

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, 2007 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.....	\$ 3,008	\$ 1,319,164	\$ 125,160	\$ 771	\$ 42,932	\$ 19,458	\$ 1,510,493
Investments.....	715,769	2,149,662	58,465	5,615	39,017	14,275	2,982,803
Receivables, net.....	3	714,305	77,972	21,544	77,943	13,530	905,297
Due from component units.....	—	33,613	3,644	—	1,750	170	39,177
Due from primary government.....	—	1,786	—	41,393	24,715	—	67,894
Inventories.....	—	66,307	15,113	—	10	812	82,242
Prepaid items.....	27	14,178	1,485	—	938	759	17,387
Notes receivable, net.....	—	172,964	487	1,388,410	2,793,479	13,257	4,368,597
Investment in joint venture.....	—	8,319	—	—	—	—	8,319
Deferred charges.....	—	13,265	—	—	14,316	808	28,389
Restricted/designated cash and cash equiv.....	—	1,065,028	64,266	123,737	346,955	34,769	1,634,755
Restricted investments.....	—	2,470,296	123,974	515,760	628,359	2,945	3,741,334
Restricted due from primary government.....	—	228,249	153,255	—	—	—	381,504
Capital assets-nondepreciable.....	1,056	1,498,447	270,796	101	—	134,507	1,904,907
Capital assets-depreciable, net.....	273	6,120,880	1,404,060	2,354	7,740	266,441	7,801,748
Total Assets.....	720,136	15,876,463	2,298,677	2,099,685	3,978,154	501,731	25,474,846
Liabilities							
Accounts payable and accrued liabilities.....	30,780	498,066	42,397	8,905	572	13,779	594,499
Medical claims payable.....	—	2,587	—	—	—	—	2,587
Interest payable.....	—	27,563	2	16,119	32,203	97	75,984
Short-term debt.....	—	279,584	—	—	—	—	279,584
Due to component units.....	39,177	—	—	—	—	—	39,177
Due to primary government.....	1,279	1,106	32	—	—	11,654	14,071
Unearned revenue.....	—	143,945	16,753	874	—	1,182	162,754
Advance from primary government.....	—	—	—	—	—	29,298	29,298
Deposits payable.....	—	9,120	—	3,169	—	171	12,460
Funds held for others.....	—	688,387	3,941	—	336,466	149	1,028,943
Long-term liabilities:							
Due within one year.....	—	301,529	9,279	179,953	506,937	2,660	1,000,358
Due in more than one year.....	—	2,718,747	74,575	1,458,329	2,472,698	85,597	6,809,946
Total Liabilities.....	71,236	4,670,634	146,979	1,667,349	3,348,876	144,587	10,049,661
Net Assets							
Invested in capital assets, net of related debt....	1,329	4,988,129	1,659,284	2,455	7,740	294,388	6,953,325
Restricted for:							
Nonexpendable:							
Higher education.....	—	1,184,894	106,180	—	—	—	1,291,074
Expendable:							
Higher education.....	—	2,898,650	286,805	—	573,754	—	3,759,209
Health and human services.....	—	—	—	—	—	4,871	4,871
Economic development.....	—	—	—	417,733	—	34,662	452,395
Unrestricted.....	647,571	2,134,156	99,429	12,148	47,784	23,223	2,964,311
Total Net Assets.....	\$ 648,900	\$ 11,205,829	\$ 2,151,698	\$ 432,336	\$ 629,278	\$ 357,144	\$ 15,425,185

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.....	\$ 34,644	\$ 7,281,729	\$ 1,590,634	\$ 273,974	\$ 321,257	\$ 210,793	\$ 9,713,031
Program revenues:							
Charges for services.....	6	4,294,352	249,576	261,993	205,973	56,131	5,068,031
Operating grants and contributions.....	101,470	1,225,603	473,449	25,859	86,341	6,558	1,919,280
Capital grants and contributions:							
State capital aid.....	—	785,699	211,495	—	—	24,239	1,021,433
Other capital grants and contributions.....	—	51,692	84,947	—	—	3,603	140,242
Net program (expense) revenue.....	66,832	(924,383)	(571,167)	13,878	(28,943)	(120,262)	(1,564,045)
Non-tax general revenues:							
State operating aid.....	71,412	2,419,596	815,895	22,188	98,394	135,560	3,563,045
Miscellaneous.....	1	5,619	—	—	—	283	5,903
Total non-tax general revenues.....	71,413	2,425,215	815,895	22,188	98,394	135,843	3,568,948
Contributions to endowments.....	—	91,007	11,245	—	—	—	102,252
Change in net assets.....	138,245	1,591,839	255,973	36,066	69,451	15,581	2,107,155
Net assets — July 1, as restated (Note 22).....	510,655	9,613,990	1,895,725	396,270	559,827	341,563	13,318,030
Net assets — June 30.....	\$ 648,900	\$ 11,205,829	\$ 2,151,698	\$ 432,336	\$ 629,278	\$ 357,144	\$ 15,425,185

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.....	\$ (39,177)	\$ 33,613	\$ 3,644	\$ —	\$ 1,750	\$ 170	\$ —
Grant revenue (expense).....	(13,614)	9,252	2,622	—	1,740	—	—
UNC System operating aid.....	—	(35,572)	—	—	35,572	—	—

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, 2009, 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 \$7.556 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 / Restricted 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.....	\$ —	\$ —	\$ —	\$ —	\$ 1,786	\$ —	\$ 41,393	\$ —	\$ 43,179
Other Governmental Funds.....	—	—	—	—	228,249	153,255	—	24,715	406,219
Due To Primary Government:									
The Golden LEAF, Inc.....	564	715	—	1,279	—	—	—	—	—
University of North Carolina System.....	—	5	1,101	1,106	—	—	—	—	—
Community Colleges.....	—	—	32	32	—	—	—	—	—
Other Component Units.....	1,302	10,327	25	11,654	—	—	—	—	—
Total.....	\$ 1,866	\$ 11,047	\$ 1,158	\$ 14,071	\$ 230,035	\$ 153,255	\$ 41,393	\$ 24,715	\$ 449,398