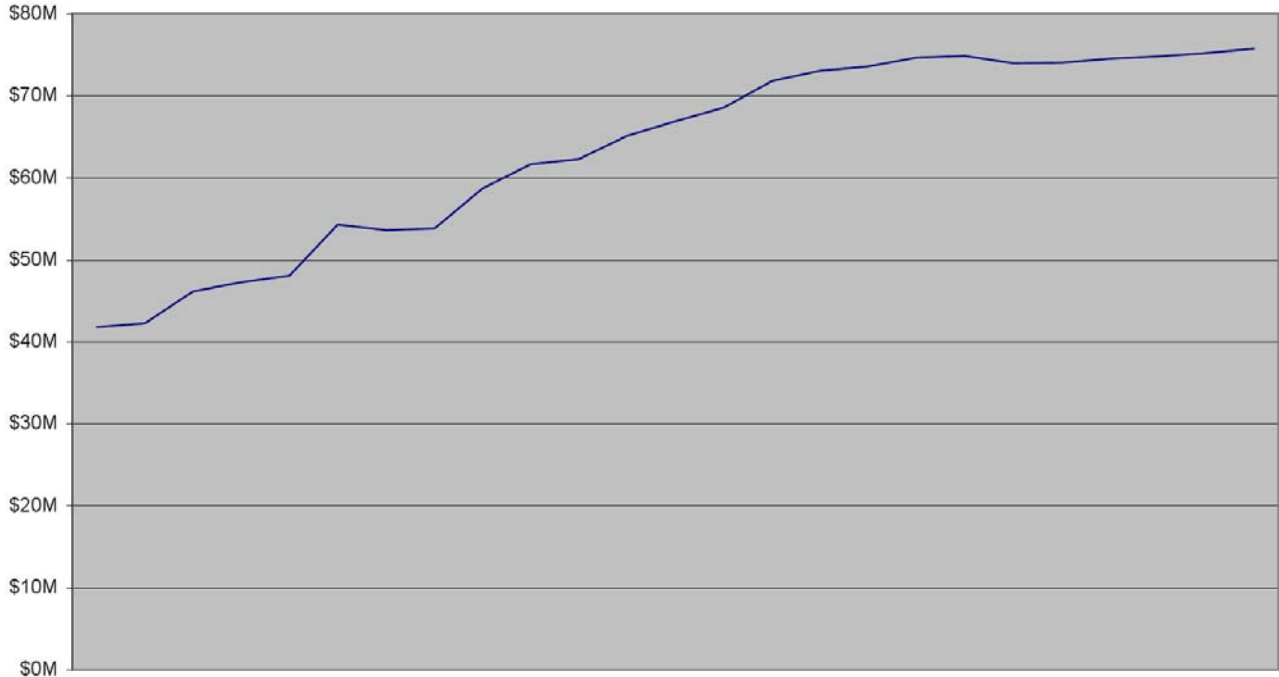
Not applicable, due to the purpose of the fund.

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

Not applicable, due to the purpose of the fund.

Account #0112031	
Month	End of Month Balance
Jan 08	\$41,763,831
Feb 08	\$42,207,632
Mar 08	\$46,125,990
Apr 08	\$47,223,640
May 08	\$48,054,208
June 08	\$54,267,978
July 08	\$53,584,096
Aug 08	\$53,785,018
Sept 08	\$58,666,613
Oct 08	\$61,613,175
Nov 08	\$62,248,601
Dec 08	\$65,097,387
Jan 09	\$66,883,381
Feb 09	\$68,523,677
Mar 09	\$71,780,755
Apr 09	\$73,023,190
May 09	\$73,539,919
June 09	\$74,632,671
July 09	\$74,839,616
Aug 09	\$73,948,815
Sept 09	\$73,996,147
Oct 09	\$74,493,122
Nov 09	\$74,794,005
Dec 09	\$75,190,382
Jan 10	\$75,715,114
Avg	\$63,439,959
Min	\$41,763,831
Max	\$75,715,114

STIF Account Balances - UNC GA SEAA (National College Savings Program)



	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	
0112031	\$42	\$42	\$46	\$47	\$48	\$54	\$54	\$54	\$59	\$62	\$62	\$65	\$67	\$69	\$72	\$73	\$74	\$75	\$75	\$74	\$74	\$74	\$75	\$75	\$75	\$76

8. Please provide the contact information for the person completing survey, including their position within your agency.

Steven Brooks, Executive Director - sbrooks@ncseaa.edu
 Iona Duckworth, Director Adm Svc and Quality Control - Duckworth@ncseaa.edu

Additional Information

The North Carolinas National College Savings Program is maintained by the State Education Assistance Authority to enable residents of any state to invest funds to pay the qualified higher education expenses of their designated beneficiaries on a flexible basis that achieves certain tax savings in accordance with Federal and North Carolina tax law. The program is designed to meet the requirements of a qualified tuition program under Section 529 of the internal Revenue Code. As part of the program, the General Assembly of North Carolina has established the Parental Savings Trust Fund, of which the Authority is trustee. The Trust Fund assets are not the property of the State of North Carolina.

NC State Education Assistance Authority (NC Student Loan Account)

NC Student Loan - #4000734

1. *For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?*

Funds in this account are used to provide and maintain a system of financial assistance, consisting of grants, loans, and other aids, to assist qualified students to enable them to obtain an education beyond the high school level by attending public or private educational institutions; more specifically, this fund is the source of capital for making, acquiring and insuring student loans and is used to provide the student loan assistance and services that are necessarily related to the student loan program. This account also serves as the temporary repository for Escheat funds allocated for the State need-based grant programs.

2. *Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?*

Repayments of principal and interest on student loans; Escheat Fund interest distributed to the State Education Assistance Authority pursuant to G.S. § 116B-7; Escheat Fund principal; investment income from STIF account.

3. *What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?*

G.S. 116-209.3

4. *Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?*

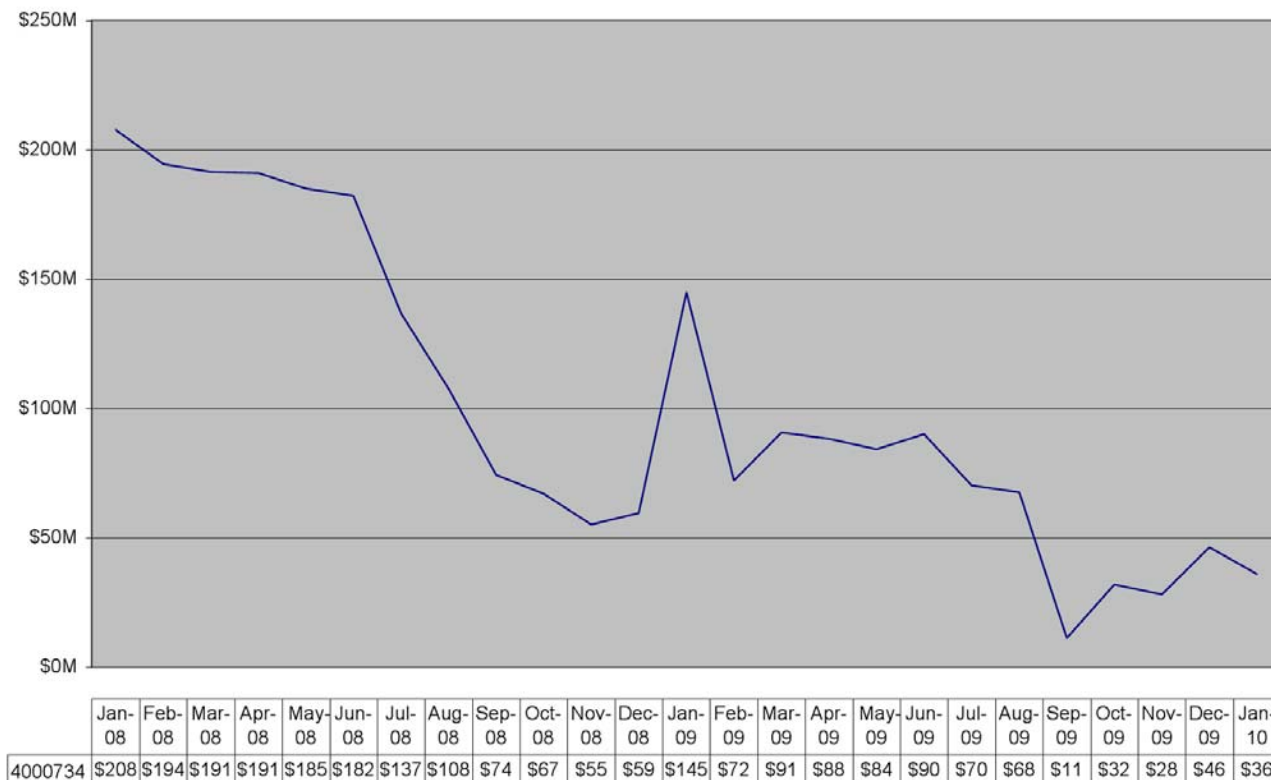
Yes, the student financial aid cycle that is based primarily on federal law, specifically, Title IV of the Higher Education Act of 1965, as amended. Quarterly expenditures occur for student loan assistance and outreach services, maintenance of the loan programs, and student loan financing and bond refinancing activities. Receipts and disbursements related to grant and scholarship student awards occur on a semi-annual basis.

5. *Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?*

Executive Director of the State Education Assistance Authority with oversight by the Board of Directors.

Account #4000734	
Month	End of Month Balance
Jan 08	\$207,658,080
Feb 08	\$194,443,711
Mar 08	\$191,432,465
Apr 08	\$190,945,580
May 08	\$184,982,239
June 08	\$182,236,388
July 08	\$136,715,222
Aug 08	\$107,609,809
Sept 08	\$74,237,787
Oct 08	\$66,989,903
Nov 08	\$55,094,805
Dec 08	\$59,459,978
Jan 09	\$144,810,938
Feb 09	\$72,093,230
Mar 09	\$90,620,875
Apr 09	\$88,228,422
May 09	\$84,206,849
June 09	\$90,013,196
July 09	\$70,255,590
Aug 09	\$67,503,261
Sept 09	\$11,195,747
Oct 09	\$31,866,795
Nov 09	\$28,037,503
Dec 09	\$46,325,324
Jan 10	\$35,876,339
Avg	\$100,513,601
Min	\$11,195,747
Max	\$207,658,080

STIF Account Balances - NC Student Loan



6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

SEAA administration - based upon cash flow analysis and loan funding needs based on volume forecasts and student grant and scholarship volume estimates.

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

Yes, by liquidity, based on knowledge of student financial aid processes and the relationships between grant aid and loans; further constrained by internal guidelines and prudence.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Steven Brooks, Executive Director
sbrooks@ncseaa.edu

Iona Duckworth, Director Adm Svc and Quality Control
Duckworth@ncseaa.edu

Additional Information

None

UNC Health Care System (Operating Reserve Fund)

UNC Hospital Operating Reserve Fund - #0000745

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

The funds in this account are used for daily operations including accounts payable, payroll and all other operating expenses. This account is also used to fund capital expenditures and Health care System transfers.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

Funding for this account comes primarily from patient service revenue and to a lesser extent from Wellness Center, cafeteria and interest income. UNC Hospitals also receives an annual appropriation which this year approximates 4% of total revenue. The appropriation is used to help offset the costs of providing indigent care and graduate medical education. General appropriation funds are spent annually and are not carried in this account for extended periods.

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

GS 116-37.2 is the applicable statute that allows UNC Hospitals to set up trust fund accounts on deposit with the State Treasurer.

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

Patient collections, cost report settlements, payroll, capital expenditures and debt service payments all contribute to variations in this account balance.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

Departmental representatives initiate transactions according to applicable procedures for routine, day to day expenditures that are approved by departmental management. Oversight of these decisions is provided by departmental management and the General Accounting and Budget departments. The CFO also provides oversight via financial statement analysis and detailed departmental operating review meetings that are attended by the applicable department manager, director and Division Vice President.

Account #0000745	
Month	End of Month Balance
Jan 08	\$173,533,389
Feb 08	\$177,429,528
Mar 08	\$180,046,392
Apr 08	\$203,080,550
May 08	\$211,288,283
June 08	\$177,262,903
July 08	\$185,651,424
Aug 08	\$150,272,548
Sept 08	\$164,846,685
Oct 08	\$135,634,876
Nov 08	\$162,811,744
Dec 08	\$173,634,608
Jan 09	\$182,044,239
Feb 09	\$172,187,152
Mar 09	\$177,100,891
Apr 09	\$179,938,226
May 09	\$205,049,072
June 09	\$222,248,309
July 09	\$217,036,951
Aug 09	\$219,238,307
Sept 09	\$179,688,092
Oct 09	\$186,879,751
Nov 09	\$177,315,448
Dec 09	\$162,041,579
Jan 10	\$189,847,099
Avg	\$182,644,322
Min	\$135,634,876
Max	\$222,248,309

STIF Account Balances - UNC Hospital Operating Reserve



6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

The UNC Health Care System Board of Directors approved the investment of up to 60% of available funds outside of the STIF account. UNC Hospitals invests in equity funds managed by the Treasurers Office. The amount actually invested and the allocation between funds is recommended by the CFO based on operational needs and market conditions. These recommendations are ultimately reviewed and approved by the Finance Committee of the UNC Health Care System Board of Directors.

