

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 17: COMPONENT UNITS — FINANCIAL INFORMATION

The financial statements for the University of North Carolina System and Community Colleges include their nongovernmental component unit foundations and similarly affiliated organizations. Financial statements for component units as of and for the fiscal year ended June 30, 2005 are presented below (dollars in thousands).

## Statement of Net Assets

	The Golden LEAF, Inc.	University of North Carolina System	Community Colleges	N.C. Housing Finance Agency	State Education Assistance Authority	Other Component Units	Total
<b>Assets</b>							
Cash and cash equivalents.....	\$ 282	\$ 2,147,479	\$ 168,945	\$ 215,216	\$ 286,848	\$ 42,695	\$ 2,861,465
Investments.....	505,378	1,022,158	59,413	233,017	305,849	18,693	2,144,508
Receivables, net.....	2	607,681	61,100	15,349	34,988	9,708	728,808
Due from component units.....	—	55,971	3,979	—	835	473	61,258
Due from primary government.....	—	153,601	118,696	48,352	27,255	—	347,904
Inventories.....	—	57,757	14,627	—	3	855	73,242
Prepaid items.....	28	10,872	1,075	—	996	562	13,533
Notes receivable, net.....	200	117,760	639	1,170,875	2,009,826	10,061	3,309,361
Endowment investments.....	—	1,932,913	77,678	—	—	—	2,010,591
Investment in joint venture.....	—	8,319	—	—	—	—	8,319
Deferred charges.....	—	10,519	—	—	10,233	789	21,541
Capital assets-nondepreciable.....	—	1,401,099	335,055	58	—	76,971	1,813,183
Capital assets-depreciable, net.....	24	4,707,308	1,020,691	2,065	4,824	178,543	5,913,455
Total Assets.....	505,914	12,233,437	1,861,898	1,684,932	2,681,637	339,350	19,307,168
<b>Liabilities</b>							
Accounts payable and accrued liabilities.....	17,135	469,954	52,300	8,497	609	6,985	555,480
Medical claims payable.....	—	3,975	—	—	—	—	3,975
Interest payable.....	—	12,460	8	8,668	13,259	16	34,411
Short-term debt.....	—	143,141	—	—	—	—	143,141
Due to component units.....	61,258	—	—	—	—	—	61,258
Due to primary government.....	4,769	1,101	35	—	—	8,445	14,350
Unearned revenue.....	—	112,551	8,130	677	—	1,027	122,385
Advance from primary government.....	—	—	—	—	—	21,800	21,800
Obligations under reverse repurchase agreements.....	—	—	—	9,992	—	—	9,992
Deposits payable.....	—	7,753	—	2,912	—	3	10,668
Funds held for others.....	—	382,198	3,880	—	196,745	1,190	584,013
<b>Long-term liabilities:</b>							
Due within one year.....	—	195,125	9,033	31,178	1,009	1,947	238,292
Due in more than one year.....	—	2,158,650	58,988	1,261,853	1,923,544	14,916	5,417,951
Total Liabilities.....	83,162	3,486,908	132,374	1,323,777	2,135,166	56,329	7,217,716
<b>Net Assets</b>							
Invested in capital assets, net of related debt....	24	4,230,695	1,345,352	2,123	4,824	226,178	5,809,196
Restricted for:							
Nonexpendable:							
Higher education.....	—	1,051,288	94,854	—	—	—	1,146,142
Expendable:							
Higher education.....	—	1,713,688	204,319	—	538,896	—	2,456,903
Health and human services.....	—	—	—	—	—	762	762
Economic development.....	—	—	—	345,980	—	—	345,980
Other purposes.....	—	—	—	—	—	24	24
Unrestricted.....	422,728	1,750,858	84,999	13,052	2,751	56,057	2,330,445
Total Net Assets.....	\$ 422,752	\$ 8,746,529	\$ 1,729,524	\$ 361,155	\$ 546,471	\$ 283,021	\$ 12,089,452

