

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, 2006 are presented below (dollars in thousands).

Statement of Net Assets

	University		N.C.		State		Total
	The Golden LEAF, Inc.	of North Carolina System	Community Colleges	Housing Finance Agency	Education Assistance Authority	Other Component Units	
Assets							
Cash and cash equivalents.....	\$ 568	\$ 2,049,928	\$ 161,427	\$ 124,305	\$ 204,101	\$ 61,427	\$ 2,601,756
Investments.....	596,640	1,767,689	44,332	551,565	570,356	17,438	3,548,020
Receivables, net.....	2	673,589	63,958	26,579	151,645	12,056	927,829
Due from component units.....	—	52,303	4,629	—	1,510	375	58,817
Due from primary government.....	—	38,861	33,195	46,944	24,726	—	143,726
Inventories.....	—	60,468	15,206	—	23	859	76,556
Prepaid items.....	30	13,332	1,009	—	814	492	15,677
Notes receivable, net.....	424	132,536	811	1,226,004	2,415,468	11,877	3,787,120
Endowment investments.....	—	1,986,971	110,011	—	—	—	2,096,982
Investment in joint venture.....	—	8,319	—	—	—	—	8,319
Deferred charges.....	—	10,840	15	—	12,187	683	23,725
Capital assets-nondepreciable.....	—	1,439,313	306,116	447	—	125,654	1,871,530
Capital assets-depreciable, net.....	21	5,480,076	1,196,408	1,854	4,974	190,476	6,873,809
Total Assets.....	597,685	13,714,225	1,937,117	1,977,698	3,385,804	421,337	22,033,866
Liabilities							
Accounts payable and accrued liabilities.....	26,551	517,334	42,604	13,607	858	7,352	608,306
Medical claims payable.....	—	4,917	—	—	—	—	4,917
Interest payable.....	—	15,471	7	12,404	23,347	228	51,457
Short-term debt.....	—	139,582	—	—	—	—	139,582
Due to component units.....	58,817	—	—	—	—	—	58,817
Due to primary government.....	1,662	1,053	27	—	—	10,016	12,758
Unearned revenue.....	—	121,110	8,018	896	—	2,352	132,376
Advance from primary government.....	—	—	—	—	—	25,364	25,364
Obligations under reverse repurchase agreements.....	—	—	—	4,615	—	—	4,615
Deposits payable.....	—	8,464	—	3,168	—	68	11,700
Funds held for others.....	—	438,615	1,807	—	238,709	124	679,255
Long-term liabilities:							
Due within one year.....	—	275,722	9,174	178,224	506,383	3,107	972,610
Due in more than one year.....	—	2,590,242	71,129	1,368,514	2,056,680	54,364	6,140,929
Total Liabilities.....	87,030	4,112,510	132,766	1,581,428	2,825,977	102,975	8,842,686
Net Assets							
Invested in capital assets, net of related debt....	21	4,596,695	1,488,475	2,301	4,974	240,309	6,332,775
Restricted for:							
Nonexpendable:							
Higher education.....	—	1,318,397	101,871	—	—	—	1,420,268
Expendable:							
Higher education.....	—	1,783,212	147,365	—	545,382	—	2,475,959
Health and human services.....	—	—	—	—	—	5,798	5,798
Economic development.....	—	—	—	381,801	—	—	381,801
Other purposes.....	—	—	—	—	—	32	32
Unrestricted.....	510,634	1,903,411	66,640	12,168	9,471	72,223	2,574,547
Total Net Assets.....	\$ 510,655	\$ 9,601,715	\$ 1,804,351	\$ 396,270	\$ 559,827	\$ 318,362	\$ 13,191,180

NOTES TO THE FINANCIAL STATEMENTS

Statement of Activities

	University of North Carolina		Community Colleges	N.C.	State	Other Component Units	Total
	The Golden LEAF, Inc.	Carolina System		Housing Finance Agency	Education Assistance Authority		
Total expenses.....	\$ 28,773	\$ 6,650,114	\$ 1,502,874	\$ 251,870	\$ 249,312	\$ 195,104	\$ 8,878,047
Program revenues:							
Charges for services.....	5	3,903,663	242,164	244,466	154,206	56,702	4,601,206
Operating grants and contributions.....	48,444	929,272	452,649	32,068	38,717	20,344	1,521,494
Capital grants and contributions.....	—	32,747	60,971	—	—	715	94,433
Net program (expense) revenue.....	19,676	(1,784,432)	(747,090)	24,664	(56,389)	(117,343)	(2,660,914)
Non-tax general revenues:							
State operating aid.....	68,227	2,131,110	728,340	10,451	69,745	124,132	3,132,005
State capital aid.....	—	398,737	68,000	—	—	23,242	489,979
Miscellaneous.....	—	5,430	112	—	—	5,084	10,626
Total non-tax general revenues.....	68,227	2,535,277	796,452	10,451	69,745	152,458	3,632,610
Contributions to endowments.....	—	103,206	6,541	—	—	—	109,747
Change in net assets.....	87,903	854,051	55,903	35,115	13,356	35,115	1,081,443
Net assets — July 1, as restated (Note 22).....	422,752	8,747,664	1,748,448	361,155	546,471	283,247	12,109,737
Net assets — June 30.....	\$ 510,655	\$ 9,601,715	\$ 1,804,351	\$ 396,270	\$ 559,827	\$ 318,362	\$ 13,191,180

Significant Balances and Transactions Between Component Units

	University of North Carolina		Community Colleges	N.C.	State	Other Component Units	Total
	The Golden LEAF, Inc.	Carolina System		Housing Finance Agency	Education Assistance Authority		
The Golden LEAF, Inc.:							
Due from (due to) component units.....	\$ (58,817)	\$ 52,303	\$ 4,629	\$ —	\$ 1,510	\$ 375	\$ —
Grant revenue (expense).....	(8,712)	4,430	2,725	—	1,500	57	—
UNC System operating aid.....	—	(9,176)	—	—	9,176	—	—

Advances To Component Units/Advances From Primary Government

The balance of \$21.742 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 \$3.622 million 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	Community Colleges	NC Housing Finance Agency	State Education Assistance Authority	Total
Due To Component Units:									
General Fund.....	\$ —	\$ —	\$ —	\$ —	\$ 1,502	\$ —	\$ 46,944	\$ —	\$ 48,446
Other Governmental Funds.....	—	—	—	—	37,359	33,195	—	24,726	95,280
Due To Primary Government:									
The Golden LEAF, Inc.....	1,153	509	—	1,662	—	—	—	—	—
University of North Carolina System.....	—	3	1,050	1,053	—	—	—	—	—
Community Colleges.....	—	—	27	27	—	—	—	—	—
Other Component Units.....	1,285	8,728	3	10,016	—	—	—	—	—
Total.....	\$ 2,438	\$ 9,240	\$ 1,080	\$ 12,758	\$ 38,861	\$ 33,195	\$ 46,944	\$ 24,726	\$ 143,726