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

See #6 above

8. Please provide the contact information for the person completing survey, including their position within your agency.

UNC Health Care System (Operating Reserve Fund)

Chris Ellington, FHFMA
Senior Vice President and CFO University of North Carolina Hospitals
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Chapel Hill, NC 27514
cellington@unch.unc.edu
Office: (919) 966-3530

John D. Storment, CPA
Director of General Accounting University of North Carolina Hospitals
James T. Hedrick Office Building
211 Friday Center Drive, Suite 2033
Chapel Hill, NC 27517
jstormen@unch.unc.edu
Office: (919) 966-6524

Additional Information

We recognize the extraordinary challenge we face in this economic climate. As we struggle to complete our operating budget, we face many unknowns and share many of the same challenges the State faces in developing a balanced budget. UNC Health Care faces potential cuts beyond our control: Medicaid funding, the need to care for more uninsured patients and possible reductions in payment rates from the Department of Corrections, and increased pension and health expense.

Despite difficulties, we push ourselves daily to improve. We are full nearly every day. We have an aging infrastructure that, in some instances, cannot adequately meet the needs of today's students and patients. To meet these needs, we need healthy reserves in order to make necessary investments. We have an approved capital plan deemed adequate by the rating agencies that will enable us to serve the State in all our Missions: clinical care, medical research and education. Deterioration of these reserves, whether from reduction of the corpus or from sub-optimal investment vehicles, has a direct and negative impact on our capabilities to meet our state mission. One negative consequence is our potentially heightened reliance upon state support.

UNC Health Care System (Maintenance Reserve Fund)

UNC Maint Reserve Fund - #3000744

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

At a minimum, the Maintenance Reserve is funded in an amount equal to 7.5% of the gross patient service revenue earned in the prior year as required under UNC Hospitals' General Trust Indenture. The fund is intended to ensure UNC Hospitals' ability to pay for the following after best efforts have been made to satisfy all obligations with funds from sources other than the Maintenance Reserve Fund:

- A) The cost of acquisition, construction, replacement, repair, reconstruction or restoration of facilities
- B) The replacement, repair or acquisition of equipment for use by UNC Hospitals
- C) Current expenses or current debt service

See section 6.3 of the General Trust Indenture.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

Funding for the Maintenance Reserve account comes from the Revenue Fund which is funded primarily from patient service revenue and to a lesser extent from Wellness Center, cafeteria and interest income.

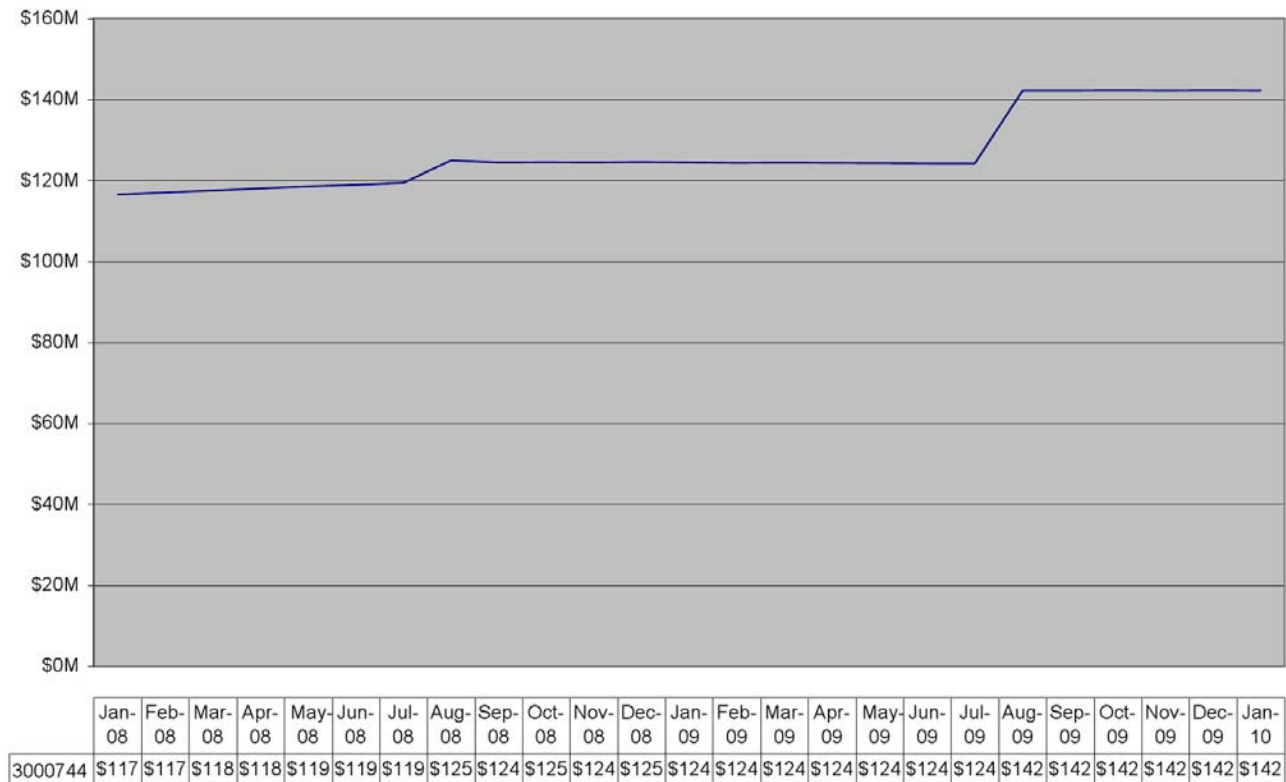
3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

GS 116-37.2 is the applicable statute that allows UNC Hospitals to set up trust fund accounts on deposit with the State Treasurer.

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

Account #3000744	
Month	End of Month Balance
Jan 08	\$116,503,893
Feb 08	\$117,008,178
Mar 08	\$117,527,045
Apr 08	\$118,021,979
May 08	\$118,527,197
June 08	\$118,973,550
July 08	\$119,410,703
Aug 08	\$124,956,895
Sept 08	\$124,479,585
Oct 08	\$124,509,556
Nov 08	\$124,464,321
Dec 08	\$124,548,893
Jan 09	\$124,438,199
Feb 09	\$124,359,398
Mar 09	\$124,392,129
Apr 09	\$124,344,039
May 09	\$124,303,186
June 09	\$124,234,478
July 09	\$124,250,731
Aug 09	\$142,253,690
Sept 09	\$142,249,090
Oct 09	\$142,278,374
Nov 09	\$142,253,375
Dec 09	\$142,261,488
Jan 10	\$142,242,892
Avg	\$126,911,715
Min	\$116,503,893
Max	\$142,278,374

STIF Account Balances - UNC Hospital Maintenance Reserve



Yes, this amount is adjusted annually and is equal to the equivalent of 7.5% of the prior year’s gross patient revenues as required by Section 6.1(d) of the General Trust Indenture. The Maintenance Reserve is equal to \$142.2 million for FY2010 and is projected to be \$155.3 million for FY2011 based on \$2.1 billion in charges. The fund can reasonably be expected to increase by approximately 10% annually. In addition, the UNC Health Care System Board periodically designates funds for committed capital projects. UNC Hospitals has been approved by the CON Section for a \$228 million expansion project that will require new bond funding and increased maintenance reserves later this calendar year.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

The Executive Director / President of UNC Hospitals has the authority to direct how these funds are disbursed according to section 6.3 of the General Trust Indenture. Oversight is functionally provided from month to month by the Director of General Accounting and the Sr VP and CFO. The NC State Auditor’s Office also reviews this account as part of the annual audit.

6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

See #4 above.

UNC Health Care System (Maintenance Reserve Fund)

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

Yes, as noted in #4 above the guidelines for using this fund come from the General Trust Indenture.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Chris Ellington, FHFMA
Senior Vice President and CFO University of North Carolina Hospitals
101 Manning Drive, CB#7600
Room 306, Med Wing E
Chapel Hill, NC 27514
cellington@unch.unc.edu
Office: (919) 966-3530

John D. Storment, CPA
Director of General Accounting University of North Carolina Hospitals
James T. Hedrick Office Building
211 Friday Center Drive, Suite 2033
Chapel Hill, NC 27517
jstormen@unch.unc.edu
Office: (919) 966-6524

Additional Information

We recognize the extraordinary challenge we face in this economic climate. As we struggle to complete our operating budget, we face many unknowns and share many of the same challenges the State faces in developing a balanced budget. UNC Health Care faces potential cuts beyond our control: Medicaid funding, the need to care for more uninsured patients and possible reductions in payment rates from the Department of Corrections, and increased pension and health expense.

Despite difficulties, we push ourselves daily to improve. We are full nearly every day. We have an aging infrastructure that, in some instances, cannot adequately meet the needs of today's students and patients. To meet these needs, we need healthy reserves in order to make necessary investments. We have an approved capital plan deemed adequate by the rating agencies that will enable us to serve the State in all our Missions: clinical care, medical research and education. Deterioration of these reserves, whether from reduction of the corpus or from sub-optimal investment vehicles, has a direct and negative impact on our capabilities to meet our state mission. One negative consequence is our potentially heightened reliance upon state support.

NC Housing Finance Agency (Trust Acct)

BNY NCHFA Trust - #5112057

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

The funds serve multiple uses. First, the Agency must meet certain liquidity requirements as mandated by the rating agencies in order to maintain the current rating on the Agency’s bonds. In the current economic environment, liquidity levels have been increased. A downgrade on the bonds would be detrimental to the Agency, increasing the cost to issue debt and reducing the Agency’s ability to serve its market.

Second, the Agency uses these funds to purchase mortgages. The Agency has been unable to issue bonds since June 2008 due to the cost of the debt, and bond proceeds have traditionally served as the source of funding for mortgages. However, due to the current economic environment, the Agency has been unable to issue bonds at favorable rates. Therefore, we have been recycling existing funds for purchases of mortgages. Since mortgages are made over time instead of in bulk, the Agency must maintain liquidity necessary to fund mortgages as the mortgages are made.

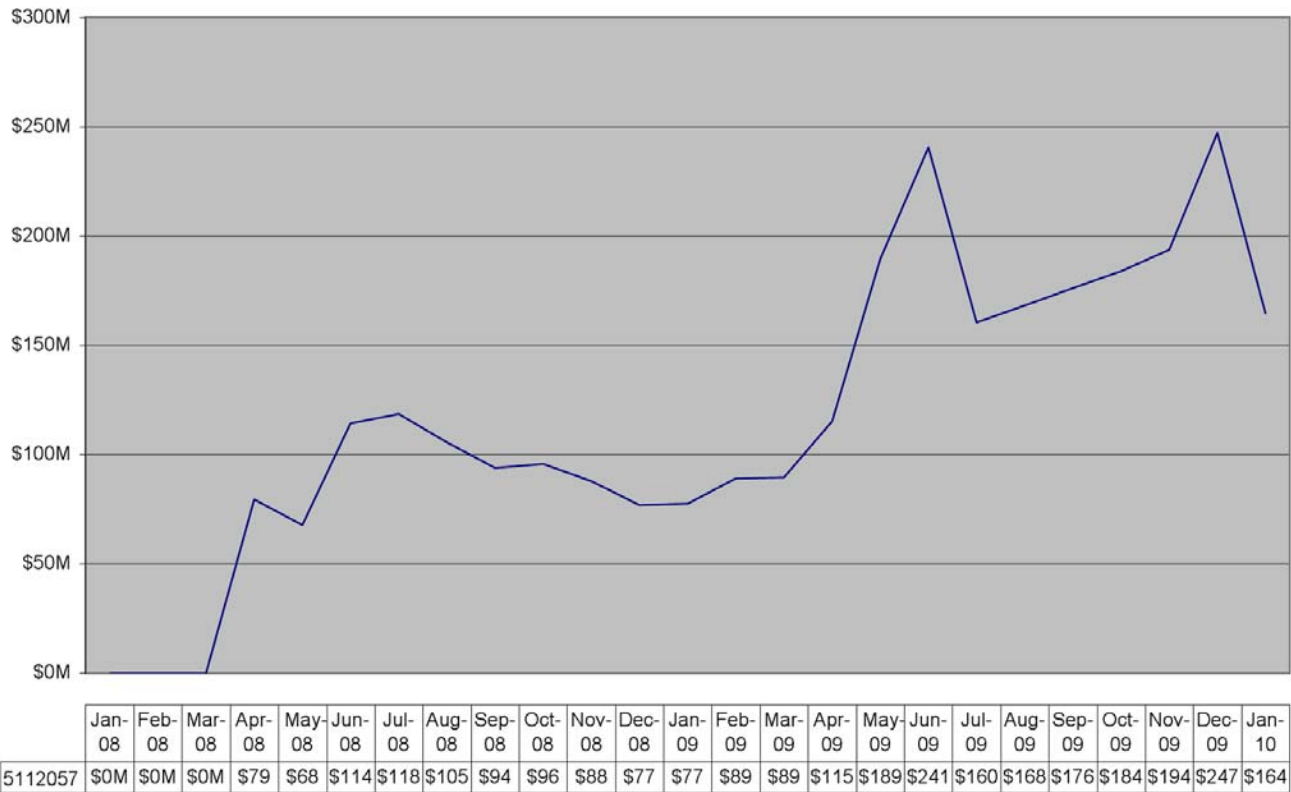
Third, some of the Agency’s guaranteed investment contract (“GIC”) providers were downgraded, causing the investments to be terminated and subsequently invested in STIF. Likewise, the Agency invested in several government securities with favorable rates of return; however, all of these government securities were called by the government, and the Agency invested the liquidated proceeds in either STIF or into a GIC, whichever investment was available. The Agency also invested funds in the North Carolina Capital Management Trust (“NCCMT”), but at the point at which the rate of return for NCCMT fell below the rate of return for STIF, these amounts were moved to STIF.