## NOTES TO THE FINANCIAL STATEMENTS

## Statement of Activities

	University		N.C.		State		Total
	of North		Housing		Education		
	The Golden	Carolina	Community	Finance	Assistance	Other	
	LEAF, Inc.	System	Colleges	Agency	Authority	Units	
Total expenses.....	\$ 24,471	\$ 6,112,010	\$ 1,424,287	\$ 224,266	\$ 175,959	\$ 194,728	\$ 8,155,711
Program revenues:							
Charges for services.....	5	3,645,788	240,812	224,960	91,433	49,938	4,252,936
Operating grants and contributions.....	36,842	803,976	445,550	64,951	31,592	14,873	1,397,784
Capital grants and contributions.....	—	25,362	94,279	—	—	300	119,941
Net program (expense) revenue.....	12,376	(1,636,884)	(643,646)	65,655	(52,934)	(129,617)	(2,385,050)
Non-tax general revenues:							
State operating aid.....	74,320	1,926,891	677,305	6,427	43,649	123,540	2,852,132
State capital aid.....	—	709,876	138,777	—	—	14,985	863,638
Miscellaneous.....	—	4,394	—	—	—	—	4,394
Total non-tax general revenues.....	74,320	2,641,161	816,082	6,427	43,649	138,525	3,720,164
Contributions to endowments.....	—	82,413	13,144	—	—	—	95,557
Change in net assets.....	86,696	1,086,690	185,580	72,082	(9,285)	8,908	1,430,671
Net assets — July 1, as restated (Note 22).....	336,056	7,659,839	1,543,944	289,073	555,756	274,113	10,658,781
Net assets — June 30.....	\$ 422,752	\$ 8,746,529	\$ 1,729,524	\$ 361,155	\$ 546,471	\$ 283,021	\$ 12,089,452

## Significant Balances and Transactions Between Component Units

	University		N.C.		State		Total
	of North		Housing		Education		
	The Golden	Carolina	Community	Finance	Assistance	Other	
	LEAF, Inc.	System	Colleges	Agency	Authority	Units	
The Golden LEAF, Inc.:							
Due from (due to) component units.....	\$ (61,258)	\$ 55,971	\$ 3,979	\$ —	\$ 835	\$ 473	\$ —
Grant revenue (expense).....	(13,079)	6,202	5,327	—	825	725	—
UNC System operating aid.....	—	(9,566)	—	—	9,566	—	—

## Advances To Component Units/Advances From Primary Government

The balance of \$21.7 million advanced to the N.C. Global TransPark Authority from the Escheats Fund (a special revenue fund) resulted from a \$25 million advance for the purposes of the acquisition of real property in prior fiscal years. The advance is due on October 1, 2007, and will be repaid with interest at a variable rate based upon the earnings record of the State Treasurer's Long-Term Investment Fund. The balance of \$58 thousand advanced to the North Carolina Turnpike Authority from the Highway Trust Fund is related to startup operating costs.

## Intra-Entity Balances — Between Primary Government and Component Units

	Due From Component Units				Due From Primary Government				
	General Fund	Other Governmental Funds	Other Funds	Total	University of North Carolina System	NC Community Colleges	NC Housing Finance Agency	State Education Assistance Authority	Total
<b>Due To Component Units:</b>									
General Fund.....	\$ —	\$ —	\$ —	\$ —	\$ 2,471	\$ —	\$ 48,352	\$ —	\$ 50,823
Other Governmental Funds.....	—	—	—	—	151,130	118,696	—	27,255	297,081
<b>Due To Primary Government:</b>									
The Golden LEAF, Inc.....	4,688	81	—	4,769	—	—	—	—	—
University of North Carolina System.....	—	8	1,093	1,101	—	—	—	—	—
Community Colleges.....	—	—	35	35	—	—	—	—	—
Other Component Units.....	1,251	7,190	4	8,445	—	—	—	—	—
<b>Total.....</b>	<b>\$ 5,939</b>	<b>\$ 7,279</b>	<b>\$ 1,132</b>	<b>\$ 14,350</b>	<b>\$ 153,601</b>	<b>\$ 118,696</b>	<b>\$ 48,352</b>	<b>\$ 27,255</b>	<b>\$ 347,904</b>