Finally, these funds serve as investments. The Agency seeks to invest in the highest-yielding investments available to the Agency, but the Agency is also limited in its choice of investments by North Carolina Statute 122A-11 and North Carolina Statute 159-30. Where possible, the Agency has set up repurchase agreements or GICs which offer a fixed interest rate for a specified period of time, usually for the life of the bonds. However, in the current economic environment, GICs have not been available at a rate as high as what is currently being earned by STIF.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

Account #5112057	
Month	End of Month Balance
Jan 08	\$933
Feb 08	\$937
Mar 08	\$941
Apr 08	\$79,340,323
May 08	\$67,560,108
June 08	\$114,168,785
July 08	\$118,401,659
Aug 08	\$105,458,381
Sept 08	\$93,718,524
Oct 08	\$95,589,214
Nov 08	\$87,703,463
Dec 08	\$76,717,400
Jan 09	\$77,385,368
Feb 09	\$89,049,760
Mar 09	\$89,388,901
Apr 09	\$115,115,773
May 09	\$189,401,547
June 09	\$240,500,248
July 09	\$160,379,385
Aug 09	\$168,116,753
Sept 09	\$176,113,262
Oct 09	\$183,851,417
Nov 09	\$193,539,396
Dec 09	\$247,097,509
Jan 10	\$164,408,068
Avg	\$117,320,322
Min	\$933
Max	\$247,097,509

STIF Account Balances - Housing Finance Agency Trust



All of the funds are related to bond financing activities of the Agency to fund its housing programs. As an example, the Agency had a \$65,000,000 remarketing in June 2008, the proceeds of which were invested in STIF since no GIC investment was available at a reasonable rate of return. Since that remarketing, STIF investment has been generated by the following sources:

- Receipt of mortgage loan payments associated with bond series that have no GIC that are used to pay debt service every six months
- Prepayments (payoffs) of mortgage loans associated with bond series that have no GIC that are used for purchasing mortgage loans or calling bonds every six months
- Liquidation of GICs whose providers were downgraded by rating agencies
- Loss of GICs due to the payoff of associated bonds
- Liquidation of government securities which were called by the issuer

3. *What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?*

The investments made by and for the Agency are governed by the following North Carolina General Statutes:

- North Carolina Statute 122A-1 specifically addresses the North Carolina Housing Finance Agency.
- North Carolina Statute 122A-11 specifically addresses trust funds of the Agency.
- North Carolina Statute 159-30 specifically addresses investment of idle funds.

Each trust agreement will also have separate requirements for management of funds.

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

The Agency has periodic increases and decreases in its overall STIF balance due to the temporary liquidation of other investments into STIF at the time of a bond call or a debt service payment. Bond calls or regular debt service payments occur a minimum of every six months. Once the debt service payment or bond call is made, the STIF balances decrease dramatically.

Apart from these variations, the Agency has had an overall increase in the amounts invested in STIF as borrowers make their monthly mortgage payments and pay off their loans in bond series with no associated GIC in which to deposit funds. The Agency was not able to obtain a GIC on the four most recent bond series issued; therefore, the alternative liquid investment option was STIF or NCCMT for the bond proceeds. When NCCMT rates fell below those of STIF, the Agency approached the rating agencies to ask for permission to move the funds to STIF in order to obtain a higher rate of return. The Agency continues to hold the STIF funds in part to fund future mortgages since it has been unable to sell bonds since June 2008.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

The Bank of New York Mellon serves as trustee for the Agency, and it invests money in compliance with the provisions of the trust agreement and under the statutory regulations of the Agency. Within the statutory guidelines, the trustee invests at the direction of the Agency. The Agency uses several methods to determine the best investment vehicles available to the Agency.

The Agency has a broker who investigates investment opportunities for the Agency. It was through this broker that the Agency purchased several government investments with good rates of return; however, these investments were all called by the government, and in most cases, the proceeds had to be invested into STIF as the highest earning investment opportunity.

In addition, the Agency has two senior underwriters who advise the Agency on suggested ways to invest or spend current funds. These underwriters may offer options such as calling bonds with available funds or holding amounts in reserve to purchase mortgages. Outside of the senior underwriters, the Agency might be contacted by other firms to discuss investment opportunities, and the Agency's Board of Directors and the Local Government Commission potentially offer input on investment decisions. The Agency works in conjunction with the rating agencies on potential investment opportunities, such as investment in Build America Bonds and investment in mortgage-backed securities.

Also, given the decline in interest rates on investments and ratings downgrades of investment providers, the Agency has made regular contact with several other state housing finance agencies to discuss what other investment opportunities are available. Given the economic environment, the STIF interest rate has been more favorable than the other opportunities other HFAs have mentioned, such as the Certificate of Deposit Account Registry Service ("CDARS") program which allows for deposits in multiple banks with access to full FDIC insurance.

6. *Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?*

The Agency's decisions to place funds in any investment are made on the basis of seeking the greatest return on investment available within the statutory guidelines of the Agency and given the existing agreements in force. For example, when a new bond deal is contemplated, a broker is contacted about the returns that would be offered on a GIC. With the downturn in the economy, the returns offered by existing GIC providers have been well below the rates of return offered by both NCCMT and STIF. Therefore, more recent bond deals have been invested in NCCMT and STIF. Once the returns on NCCMT fell below those on STIF, the Agency approached the rating agencies for permission to transfer these funds from NCCMT to STIF, and permission was granted for all bond resolutions except the 2009 Resolution.

The discussions of investment opportunities occur with the following parties:

- The CFO, Controller and Manager of Bond Financing
- Rating agencies
- Senior underwriters
- Brokers
- Trustee

7. *Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?*

Multiple people are involved in the discussion of how money is invested. The amount of investment in STIF and other investments is constrained by the statutory guidelines referred to in the response to question three. In addition, the Agency must comply with the liquidity and investment requirements of the rating agencies in order to maintain the Agency's bond rating.

8. *Please provide the contact information for the person completing survey, including their position within your agency.*

Carrie Freeman
Manager of Bond Financing
scfreeman@nchfa.com
919-877-5680

Betsy Rozakis
Chief Financial Officer
eirozakis@nchfa.com
919-877-5687

Additional Information
None

NC Housing Finance Agency (Gen Acct)

NCHFA General Acct - #5140003

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

STIF funds in the NCHFA General Account are used to provide financing for residential housing (both ownership and rental) to North Carolina households with low and moderate incomes. The STIF account funds are earmarked to provide different programs with funds for rent subsidies, down payment assistance, low-interest rate mortgage loans, foreclosure prevention, various types of multifamily and single family rehabilitation, development of housing for people with special needs, and escrow payments. Some funds in this account are attributable to program income from repayments of federal funds and are restricted for reuse to the federal program that generated the income. In addition the Agency uses some of these funds to cover operating costs. The Agency must maintain General Account balances to ensure that bond rating agency requirements for financial soundness are met. Failure to have necessary General Account flexibility could result in downgrades of our bond resolutions by the rating agencies.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

The money comes from escrow reserves, payments for long term monitoring from tax credit properties, state tax credit money received from the NC Department of Revenue for loan disbursement to developers, and program income related to various federal programs.

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

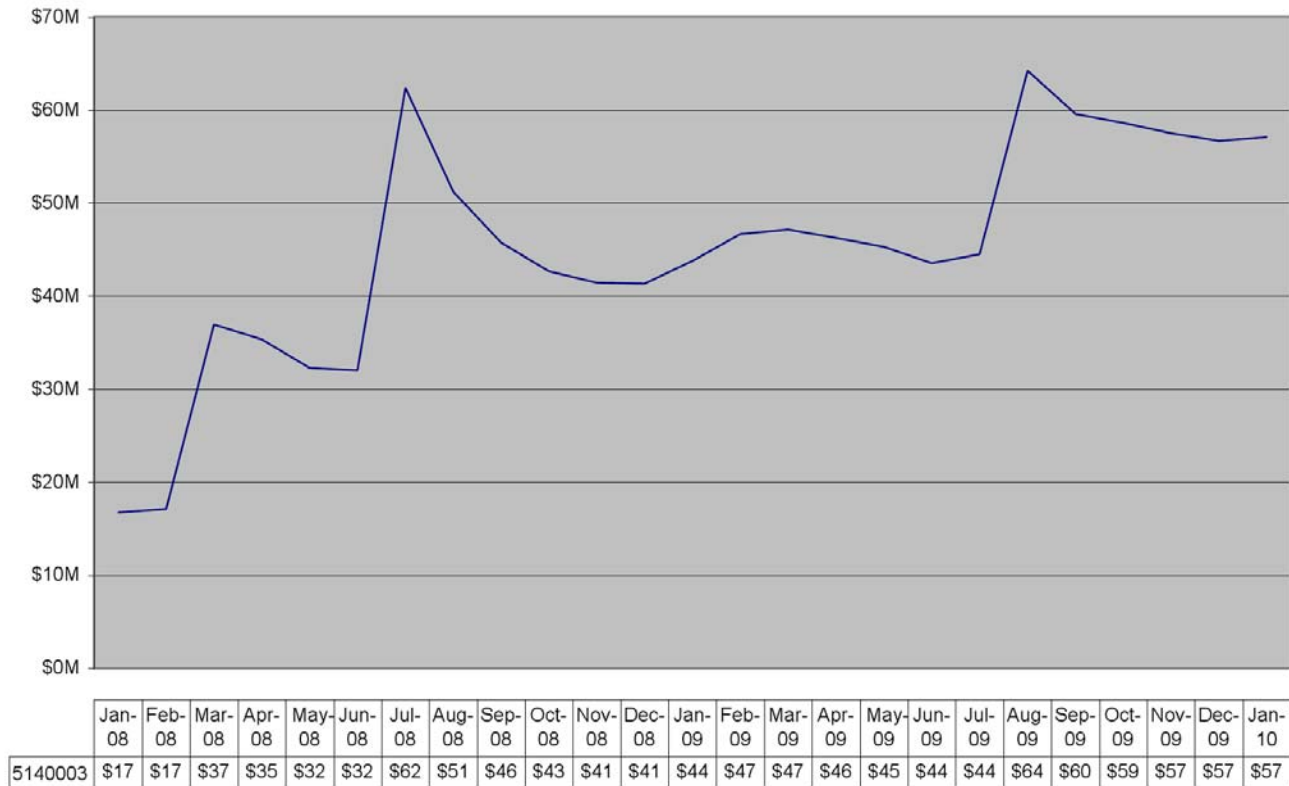
The investments made by and for the Agency are governed by the following North Carolina General Statutes:

- North Carolina Statue Chapter 122A North Carolina Housing Finance Agency
- North Carolina Statue 122A-11 specifically addresses trust funds of the Agency
- North Carolina Statue 159-30 specifically addresses investments of idle funds

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

Account #5140003	
Month	End of Month Balance
Jan 08	\$16,738,930
Feb 08	\$17,094,562
Mar 08	\$36,945,534
Apr 08	\$35,334,326
May 08	\$32,275,703
June 08	\$32,040,038
July 08	\$62,379,281
Aug 08	\$51,219,650
Sept 08	\$45,747,407
Oct 08	\$42,650,512
Nov 08	\$41,433,679
Dec 08	\$41,332,216
Jan 09	\$43,780,705
Feb 09	\$46,676,248
Mar 09	\$47,161,574
Apr 09	\$46,245,198
May 09	\$45,302,664
June 09	\$43,546,889
July 09	\$44,490,085
Aug 09	\$64,228,658
Sept 09	\$59,592,055
Oct 09	\$58,603,181
Nov 09	\$57,498,887
Dec 09	\$56,685,518
Jan 10	\$57,076,166
Avg	\$45,043,187
Min	\$16,738,930
Max	\$64,228,658

STIF Account Balances - Housing Finance Agency General



The receipt of the annual State Tax Credit funds in July/August explains the variations in the account balances from June to July/August each year. The increase in the STIF account from February 2008 to March 2008 was a result of the movement of funds to the higher interest rate earnings on STIF versus North Carolina Capital Management (over 1.8% difference). Federal fund program income is placed into STIF and recycled as soon as possible.

5. *Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?*

Day to day decisions are made by the CFO and Controller that are guided by a 13 member Board of Directors and a 13 member advisory board, the Housing Partnership. Statutory guidelines and federal regulations associated with specific grants are followed in making the decision on how funds are used. The funds are allocated to a range of programs based on legal responsibility, fiscal accountability and management designation. The Agency adopts an operating budget by July 1 of each fiscal year.

6. *Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?*

The CFO and Controller decide how much is invested in STIF. Management decisions on how much goes into STIF are based on program commitments, interest earnings, general statues, and minimizing risk. The Agency has proactively monitored the market for investments through a broker to research

possible investment vehicles. The current economic environment is not offering attractive long-term investment vehicles. The Agency has decided to invest in more liquid funds like STIF until interest rates are more favorable.

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

The decision is constrained by our need to maintain liquidity for funding numerous ongoing loan closings, operating expenses, escrow requirements, and operating costs of various programs. Facts and circumstances of economic conditions are guidelines used to determine how much money goes into the STIF account.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Please contact Betsy Rozakis, CFO 877-5687 eirozakis@nchfa.com or Sim Hodges, Controller 877-5693 shodges@nchfa.com.

Additional Information

None

NC Turnpike Authority

NC Turnpike - #6140050

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

The funds the Turnpike Authority invested in the STIF are to pay the costs of land acquisition, design, construction and equipping of the Triangle Expressway project in Wake and Durham counties, an approximately 19-mile toll road facility currently under construction.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

These funds are a result of the Authority's offering of the 'State Annual Appropriation Revenue Bonds, Series 2009B'. I have attached copies of the each Official Statement for the bonds issued by Authority for your records.

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

The initial deposit and dollar limit in this account was discussed with the Office of State Treasurer, which gave final approval in May 2009.

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

Funds will be drawn as needed to pay for the expenses mentioned above. The first phase of the Triangle Expressway, known as the Triangle Parkway, is expected to be completed in December 2011 with the final phase, Western Wake Parkway completed one year later – December 2012.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

The Authority's finance team and the Authority's Trustee, Wells Fargo, review expenditures incurred during the construction period and pay only those expenses approved by each entity and allowed by the bond documents. The process for requisitioning these funds is outlined in each official statement.

6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

Account #6140050	
Month	End of Month Balance
Jan 08	\$0
Feb 08	\$0
Mar 08	\$0
Apr 08	\$0
May 08	\$0
June 08	\$0
July 08	\$0
Aug 08	\$0
Sept 08	\$0
Oct 08	\$0
Nov 08	\$0
Dec 08	\$0
Jan 09	\$0
Feb 09	\$0
Mar 09	\$0
Apr 09	\$0
May 09	\$0
June 09	\$0
July 09	\$263,019,818
Aug 09	\$263,407,772
Sept 09	\$263,771,941
Oct 09	\$264,190,972
Nov 09	\$264,564,174
Dec 09	\$264,953,032
Jan 10	\$265,307,727
Avg	\$264,173,634
Min	\$263,019,818
Max	\$265,307,727

STIF Account Balances - Turnpike Authority



The Authority has contracted with Public Finance Management (PFM) to assist in the investment decisions made by the Authority’s Investment Committee. That committee is made up of the Executive Director, Chief Financial Officer and Controller. Investments have been laddered based upon cash curves and contractor pay schedules.

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

The Turnpike Authority Board of Directors adopted GS 159.30 to guide the investment of these funds. This is the investment plan used by the Investment Committee.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Robert Weisenberger, CPA
 Controller, NC Turnpike Authority
 919-510-4378

Additional Information

As can be seen in the attached Official Statements, the total bond financing was \$622 million, with an

additional \$386 million loan from the Transportation Infrastructure Finance and Innovation Act (TIFIA) and an initial GAP fund deposit of \$25 million for a total of \$1.03 billion in financing. The total initial deposit on account represents 25% of the total financing.

NOTE: Copies of the bond statements referenced by the NC Turnpike Authority are available upon request.

Charlotte-Mecklenburg Schools

Charlotte Meck Schools - #3120459

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

The funds in the Short Term Investment Funds (STIF) account are maintained for investment purposes and to cover daily operations.

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

The money to invest in the STIF account comes from:

- a. County Appropriations
- b. Fines and Forfeitures
- c. Child Nutrition Program
- d. After School Enrichment Program
- e. Contributions and Donations
- f. Rental of School Property
- g. Tuition and Fees
- h. Interest earned from investment
- i. Other miscellaneous sources and grants

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

State Statue 115C-443 authorizes the Board to invest in this fund, and CMS Board policy adopted in 1991 authorizes the Chief Finance Officer to invest all or part of the cash balances of any fund in accordance with the requirements of state law.

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

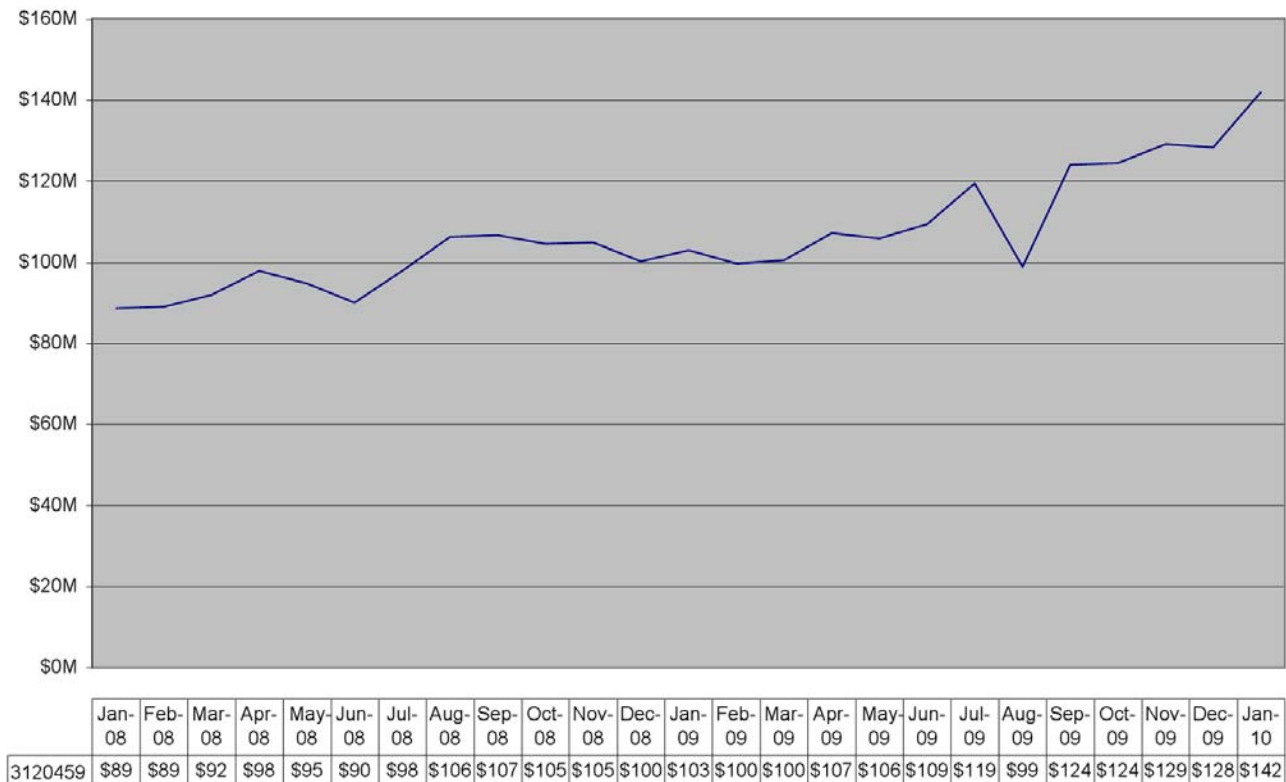
The account balance variations are the results of the timing when local money is received from the county (Example: 5 weeks revenue w/ 4 weeks of expenditures and revenue received from the county before expenses are incurred) or delayed reimbursements from state. In addition improved cash flow projections reflect more seasonal spending patterns that allow more funds to be invested.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

The decision on how the funds will be used on a day-to-day basis is made by the Finance staff and oversight is from the Chief Financial Officer.

Account #3120459	
Month	End of Month Balance
Jan 08	\$88,596,460
Feb 08	\$88,979,949
Mar 08	\$91,887,257
Apr 08	\$97,774,988
May 08	\$94,680,968
June 08	\$90,026,663
July 08	\$97,861,009
Aug 08	\$106,245,372
Sept 08	\$106,614,791
Oct 08	\$104,503,081
Nov 08	\$104,843,335
Dec 08	\$100,133,763
Jan 09	\$102,925,732
Feb 09	\$99,660,844
Mar 09	\$100,413,364
Apr 09	\$107,134,110
May 09	\$105,835,230
June 09	\$109,321,304
July 09	\$119,393,201
Aug 09	\$98,818,318
Sept 09	\$123,978,671
Oct 09	\$124,416,734
Nov 09	\$129,088,744
Dec 09	\$128,272,743
Jan 10	\$141,946,211
Avg	\$106,534,114
Min	\$88,596,460
Max	\$141,946,211

STIF Account Balances - Charlotte-Mecklenburg Schools



6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

The cash accountant prepares a cash flow analysis to determine how much should be deposited into the STIF account. These deposits are approved by the Director of Accounting and Auditing. The Chief Financial Officer approves how much can be withdrawn from the account based on a cash flow analysis prepared by the cash accountant.

The decision to use the STIF rather than other investment accounts is made by the Chief Finance Officer and is based on the return on investment.

7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

Yes, Charlotte Mecklenburg Schools is constrained by minimum balance guidelines. The cash accountant includes in her projection a minimum cash balance requirement to maintain in the local bank account to avoid excessive service charges. The source of this requirement is a result of our banking relationship agreement.

8. Please provide the contact information for the person completing survey, including their position within your agency.

Sheila W. Shirley
Chief Financial Officer
980-343-6231 (office)
980-343-7407 (fax)

Additional Information

Approximately 99.6 percent of CMS's investments were in the STIF account at the end of February. This percentage has been about the same throughout this year.

Wake County Public School System
WAKE CO. SCHOOLS - #6120491

1. For what purposes are the funds in this account used (e.g., daily operations, payroll, issuing grants, investment)?

Investment

2. Where does the money come from (e.g., tuition, fees, General Fund appropriations, Federal grants)?

General fund appropriations, tuition, child nutrition revenues, individual school activity funds, capital appropriations (non building program)

3. What is the statutory or other authority for the fund? In other words, how was the fund account originally authorized?

G.S. 115C-443 - public school system's investment of idle cash

4. Are there any cycles that help explain your account's balance variation (e.g. tuition payments, monthly payroll, regular expenditures)?

We receive county appropriation on the first day of each month which is our main revenue source. We have an end of month payroll which would be our largest monthly expenditure. You will also see a dip in our investment balance between May and July as we close out one fiscal/school year and prepare for the next fiscal/school year.

5. Who makes decisions on how the funds will be used on a day-to-day basis? Who provides oversight of their decisions (e.g., other staff, board)?

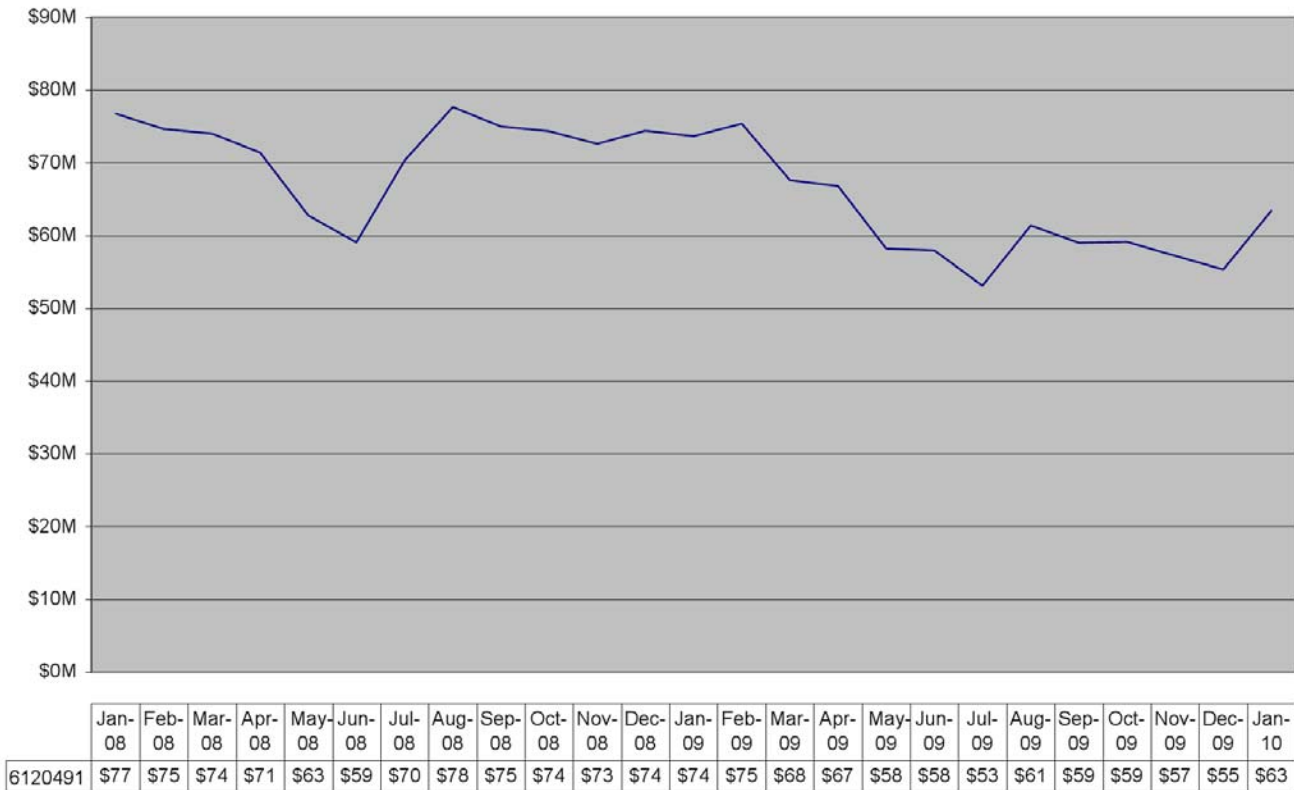
Each principal is a budget manager and most central office senior directors and directors are budget managers. A budget manager had the responsibility of managing their specific accounts within their budget and the guidelines of our finance manual. Procedural oversight is provided by the finance department. The individual chiefs or area superintendants also provide oversight of their decisions.

6. Who decides how much of your organization's money goes into your STIF? How do they decide how much goes into the STIF rather than another type of account (e.g., cash flow analysis, economic forecasts)?

The senior administrator over banking/investments in the accounting department manages the cash balances and makes investment decisions. These decisions are based on the rates at the time of the investment.

Account #6120491	
Month	End of Month Balance
Jan 08	\$76,743,381
Feb 08	\$74,626,311
Mar 08	\$74,019,606
Apr 08	\$71,396,594
May 08	\$62,759,943
June 08	\$59,045,744
July 08	\$70,341,165
Aug 08	\$77,664,914
Sept 08	\$74,981,783
Oct 08	\$74,316,835
Nov 08	\$72,598,683
Dec 08	\$74,378,380
Jan 09	\$73,651,416
Feb 09	\$75,369,781
Mar 09	\$67,603,022
Apr 09	\$66,795,402
May 09	\$58,200,675
June 09	\$57,952,213
July 09	\$53,068,524
Aug 09	\$61,380,282
Sept 09	\$58,985,696
Oct 09	\$59,105,947
Nov 09	\$57,209,924
Dec 09	\$55,307,524
Jan 10	\$63,407,950
Avg	\$66,836,468
Min	\$53,068,524
Max	\$77,664,914

STIF Account Balances - Wake County Public School System



7. Is the person who decides how much money goes into your STIF constrained by liquidity or minimum balance guidelines? What is the source of these guidelines (e.g., statutory, board-imposed, self-imposed)?

7. We follow self-imposed minimum balance guidelines to minimize banking fees. We are also restricted by G.S. 115C-443 for the liquidity of our investments (see below).

8. Please provide the contact information for the person completing survey, including their position within your agency.

Robyn Presley, Senior Director of Accounting, rpresley@wcpss.net, 919-850-1770, PO Box 28041, Raleigh, NC 27611-8041

Additional Information

At this point we have about 99% of our investments with STIF. Last year we had about 79% with STIF. Two years ago we had the majority (92%) of our investments with commercial paper but have moved over to STIF as the interest is better with STIF.

§ 115C 443. Investment of idle cash.

(a) A local school administrative unit may deposit at interest or invest all or part of the cash balance of any fund. The finance officer shall manage investments subject to whatever restrictions and directions

the board of education may impose. The finance officer shall have the power to purchase, sell, and exchange securities on behalf of the board of education. The investment program shall be so managed that investments and deposits can be converted into cash when needed.

(b) Moneys may be deposited at interest at any bank, savings and loan association, or trust company in this State in the form of certificates of deposit or such other forms of time deposit as the Local Government Commission may approve. Investment deposits shall be secured as provided in G.S. 115C 444(b).

(c) Moneys may be invested in the following classes of securities, and no others:

- (1) Obligations of the United States of America.
- (2) Obligations of any agency or instrumentality of the United States of America if the payment of interest and principal of such obligations is fully guaranteed by the United States of America.
- (3) Obligations of the State of North Carolina.
- (4) Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the Secretary of the Local Government Commission may impose.
- (5) Shares of any savings and loan association organized under the laws of this State and shares of any federal savings and loan association having its principal office in this State, to the extent that the investment in such shares is fully insured by the United States of America or an agency thereof or by any mutual deposit guaranty association authorized by the Commissioner of Insurance of North Carolina to do business in North Carolina pursuant to Article 7A of Chapter 54 of the General Statutes.
- (6) Obligations maturing no later than 18 months after the date of purchase of the Federal Intermediate Credit Banks, the Federal Home Loan Banks, Fannie Mae, the Banks for Cooperatives, and the Federal Land Banks.

(7) Any form of investment allowed by law to the State Treasurer.

(8) Any form of investment allowed by G.S. 159 30 to local governments and public authorities.

(d) Investment securities may be bought, sold, and traded by private negotiation, and local school administrative units may pay all incidental costs thereof and all reasonable cost of administering the investment and deposit program. Securities and deposit certificates shall be in the custody of the finance officer who shall be responsible for their safekeeping and for keeping accurate investment accounts and records.

(e) Interest earned on deposits and investments shall be credited to the fund whose cash is deposited or invested. Cash of several funds may be combined for deposit or investment if not otherwise prohibited by law; and when such joint deposits or investments are made, interest earned shall be prorated and credited to the various funds on the basis of the amounts thereof invested, figured according to an average periodic balance or some other sound accounting principle. Interest earned on the deposit or investment of bond funds shall be deemed a part of the bond proceeds.

(f) Registered securities acquired for investment may be released from registration and transferred by signature of the finance officer.

(g) It is the intent of this Article that the foregoing provisions of this section shall apply only to those funds received by the local school administrative unit as required by G.S. 115C 437. The county finance officer shall be responsible for the investment of all county funds allocated to the local school administrative unit prior to such county funds actually being remitted to the school finance officer as provided by G.S. 115C 437. (1975, c. 437, s. 1; 1981, c. 423, s. 1; 1985, c. 246, s. 1; 2001 487, s. 14(h).)

Follow-up Answers to Questions

Commission to Study the Governance and the Adequacy of the Investment Authority of Various State-Owned Funds for the Purposes of Enhancing the Return on Investments

May 5, 2010

Why, as described in the survey response from UNC General Administration, is the SEAA managing 65% of the UNC General Admin account (#8000732)?

[From Ken Craig with UNC, craigk@northcarolina.edu]

UNC-GA serves as the fiscal agent for SEAA's business activity. In essence, SEAA is a department (program/activity) under UNC-GA, similar to UNC Center for Public Television, or the NC Center for International Understanding. UNC-GA business office provides financial record system, general accounting, cash management, purchasing, human resources, accounts payable, fixed asset, and financial reporting support to SEAA as we do for all programs under UNC-GA.

Since NC State Education Assistance Authority (like housing finance authority, state ports authority) is a component unit of the State, the Office of State Controller mandates their fiscal activity be reported separately as a component unit in the State of North Carolina Comprehensive Annual Financial Report.

Iona Duckworth at SEAA provided the following information from the General Statutes to explain the relationship between UNC GA and SEAA:

§ 116-209.21. Cooperation of the Board of Governors of the University of North Carolina.

The Board of Governors of the University of North Carolina shall provide the secretariat for the Authority. The Executive Director of the Authority, who shall be its principal executive officer, shall be elected by the Board of Directors of the Authority on nomination of the President of the University of North Carolina. (1971, c. 392, s. 11; c. 1244, s. 14.)

Also:

(i) the Board of the Authority has pledged to act in concert with the State's plan for higher education;

(ii) State law (G.S. § 116-209.21) mandates that the Board of Governors provide certain administrative support, including human resource management and accounting for State funds; and

(iii) State law (G.S. § 116-209.21) provides for the election of the executive director (by the Authority's Board) upon nomination of the President of the University.

How large are the non-STIF investments?

Please see next page.

Estimates of Total Investments

	Organization	Account Number	Jan-10 Balance	% in STIF	Estimate Total Investments¹	NOTES
University Related	Constituent Institutions	UNC Chapel Hill	\$866,068,828	43.0%	\$2,014 M	STIF = 43% of "cash and short-term holdings"
		NC State University	\$299,329,776	44.0%	\$680 M	"44% of ... cash and investments in the STIF"
		UNC Charlotte	\$210,423,799	56.0%	\$376 M	"56% of institutional investments (1/31/10) that are not already statutorily required to be on deposit with the State Treasurer are voluntarily held in our STIF account"
		East Carolina University	\$204,356,016	5.0%	\$4,087 M	STIF = 5% of "current institutional investments (endowment investments)"
		UNC Greensboro	\$110,252,312	35.0%	\$315 M	STIF = 35% of "the sum of ... cash, short-term investments, and endowment assets"
		UNC Wilmington	\$99,909,682	3.6%	\$2,814 M	STIF = 3.55% of "total investments"; 83.4% of "cash"
		Appalachian State University	\$65,769,398	78.0%	\$84 M	"78% of investments in the STIF account"
		Western Carolina University	\$57,176,688	70.2%	\$81 M	"70.2% of WCU institutional investments are held in STIF"
		NC A&T University	\$45,702,538		\$63 M	\$15.29 M with UNC Investment Management Company, \$2.47 M in swap account (mutual fund), rest in STIF
		UNC System (Gen Admin)	\$125,925,969			"Current institutional investments are not in our STIF account. Funds in the account are operational in nature."
Other State Agencies	State Education Assistance Authority	NC State Education Assistance Authority (National College Savings Program)	\$75,715,114	Not applicable		"This account is the college savings program. Funds are held in trust for account holders saving for college."
		NC State Education Assistance Authority (NC Student Loan Account)	\$35,876,339			
		UNC Health Care System (Operating Reserve Fund)	\$189,847,099			
		UNC Health Care System (Maintenance Reserve Fund)	\$142,242,892			
		NC Housing Finance Agency (Trust Acct)	\$164,408,068		\$541 M	Additional detail from HFA available, including break-down of asset classes by amount and percentage.
		NC Housing Finance Agency (Gen Acct)	\$57,076,166			
		NC Turnpike Authority	\$265,307,727	25.0%	\$1,061 M	Initial deposit in account came from bond issuance and represent approximately 25% of total financing.
		Charlotte-Mecklenburg Schools	\$141,946,211	99.6%	\$143 M	
		Wake County Public School System	\$63,407,950	99.0%	\$64 M	
		Local School Boards				

¹ These numbers must be read in the context of the notes, due to variations in responses. Also, this is an estimate based on Jan-10 balances.

STIF Balances - January 2010
Organized by Type and Size

	B	C	D	E	F	G
2	Account Description	Closing Balance	Book Date	Type	Status	
3	STF:NC IRRIGATION CONT LIC BD	261,444.19	29-Jan-2010	STFOWI	Open	bd
4	STF:NC BD EMPE ASST PROFALS	8,307.36	29-Jan-2010	STFOWI	Open	bd
5	STF:NC BD LANDSC ARCHIT	366,384.63	29-Jan-2010	STFOWI	Open	bd
6	STF:NC BD LIC PROF COUNSELORS	177.61	29-Jan-2010	STFOWI	Open	bd
7	STF:NC BD LIC SOIL SCIN	36,383.81	29-Jan-2010	STFOWI	Open	bd
8	STF:NC BD SANITARIAN EXM	25,696.82	29-Jan-2010	STFOWI	Open	bd
9	STF:NC BOARD OF FUNERAL SERVICE	491,176.39	29-Jan-2010	STFOWI	Open	bd
10	STF:NC BRD OF FUNERAL SERV	255,577.86	29-Jan-2010	STFOWI	Open	bd
11	STF:NC HEARING AID BOARD	0.01	31-May-2007	STFOWI	Open	bd
12	STF:NC LANDSCAPE CONTRACT BD	27,559.01	29-Jan-2010	STFOWI	Open	bd
13	STF:NC LICENS GEOLOGIST	503,521.20	29-Jan-2010	STFOWI	Open	bd
14	STF:NC SOCIAL WORK CL BD	411,548.22	29-Jan-2010	STFOWI	Open	bd
15	STF:NC STATE BAR LEGAL AID ACCOUNT	545,944.32	29-Jan-2010	STFOWI	Open	bd
16	STF:NORTH CAROLINA STATE BAR	4,952,081.47	29-Jan-2010	STFOWI	Open	bd
17		7,885,802.90				
18						
19						
20	STF:NCCU CHIDLEY 2009C BOND	29,461,785.01	29-Jan-2010	STFOWI	Open	bond
21	STF:NCCU LATHAM PARK DK 2009C BOND	14,446,168.66	29-Jan-2010	STFOWI	Open	bond
22	STF:NCCU WALKER COMPLEX 2009C BOND	10,160,516.83	29-Jan-2010	STFOWI	Open	bond
23	STF:SB UNC HOSP RR BONDS 2009A	3,450.30	29-Jan-2010	STFOWI	Open	bond
24	STF:FB UNC HSP 2001 BOND	3,179,030.63	29-Jan-2010	STFOWI	Open	bond
25	STF:USB WCU 2008 COPS	12,669,806.02	29-Jan-2010	STFOWI	Open	bond
26	STF:WAC UNC HOSP BONDS 2003A B	7,233.29	29-Jan-2010	STFOWI	Open	bond
27	STF:WAC WEST CAR UNIV R&D 2005 BD	236,713.71	29-Jan-2010	STFOWI	Open	bond
28	STF:WAC UNC HOSP SERIES 2005	3,771,369.94	29-Jan-2010	STFOWI	Open	bond
29		73,936,074.39				
30						
31						
32	STF:GUILFORD TECH CC	17,445,975.73	29-Jan-2010	STFOWI	Open	c
33	STF:CENTRAL PIEDMONT CC	16,269,927.87	29-Jan-2010	STFOWI	Open	c
34	STF:ROWAN TC	10,150,681.92	29-Jan-2010	STFOWI	Open	c
35	STF:PITT CC	8,983,563.19	29-Jan-2010	STFOWI	Open	c
36	STF:FAYETTEVILLE CC	7,615,577.28	29-Jan-2010	STFOWI	Open	c
37	STF:CAPE FEAR CC	5,723,671.66	29-Jan-2010	STFOWI	Open	c
38	STF:GASTON COLLEGE FOUND	4,979,963.97	29-Jan-2010	STFOWI	Open	c
39	STF:CATAWBA VALLEY CC	4,463,004.89	29-Jan-2010	STFOWI	Open	c
40	STF:VANCE GRANV CC	4,094,301.68	29-Jan-2010	STFOWI	Open	c
41	STF:MITCHELL CC SPECIAL	3,784,098.83	29-Jan-2010	STFOWI	Open	c
42	STF:FORSYTH TCC FOUND	3,781,998.67	29-Jan-2010	STFOWI	Open	c
43	STF:SOUTHWESTERN TC	3,651,348.47	29-Jan-2010	STFOWI	Open	c
44	STF:NASH CC	3,540,008.14	29-Jan-2010	STFOWI	Open	c
45	STF:FORSYTH TECH CC	3,529,004.35	29-Jan-2010	STFOWI	Open	c
46	STF:DAVIDSON CC	3,140,166.80	29-Jan-2010	STFOWI	Open	c
47	STF:LENIOR CC FOUNDATION	3,076,462.65	29-Jan-2010	STFOWI	Open	c
48	STF:ASHEVILLE BUNCOMBE	3,054,754.18	29-Jan-2010	STFOWI	Open	c
49	STF:CRAVEN CC	2,585,768.85	29-Jan-2010	STFOWI	Open	c
50	STF:WILSON TECHNICAL CC	2,506,721.72	29-Jan-2010	STFOWI	Open	c
51	STF:COASTAL CAROLINA CC	2,495,972.03	29-Jan-2010	STFOWI	Open	c
52	STF:SURRY CC FOUNDATION SPECIAL	2,446,230.96	29-Jan-2010	STFOWI	Open	c

STIF Balances - January 2010
Organized by Type and Size

	B	C	D	E	F	G
53	STF:CENTRAL CAROLINA TC	2,395,274.98	29-Jan-2010	STFOWI	Open	c
54	STF:WESTERN PIEDMONT CC	2,368,675.81	29-Jan-2010	STFOWI	Open	c
55	STF:JOHNSTON CC FOUNDATN	2,107,842.14	29-Jan-2010	STFOWI	Open	c
56	STF:ALAMANCE CC	2,068,469.85	29-Jan-2010	STFOWI	Open	c
57	STF:CALDWELL CC	1,982,930.41	29-Jan-2010	STFOWI	Open	c
58	STF:MARTIN CC	1,979,785.05	29-Jan-2010	STFOWI	Open	c
59	STF:CENTRAL PIEDMONT CC FOUNDATION	1,916,850.31	29-Jan-2010	STFOWI	Open	c
60	STF:JOHNSTON CC	1,899,994.85	29-Jan-2010	STFOWI	Open	c
61	STF:WAYNE CC	1,887,807.60	29-Jan-2010	STFOWI	Open	c
62	STF:HAYWOOD TC	1,782,393.06	29-Jan-2010	STFOWI	Open	c
63	STF:ISOTHERMAL CC FOUND	1,753,604.03	29-Jan-2010	STFOWI	Open	c
64	STF:WAYNE CC INC FOUND	1,543,990.60	29-Jan-2010	STFOWI	Open	c
65	STF:ISOTHERMAL CC	1,509,243.61	29-Jan-2010	STFOWI	Open	c
66	STF:W PIED CC FOUNDATION	1,501,382.65	29-Jan-2010	STFOWI	Open	c
67	STF:SANDHILLS C C	1,438,675.93	29-Jan-2010	STFOWI	Open	c
68	STF:RANDOLPH CC	1,271,128.61	29-Jan-2010	STFOWI	Open	c
69	STF:LENOIR CC SPECIAL FD	1,039,463.89	29-Jan-2010	STFOWI	Open	c
70	STF:WAKE TECH CC FOUND	925,380.56	29-Jan-2010	STFOWI	Open	c
71	STF:PAMLICO CC	869,023.01	29-Jan-2010	STFOWI	Open	c
72	STF:ROCKINGHAM CC	843,006.83	29-Jan-2010	STFOWI	Open	c
73	STF:EDGECOMBE TC	681,860.84	29-Jan-2010	STFOWI	Open	c
74	STF:JAMES SPRUNT CC	647,579.67	29-Jan-2010	STFOWI	Open	c
75	STF:AB TECH FOUNDATION INC.	625,161.55	29-Jan-2010	STFOWI	Open	c
76	STF:MITCHELL CC ENDOW EXCELL	611,117.86	29-Jan-2010	STFOWI	Open	c
77	STF:RICHMOND CC	603,055.73	29-Jan-2010	STFOWI	Open	c
78	STF:VANCE GRAN EN FUND	574,056.29	29-Jan-2010	STFOWI	Open	c
79	STF:COLLEGE ALBEMARLE	521,087.75	29-Jan-2010	STFOWI	Open	c
80	STF:COLLEGE ALBEMARLE CC	510,977.43	29-Jan-2010	STFOWI	Open	c
81	STF:PIEDMONT CC	374,171.22	29-Jan-2010	STFOWI	Open	c
82	STF:SURRY CC	357,162.41	29-Jan-2010	STFOWI	Open	c
83	STF:ROBESON TC - SPECIAL	316,265.57	29-Jan-2010	STFOWI	Open	c
84	STF: STANLY COMM COL FOUNDATION	233,182.47	29-Jan-2010	STFOWI	Open	c
85	STF:MONTGOMERY CC SPEC F	178,576.46	29-Jan-2010	STFOWI	Open	c
86	STF:MONTGOMERY CC FOUND	173,589.08	29-Jan-2010	STFOWI	Open	c
87	STF:MARTIN CC FOUNDATION	151,635.11	29-Jan-2010	STFOWI	Open	c
88	STF:ROANOKE CHOWAN TC FD	147,070.29	29-Jan-2010	STFOWI	Open	c
89	STF:PIEDMONT CC CTY FNDS	125,265.82	29-Jan-2010	STFOWI	Open	c
90	STF:MAYLAND TC	113,920.50	29-Jan-2010	STFOWI	Open	c
91	STF:ALAMANCE CC FOUND PR	86,677.66	29-Jan-2010	STFOWI	Open	c
92	STF:POLK CO CAMP ICC FD	74,082.15	29-Jan-2010	STFOWI	Open	c
93	STF:ROBESON TC	49,092.23	29-Jan-2010	STFOWI	Open	c
94	STF:ALAMANCE CC FOUND TR	22,375.65	29-Jan-2010	STFOWI	Open	c
95	STF:GASTON COLLEGE	11,229.43	29-Jan-2010	STFOWI	Open	c
96	STF:STANLY COMMUNITY COL	3,014.48	29-Jan-2010	STFOWI	Open	c
97	STF:PIEDMONT CC FOUND	1,456.69	29-Jan-2010	STFOWI	Open	c
98	STF:MAYLAND CC AMY_FOUND	597.80	29-Jan-2010	STFNOI	Closed	c
99	STF:CATAWBA VAL CC FDTN	64.07	29-Jan-2010	STFOWI	Open	c
100		157,598,453.83				
101						
102						
103	STF:NC EASTERN REGION DEV COMM	12,835,833.99	29-Jan-2010	STFOWI	Open	g

STIF Balances - January 2010
Organized by Type and Size

	B	C	D	E	F	G
104	STF:NC EASTERN REGION DEV COMM	177,569.46	29-Jan-2010	STFOWI	Open	g
105	STF:NC GLOBAL TRANSPARK AUTH.	5,189,493.74	29-Jan-2010	STFOWI	Open	g
106		18,202,897.19				
107						
108						
109	STF:NEW HANOVER REG. MED. CTR	66,484.66	29-Jan-2010	STFOWI	Open	h
110	STF-MARGARET R PARDEE HOSPITAL	34,381.16	29-Jan-2010	STFOWI	Open	h
111		100,865.82				
112						
113						
114	STF:CHARLOTTE MECK SCH	141,946,211.88	29-Jan-2010	STFOWI	Open	i
115	STF:WAKE CO SCHLS	63,407,950.80	29-Jan-2010	STFOWI	Open	i
116	STF:CUMBERLAND CO SCHOOL	44,997,944.86	29-Jan-2010	STFOWI	Open	i
117	STF:DURHAM CO SCHLS	30,482,757.31	29-Jan-2010	STFOWI	Open	i
118	STF:GUILFORD CO SCHLS	22,553,694.53	29-Jan-2010	STFOWI	Open	i
119	STF:WINSTON SALEM FORSYT	16,517,016.52	29-Jan-2010	STFOWI	Open	i
120	STF:BUNCOMBE CO SCHLS	16,307,341.38	29-Jan-2010	STFOWI	Open	i
121	STF:ROWAN- SALIS. BD ED	15,840,052.96	29-Jan-2010	STFOWI	Open	i
122	STF:CLEVELAND COUNTY SCHOOLS	15,029,864.11	29-Jan-2010	STFOWI	Open	i
123	STF:UNION CO SCHLS	14,570,108.69	29-Jan-2010	STFOWI	Open	i
124	STF:MOORE CO SCHLS	11,072,807.80	29-Jan-2010	STFOWI	Open	i
125	STF:NEW BERN CRAVEN SCH	10,062,878.19	29-Jan-2010	STFOWI	Open	i
126	STF:NEW HANOVER CO SCH	9,974,332.16	29-Jan-2010	STFOWI	Open	i
127	STF: CHAPEL HILL-CARRBORO CTY SCH	9,887,851.14	29-Jan-2010	STFOWI	Open	i
128	STF:GRANVILLE CO SCHLS	9,068,493.79	29-Jan-2010	STFOWI	Open	i
129	STF:JOHNSTON CO SCHLS	8,154,138.10	29-Jan-2010	STFOWI	Open	i
130	STF:PITT CO SCHLS	8,007,223.84	29-Jan-2010	STFOWI	Open	i
131	STF:ASHEVILLE CITY SCH	7,571,245.53	29-Jan-2010	STFOWI	Open	i
132	STF:ALAMANCE BURL SCH	7,039,397.17	29-Jan-2010	STFOWI	Open	i
133	STF:IREDELL CO SCHLS	6,395,643.33	29-Jan-2010	STFOWI	Open	i
134	STF:EDGECOMBE CO SCH	5,852,336.78	29-Jan-2010	STFOWI	Open	i
135	STF:BRUNSWICK CO SCHLS	5,852,326.28	29-Jan-2010	STFOWI	Open	i
136	STF:HARNETT CO SCHLS	5,079,072.88	29-Jan-2010	STFOWI	Open	i
137	STF:CURRITUCK SCHLS	4,914,275.06	29-Jan-2010	STFOWI	Open	i
138	STF:NASH RKY MT SCH	4,554,549.68	29-Jan-2010	STFOWI	Open	i
139	STF:YANCEY CO SCHLS	4,422,871.33	29-Jan-2010	STFOWI	Open	i
140	STF:ASHE CO BD OF EDUCA	4,233,800.24	29-Jan-2010	STFOWI	Open	i
141	STF: DUPLIN COUNTY SCHOOL	4,042,592.01	29-Jan-2010	STFOWI	Open	i
142	STF:HAYWOOD CO SCHLS	3,879,855.55	29-Jan-2010	STFOWI	Open	i
143	STF:SCOTLAND CO SCHLS	3,534,526.90	29-Jan-2010	STFOWI	Open	i
144	STF:GASTON CO SCHLS	3,432,619.09	29-Jan-2010	STFOWI	Open	i
145	STF:CATAWBA CO BRD EDU	3,100,487.58	29-Jan-2010	STFOWI	Open	i
146	STF:DAVIE CO SCHLS	3,057,288.24	29-Jan-2010	STFOWI	Open	i
147	STF:SWAIN CO SCHOOLS	3,012,114.59	29-Jan-2010	STFOWI	Open	i
148	STF:MOORESVILLE CITY SCH	2,838,300.20	29-Jan-2010	STFOWI	Open	i
149	STF:BEAUFORT CO BD EDUC	2,807,585.29	29-Jan-2010	STFOWI	Open	i
150	STF: CASWELL CO SCHOOLS	2,765,100.59	29-Jan-2010	STFOWI	Open	i
151	STF:LINCOLN CO SCHOLS	2,456,623.84	29-Jan-2010	STFOWI	Open	i
152	STF:MACON CO SCHLS	2,385,227.01	29-Jan-2010	STFOWI	Open	i
153	STF:MCDOWELL CO SCHLS	2,203,375.86	29-Jan-2010	STFOWI	Open	i
154	STF:JACKSON CO SCHLS	2,166,264.50	29-Jan-2010	STFOWI	Open	i

STIF Balances - January 2010
Organized by Type and Size

	B	C	D	E	F	G
155	STF:LEE CO BRD OF EDUCAT	2,102,205.52	29-Jan-2010	STFOWI	Open	
156	STF:MONTGOMERY CO SCHOOL	1,654,943.52	29-Jan-2010	STFOWI	Open	
157	STF:ORANGE CO SCHLS	1,602,283.28	29-Jan-2010	STFOWI	Open	
158	STF:RICHMOND CO SCHLS	1,591,743.25	29-Jan-2010	STFOWI	Open	
159	STF:WAYNE CO SCHLS	1,550,387.61	29-Jan-2010	STFOWI	Open	
160	STF:HENDERSON CO SCHLS	1,383,965.87	29-Jan-2010	STFOWI	Open	
161	STF:MITCHELL CO SCHLS	1,244,208.96	29-Jan-2010	STFOWI	Open	
162	STF:ELKIN CITY SCHLS	1,230,776.46	29-Jan-2010	STFOWI	Open	
163	STF:ALEXANDER CO SCHLS	1,083,883.29	29-Jan-2010	STFOWI	Open	
164	STF:HICKORY CITY SCHLS	919,091.51	29-Jan-2010	STFOWI	Open	
165	STF:RUTHERFORD CO SCH	899,071.81	29-Jan-2010	STFOWI	Open	
166	STF:POLK CO SCHLS	847,422.28	29-Jan-2010	STFOWI	Open	
167	STF:CAMDEN CO SCHLS	736,524.72	29-Jan-2010	STFOWI	Open	
168	STF:EDENTON CHOWAN SCH	665,929.16	29-Jan-2010	STFOWI	Open	
169	STF:ROANOKE RAPIDS CITY SCH	659,665.23	29-Jan-2010	STFOWI	Open	
170	STF:TRANSYLVANIA CO SCH	587,934.01	29-Jan-2010	STFOWI	Open	
171	STF:NORTHAMPTON CO SCH	539,220.22	29-Jan-2010	STFOWI	Open	
172	STF:COLUMBUS CO SCHLS	502,754.17	29-Jan-2010	STFOWI	Open	
173	STF:CLINTON CITY BRD EDU	493,199.59	29-Jan-2010	STFOWI	Open	
174	STF:KANNAPOLIS SCHLS	460,525.86	29-Jan-2010	STFOWI	Open	
175	STF:GRAHAM CO SCHLS	410,392.34	29-Jan-2010	STFOWI	Open	
176	STF:ROBESON CO SCHLS	381,809.36	29-Jan-2010	STFOWI	Open	
177	STF:SAMPSON CO SCHLS	372,483.41	29-Jan-2010	STFOWI	Open	
178	STF:PAMLICO CO SCHLS	360,059.60	29-Jan-2010	STFOWI	Open	
179	STF:HYDE CO SCHLS	339,762.04	29-Jan-2010	STFOWI	Open	
180	STF:THOMASVILLE SCHLS	336,651.07	29-Jan-2010	STFOWI	Open	
181	STF:BLUE RIDGE CC	303,579.33	29-Jan-2010	STFOWI	Open	
182	STF:BEAUFORT CO CC	269,960.61	29-Jan-2010	STFOWI	Open	
183	STF:DARE CO SCHLS	244,495.84	29-Jan-2010	STFOWI	Open	
184	STF:CHEROKEE CO SCHLS	129,055.74	29-Jan-2010	STFOWI	Open	
185	STF:BLADEN CO BD EDUC	114,180.76	29-Jan-2010	STFOWI	Open	
186	STF:VANCE CO SCHLS	64,566.73	29-Jan-2010	STFOWI	Open	
187	STF:HALIFAX CO SCHLS	53,172.69	29-Jan-2010	STFOWI	Open	
188	STF:DAVIDSON CO BRD	5,817.20	29-Jan-2010	STFOWI	Open	
189	STF:WILSON CO SCHLS	1,512.22	29-Jan-2010	STFOWI	Open	
190	STF:ANSON CO SCHLS	1,166.41	29-Jan-2010	STFOWI	Open	
191	STF:ONSLow CO	1,023.77	29-Jan-2010	STFOWI	Open	
192	569,623,573.03					
193						
194						
195	STF:MECKLENBURG COUNTY OPEB	960,539.31	29-Jan-2010	STFOWI	Open	o
196	STF:DST OPEB TRUST FUND	10,645,565.07	29-Jan-2010	STFOWI	Open	o
197	11,606,104.38					
198						
199						
200	STF:NORTH CAROLINA TURNPIKE AUTHORITY	265,307,727.24	29-Jan-2010	STFOWI	Open	s
201	STF:BNY NCHFA TRUST	164,408,068.78	29-Jan-2010	STFOWI	Open	s
202	STF:NCHFA GENERAL ACCOUNT	57,076,166.17	29-Jan-2010	STFOWI	Open	s
203	STF:STATE HEALTH PLAN PPO	10,711,656.00	29-Jan-2010	STFANI	Open	s
204	STF:TRYON PALACE COMMISSION	4,168,265.38	29-Jan-2010	STFOWI	Open	s
205	STF:TRYON PALACE COU OF FRIENDS INC	3,988,696.00	29-Jan-2010	STFOWI	Open	s

STIF Balances - January 2010
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	B	C	D	E	F	G
206	STF:STATE_LOCAL GOVT	924,955.63	29-Jan-2010	STFOWI	Open	s
207	STF:NC MUSM ART FOUND	823,572.60	29-Jan-2010	STFOWI	Open	s
208	STF:NC PARTNERSHIP CHILDREN	350,623.29	28-Jan-2010	STFNOI	Open	s
209	STF:DST INVESTMENT EXPENSE CL	298,567.92	29-Jan-2010	STFNOI	Open	s
210	STF:DEPT AGRI IMPREST	225,548.62	28-Jan-2010	STFNOI	Open	s
211	STF:FRIENDS OF THE ARCHIVES	191,190.76	29-Jan-2010	STFOWI	Open	s
212	STF:CORR JANICE HARDING	167,181.94	29-Jan-2010	STFOWI	Open	s
213	STF:NC RURAL REHAB CORP	115,595.97	29-Jan-2010	STFOWI	Open	s
214	STF:NC EDUCATION LOTTERY	106,221.22	29-Jan-2010	STFANI	Open	s
215	STF:DIV SERVICES BLIND	88,192.13	29-Jan-2010	STFOWI	Open	s
216	STF:VOCATIONAL REHAB	50,431.64	29-Jan-2010	STFNOI	Open	s
217	STF:DHHS WRIGHT SCHOOL	43,033.40	29-Jan-2010	STFOWI	Open	s
218	STF:NCHFA MORTGAGE CLEARING	35,822.29	29-Jan-2010	STFNOI	Open	s
219	STF:VR FAC. WORKSHOPS	18,050.68	29-Jan-2010	STFNOI	Open	s
220	STF:DHHS SERVICES BLIND	15,645.98	29-Jan-2010	STFNOI	Open	s
221	STF:NC ARCHIVIST ENDOW FUND	13,251.55	29-Jan-2010	STFOWI	Open	s
222	STF:EXECU MANS FUND INC	5,459.40	29-Jan-2010	STFOWI	Open	s
223	STF:DEPT ADMIN YAIO	3,749.36	29-Jan-2010	STFOWI	Open	s
224	STF:NC STATE PORTS AUTH	1,739.58	29-Jan-2010	STFOWI	Open	s
225	STF:NC HOUSING BOND - TRUSTEE	155.84	29-Jan-2010	STFOWI	Open	s
226	STF:DHHS DOROTHEA DIX	12.79	29-Jan-2010	STFOWI	Open	s
227		509,139,582.16				
228						
229						
230	STF:UNC AT CHAPEL HILL	866,068,828.74	29-Jan-2010	STFOWI	Open	u
231	STF:NC STATE UNIV	299,329,776.05	29-Jan-2010	STFOWI	Open	u
232	STF:UNC AT CHARLOTTE	210,423,799.91	29-Jan-2010	STFOWI	Open	u
233	STF:EAST CAROLINA UNIV	204,356,016.41	29-Jan-2010	STFOWI	Open	u
234	STF:UNC HOSP OPER RESERVE FD	189,847,099.00	29-Jan-2010	STFOWI	Open	u
235	STF:UNC HOSP MAINT RESERVE FD	142,242,892.39	29-Jan-2010	STFOWI	Open	u
236	STF:UNC GENERAL ADMIN	125,925,969.69	29-Jan-2010	STFOWI	Open	u
237	STF:UNC AT GREENSBORO	110,252,312.46	29-Jan-2010	STFOWI	Open	u
238	STF:UNC AT WILMINGTON	99,909,682.52	29-Jan-2010	STFOWI	Open	u
239	STF:UNC GA SEAA	75,715,114.09	29-Jan-2010	STFOWI	Open	u
240	STF:APPALACHIAN ST UNIV	65,769,398.08	29-Jan-2010	STFOWI	Open	u
241	STF:WESTERN CAROLINA UNI	57,176,688.91	29-Jan-2010	STFOWI	Open	u
242	STF:NC A_T STATE UNIV	45,702,538.29	29-Jan-2010	STFOWI	Open	u
243	STF:NC STUDENT LOAN	35,876,339.14	29-Jan-2010	STFOWI	Open	u
244	STF:UNC HCS ENTERPRISE FUND	18,850,904.98	29-Jan-2010	STFOWI	Open	u
245	STF:APPALACHIAN STATE UNIV FOUNDATION	18,830,441.53	29-Jan-2010	STFOWI	Open	u
246	STF:UNC ASHEVILLE	18,726,120.09	29-Jan-2010	STFOWI	Open	u
247	STF:ECU SCH MED MFPP	17,945,410.72	29-Jan-2010	STFOWI	Open	u
248	STF:WINSTON - SALEM ST UNI	17,570,898.43	29-Jan-2010	STFOWI	Open	u
249	STF:NC CENTRAL UNIV	16,502,870.29	29-Jan-2010	STFOWI	Open	u
250	STF:FAYETTEVILLE ST UNIV	15,305,401.05	29-Jan-2010	STFOWI	Open	u
251	STF:WEST. CAROLINA UNIV	12,624,745.72	29-Jan-2010	STFOWI	Open	u
252	STF:UNC HOSPITAL REVENUE FUND	11,796,010.57	29-Jan-2010	STFOWI	Open	u
253	STF:NC SCHOOL OF ARTS	11,736,207.19	29-Jan-2010	STFOWI	Open	u
254	STF:UNC AT PEMBROKE	11,619,145.90	29-Jan-2010	STFOWI	Open	u
255	STF:UNC HOSP LIFT REIMB	8,940,447.73	29-Jan-2010	STFOWI	Open	u
256	STF:ELIZ. CITY ST UNIV	8,220,141.66	29-Jan-2010	STFOWI	Open	u

STIF Balances - January 2010
Organized by Type and Size

	B	C	D	E	F	G
257	STF:UNC HOSPITALS LITF ACCT	5,996,584.12	29-Jan-2010	STFOWI	Open	u
258	STF:UNC HOSP PAT CR BAL	3,219,291.15	29-Jan-2010	STFOWI	Open	u
259	STF:UNCA CTR FOR HEALTH & WELLNESS	3,205,997.92	29-Jan-2010	STFOWI	Open	u
260	STF:ELIZABETH CITY STATE U FOUNDATION	2,885,151.48	29-Jan-2010	STFOWI	Open	u
261	STF:NCSSM FOUNDATION	2,509,733.12	29-Jan-2010	STFOWI	Open	u
262	STF:UNC ASHEVILLE FOUND	1,564,047.02	29-Jan-2010	STFOWI	Open	u
263	STF:UNC HOSPITALS	1,469,257.03	29-Jan-2010	STFOWI	Open	u
264	STF:NCCU DEBT SERVICE FUND	1,284,998.73	29-Jan-2010	STFOWI	Open	u
265	STF:UNC CH GENL IMPREST	1,266,760.68	29-Jan-2010	STFANI	Open	u
266	STF:UNC HOSP AGENCY FUNDS	1,188,045.99	29-Jan-2010	STFOWI	Open	u
267	STF:NC CENTRAL UNIV ENDW	1,099,261.13	29-Jan-2010	STFOWI	Open	u
268	STF:UNC CH STUDENT STORE	609,074.94	29-Jan-2010	STFANI	Open	u
269	STF:UNC - A SPECIAL FUNDS	527,363.78	29-Jan-2010	STFOWI	Open	u
270	STF:UNC HOSP RESTRICT TR FD	429,793.28	29-Jan-2010	STFOWI	Open	u
271	STF:WACH WEST CAR UNIV RCH DEV CORP	236,659.38	29-Jan-2010	STFOWI	Open	u
272	STF:UNC HOSP PAYROLL	62,446.27	15-Jan-2010	STFNOI	Open	u
273	STF:BNY NCSU CENTENNIAL PROJ	642.43	29-Jan-2010	STFOWI	Open	u
274	STF: ELIZABETH CITY ST UNIV HOUSING	241.19	29-Jan-2010	STFOWI	Open	u
275	2,744,820,551.18					
276						
277						
278	STF:CENTENNIAL AUTHORITY	10,145,736.30	29-Jan-2010	STFOWI	Open	
279	STF:LEGAL SERVICES OF NC INC	4,823,563.48	29-Jan-2010	STFOWI	Open	
280	STF:SMITH_SHAVER ADMINISTR	79,140.49	29-Jan-2010	STFOWI	Open	
281	STF:STATE BAR PLAN FOR IOLTA	3,871,127.07	29-Jan-2010	STFOWI	Open	
282	18,919,567.34					
283						
284						
285	b	Boards and Commissions				
286	bond	Bond proceeds (only used for non-state level debt, probably not necessary for analysis, can discuss further)				
287	s	State agencies				
288	c	Community colleges and foundations				
289	u	Universities (inclusive of UNC Hospital)				
290	l	Local school systems or boards of education				
291	o	OPEB funds, again, not necessary to include				
292	h	Public hospitals invested thru DST, only sits long enough for investment				

The Other 301 STIF Accounts

*Commission to Study the Governance and the Adequacy of the
Investment Authority of Various State-Owned Funds for the
Purposes of Enhancing the Return on Investments*

Ryan Blackledge
Bill Drafting
May 5, 2010

Last Time...

- Survey results from questions sent to nineteen largest STIF account holders
 - UNC Chapel Hill
 - NC State University
 - UNC Charlotte
 - East Carolina University
 - UNC Greensboro
 - UNC Wilmington
 - Appalachian State University
 - Western Carolina University
 - NC A&T University
 - UNC General Administration
 - National College Savings Program
 - NC Student Loan Account
 - UNC Health Care: Operating Reserve, Maintenance Reserve
 - Housing Finance Agency: Trust and General Account
 - Turnpike Authority
 - Wake County School System
 - Charlotte-Mecklenburg Schools

This Time...

- Background information
 - “Oversight”
 - Treasurer’s investment options
 - Local governmental units’ investment options
- “Easy” accounts
 - OPEB Accounts
 - Bond proceeds
 - Public hospitals
 - Development commissions
- Less easy accounts
 - UNC constituent intuitions (review)
 - Community colleges
 - Local school boards (partial review)
 - Licensing boards
 - Other state agencies

“STIF Account”?

- Short-term investment fund account
- Managed by Department of State Treasurer
- ~ 320 accounts in total
- ~ \$ 4.1 billion in assets
- Used for both investing and operating accounts
- Some deposits by choice, others required by law

Providing "Oversight"

- Limit the amount of money to which an agency has access
- Restrict investment flexibility
- Personal liability/insurance for investment manager
- Reports to:
 - Boards of Directors/Commissioners/Education
 - Treasurer
 - General Assembly
- Public audits
- Clarity in statutes
- Uniformity in statutes
- Policies adopted by agencies

Treasurer's Investment Options


Generally (G.S. 147-69.1):

- Obligations of U.S.
- Obligations of N.C.
- Certificates of Deposit
- Prime quality commercial paper
- Bills of exchange drawn on commercial banks
- High quality asset-backed securities
- Corporate bonds

Other funds (G.S. 147-69.2):

- Anything allowed under G.S. 147-69.1
- Other states' obligations
- NC local government obligations
- Convertible corporate obligations
- Quality asset-backed securities
- Mutual funds
- Insurance contracts
- Publicly traded securities
- Etc, etc, etc...

Additionally, limitations on allocation of assets



Local Government Investment Options (G.S. 159-30)

- U.S. obligations (including interests in future payments and repurchase agreements)
- N.C. state government obligations
- N.C. local government obligations
- Savings and loan savings certificates
- Prime quality commercial paper
- Bills of exchange drawn on commercial banks
- Mutual funds for local government investment
- With the State Treasurer (under 147-69.3)
- Commingled investment pool (consisting of investments from the rest of this list)
- Secured deposits
- Secured certificates of deposit

OPEB Accounts

- Part of local government Other Post Employment Benefits Fund (G.S. 147-69.4)
- Participants must have STIF account into which they deposit funds
- Funds are monthly swept into a state-wide irrevocable trust account
- Benefits managed by fund participants, not by Treasurer

Bond Proceeds

- Treasurer, as manager of state debt, issues bonds
- Bond proceeds held by Treasurer
 - Disbursed as needed
- Interest on state bonds = tax free
 - Because of favorable tax treatment, the IRS does not allow arbitrage

Bond STIF Accounts

- NCCU Chidley 2009C Bond
- NCCU Latham Park DK 2009C Bond
- NCCU Walker Complex 2009C Bond
- SB UNC Hospital RR Bonds 2009A
- FB UNC Hospital 2001 Bond
- USB Western Carolina University 2008 COPS
- WAC UNC Hospital Bonds 2003A B
- WAC Western Carolina Univ. R&D 2005 BD
- WAC UNC Hospital Series 2005

(Turnpike Authority)

Public Hospitals

- STIF accounts used as deposit location
- Deposits remain in STIF only long enough for investment by Treasurer
- Examples:
 - New Hanover Regional Medical Center
 - Margaret R. Pardee Hospital

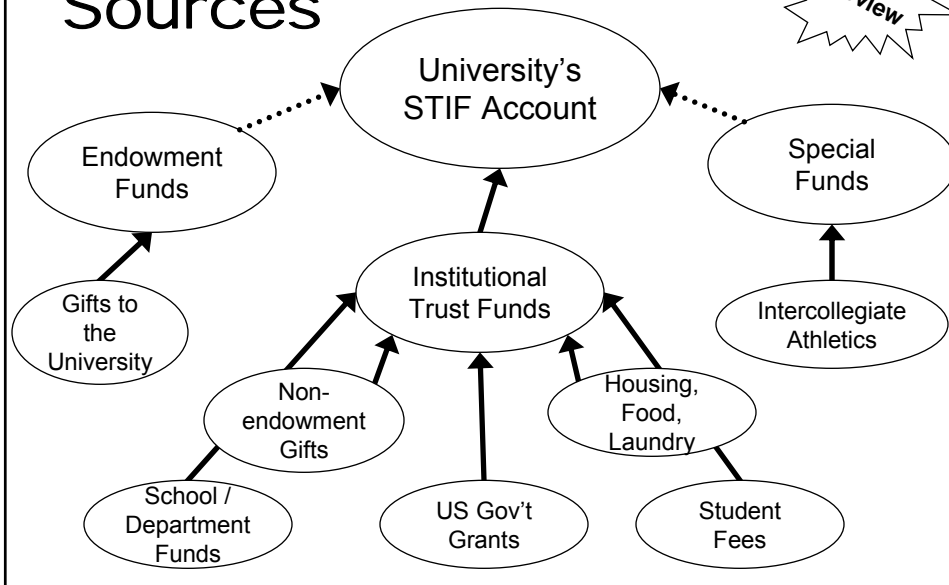
Development Commissions

- NC Eastern Region Development Commission
 - Purpose = promote Global TransPark
- Subject to Local Government Budget and Fiscal Control Act (Chapter 159)
 - Allows deposit in STIF (G.S. 159-30)
 - Local Government Commission provides budgetary and financial oversight

University of North Carolina Constituent Institutions

- UNC Chapel Hill (2)
- NC State University (4)
- UNC Charlotte (1)
- East Carolina Univ. (1)
- UNC Greensboro (1)
- UNC Wilmington (1)
- Appalachian State University (2)
- Western Carolina University (3)
- NC A&T University (1)
- Elizabeth City State University (2)
- Fayetteville State University (1)
- NC Central University (3)
- UNC Asheville (3)
- UNC Pembroke (1)
- Winston-Salem State University (1)

Constituent Institutions: Sources



Constituent Institutions: Uses of STIF Fund



- Payroll
- Scholarship payments
- Daily operations
 - Often department-level decisions
- Capital expenditures
- Debt service
- Operating reserves
- Liquidity for financing
- Investment

Constituent Institutions: Investment in STIF Accounts



- Institutional trust funds
 - Deposited with Treasurer by law
- Endowment and special funds
 - UNC Management Company
 - Vice Chancellors for Finance
 - Controllers

Constituent Institution Oversight and Guidance



- Chancellors
- Boards of Trustees
- Statutes
 - G.S. 116-36 (Endowment Funds)
 - G.S. 116-36.1 (Institutional Trust Funds)
 - G.S. 116-36.2 (Special Funds)
- University System Policies
 - UNC Policy 600.2.4

Community Colleges: Investment Options

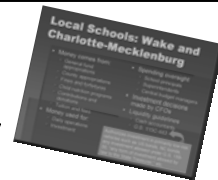
- Generally
 - Deposit at interest in bank, savings and loan, or trust company
 - Secured certificates of deposit (subject to requirements of G.S. 159-30(b1) and (b))
 - Options available to county governments under G.S. 159-30(c)
 - With State Treasurer (under G.S. 147-69.3)
- Endowment funds
 - "...may be invested pursuant to G.S. 147-69.2" (the Treasurer's broader investment authority)

NOTE: Funds for investment may be (i) county money, (ii) institutional funds, or (iii) foundation funds.

Community Colleges: Investment Oversight

- Statutory restrictions on investment
- Surety bond requirements
- Boards of Trustees
- Foundation Boards

Local School Boards: Investment Authority



- Investment authority from G.S. 115C-443
- School system finance officer manages
- Deposits: Bank, S&L, trust company
- Investment:
 - U.S. bonds, N.C. bonds, local N.C. gov't bonds, S&L shares, ≤18 month obligations of various Federal banks
 - *“Any form of investment allowed by law to the State Treasurer”*
 - *“Any form of investment allowed by G.S.159-30 to local governments and public authorities”*

Local School Boards: Investment Oversight

- Fidelity bond for finance officers
- Secured depository requirement
- Boards of Education
- Semi-annual reports to Local Government Commission
- Annual independent audit
- State Board of Education may suspend and assume financial control

School Boards with STIFs

Alamance Burlington Schools	Elizabeth City Pasquotank Schools	New Hanover County Schools
Alexander County Schools	Elkin City Schools	Northampton County Schools
Anson County Schools	Gaston County Schools	Onslow County
Ashe County Board of Education	Graham County Schools	Orange County Schools
Ashville City Schools	Granville County Schools	Pamlico County Schools
Beaufort County Board of Education	Guilford County Schools	Pitt County Schools
Bertie County Board of Education	Halifax County Schools	Polk County Schools
Bladen County BD Education	Harnett County Schools	Randolph County Schools
Brunswick County Schools	Haywood County Schools	Richmond County Schools
Buncombe County Schools	Henderson County Schools	Roanoke Rapids City Schools
Cabarrus County Schools	Hickory City Schools	Robeson County Schools
Camden County Schools	Hyde County Schools	Rowan-Salisbury Board of Education
Caswell County Schools	Iredell County Schools	Rutherford County Schools
Catawba County Board of Education	Jackson County Schools	Sampson County Schools
Chapel Hill-Carrboro City Schools	Johnston County Schools	Southland County Schools
Charlotte Mecklenburg Schools	Kannapolis Schools	Surry County Schools
Cherokee County Schools	Lee County Board of Education	Thomasville Schools
Cleveland County Unified Schools	Lexington City Schools	Transylvania County Schools
Clinton City Board of Education	Lincoln County Schools	Union County Schools
Columbus County Schools	Macon County Schools	Vance County Schools
Cumberland County Schools	McDowell County Schools	Wake County Schools
Currituck Schools	Mitchell County Schools	Warren County School
Dare County Schools	Montgomery County Schools	Wayne County Schools
Davie County Schools	Moore County Schools	Wilkes County Board of Education
Duplin County Unified School System	Mooresville City Schools	Wilson County Schools
Durham County Schools	Mount Airy Schools	Winston-Salem Forsyth County Schools
Edenton Chowan Schools	Nash Rocky Mount Schools	Yancey County Schools
Edgecombe County Schools	New Bern Craven Schools	

Licensing Boards

- “[E]stablished for the primary purpose of regulating the entry of persons into, and/or the conduct of persons within, a particular profession or occupation”
- Collected fees used to regulate licensees
- Interest earned to be used:
 - Reduce fees
 - Improve services offered to licensees/public
 - Educational purposes to benefit licensees/public

Licensing Boards: Financial Oversight

- Pre S.L. 2009-125
 - Boards’ books subject to oversight of State Auditor, but no required audit
- New in S.L. 2009-125
 - Annual financial report
 - State Auditor shall conduct audits “from time to time”
 - Annual audit to State Auditor required if over \$50k budget
 - Education for board on legal issues now required (BUT, investment education not included)
- Focus appears to be on operations, not investments
- Collected fees should be *just* enough to operate, so boards shouldn’t have *too* much money (theoretically)

Boards Using STIF (examples)

- Landscape Architects
 - STIF = operating account
 - Concerned about \$250k FDIC insurance cap (?!?)
 - In the process of adopting investment guidelines
 - Maintain one year operating costs in liquid assets plus funds to cover attorney fees
- Hearing Aid Board
 - Only 1¢ in STIF account
 - Use local bank for operating funds and CDs
- Irrigation (new board)
 - STIF = operating account
 - No rules adopted yet
- Geologists
 - STIF = operating account
 - Transferred \$250k to SunTrust CD last week
 - Investment decisions handled at board meetings
- Funeral Services
 - One STIF account for reserves/savings
 - Larger STIF account for Preneed Recovery Fund (G.S. 90-210.66)
 - Checking account at FirstCitizens

What about the boards not in STIF?

Other State Agencies

- Charitable foundations/agencies (examples)
 - Tryon Palace Commission
 - Friends of the Archives
 - Executive Mansion Fund
 - NC Museum of Art Foundation
- Health and Human Services (examples)
 - Partnership for Children
 - Service for the Blind
- Operating accounts (examples)
 - State Health Plan PPO
 - NC Turnpike Authority

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...Next time?

Please see the list of
recommend topics in
the draft report...