

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18: 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, 2008 are presented below (dollars in thousands).

Statement of Net Assets

	University of North Carolina System		Community Colleges	N.C. Housing Finance Agency	State Education Assistance Authority	Other Component Units	Total
	The Golden LEAF, Inc.						
Assets							
Cash and cash equivalents.....	\$ 532	\$ 1,594,862	\$ 141,792	\$ 3,880	\$ 48,896	\$ 24,585	\$ 1,814,547
Investments.....	726,907	2,054,723	51,877	4,772	—	15,653	2,853,932
Receivables, net.....	39	773,505	91,924	23,102	79,741	12,211	980,522
Due from component units.....	—	8,269	5,659	—	1,740	138	15,806
Due from primary government.....	—	1,183	—	49,256	27,484	—	77,923
Inventories.....	—	79,772	16,353	—	18	873	97,016
Prepaid items.....	34	17,238	1,528	—	115	562	19,477
Notes receivable, net.....	—	179,824	418	1,570,125	3,266,467	7,870	5,024,704
Investment in joint venture.....	—	8,319	—	—	—	—	8,319
Deferred charges.....	—	16,528	—	—	16,810	846	34,184
Restricted/designated cash and cash equiv.....	—	1,171,132	73,336	243,684	462,332	39,707	1,990,191
Restricted investments.....	—	2,783,516	118,971	157,795	917,031	2,970	3,980,283
Restricted due from primary government.....	—	81,235	110,053	—	—	—	191,288
Restricted due from component units.....	—	3,200	63	—	—	100,000	103,263
Capital assets-nondepreciable.....	928	1,681,274	288,132	242	—	144,248	2,114,824
Capital assets-depreciable, net.....	3,274	6,704,476	1,567,711	3,075	7,043	344,064	8,629,643
Total Assets.....	731,714	17,159,056	2,467,817	2,055,931	4,827,677	693,727	27,935,922
Liabilities							
Accounts payable and accrued liabilities.....	39,935	540,730	52,175	2,219	1,503	9,212	645,774
Interest payable.....	—	17,914	2	15,976	50,412	219	84,523
Short-term debt.....	—	176,657	—	—	—	—	176,657
Due to component units.....	119,069	—	—	—	—	—	119,069
Due to primary government.....	1,277	1,021	65	—	—	13,330	15,693
Unearned revenue.....	—	142,965	17,494	8,674	—	650	169,783
Advance from primary government.....	—	—	—	—	—	32,922	32,922
Deposits payable.....	—	6,339	—	3,316	—	71	9,726
Funds held for others.....	—	797,253	2,252	—	419,114	70	1,218,689
Long-term liabilities:							
Due within one year.....	—	288,258	9,365	35,675	506,308	20,837	860,443
Due in more than one year.....	—	3,151,125	75,208	1,516,762	3,194,671	83,550	8,021,316
Total Liabilities.....	160,281	5,122,262	156,561	1,582,622	4,172,008	160,861	11,354,595
Net Assets							
Invested in capital assets, net of related debt...	4,202	5,435,798	1,840,965	3,317	7,043	365,661	7,656,986
Restricted for:							
Nonexpendable:							
Higher education.....	—	1,478,553	115,486	—	—	—	1,594,039
Expendable:							
Higher education.....	—	2,561,523	252,504	—	595,106	—	3,409,133
Health and human services.....	—	—	—	—	—	4,597	4,597
Economic development.....	—	—	—	459,323	—	138,033	597,356
Unrestricted.....	567,231	2,560,920	102,301	10,669	53,520	24,575	3,319,216
Total Net Assets.....	\$ 571,433	\$ 12,036,794	\$ 2,311,256	\$ 473,309	\$ 655,669	\$ 532,866	\$ 16,581,327

NOTES TO THE FINANCIAL STATEMENTS

Statement of Activities

	University		N.C.		State		Total
	of North		Housing		Education		
	The Golden LEAF, Inc.	Carolina System	Community Colleges	Finance Agency	Assistance Authority	Other Component Units	
Total expenses.....	\$ 140,822	\$ 7,891,720	\$ 1,706,114	\$ 297,975	\$ 406,585	\$ 203,708	\$ 10,646,924
Program revenues:							
Charges for services.....	54	4,536,193	263,017	280,084	203,100	56,832	5,339,280
Operating grants and contributions.....	(16,676)	812,665	488,865	40,256	86,892	5,929	1,417,931
Capital grants and contributions:							
State capital aid.....	—	398,368	77,561	—	—	28,075	504,004
Other capital grants and contributions.....	—	48,533	140,966	—	—	109,382	298,881
Net program (expense) revenue.....	(157,444)	(2,095,961)	(735,705)	22,365	(116,593)	(3,490)	(3,086,828)
Non-tax general revenues:							
State aid.....	79,977	2,713,732	857,604	18,608	142,984	137,294	3,950,199
Miscellaneous.....	—	1,177	6	—	—	1,280	2,463
Total non-tax general revenues.....	79,977	2,714,909	857,610	18,608	142,984	138,574	3,952,662
Contributions to endowments.....	—	111,471	8,914	—	—	—	120,385
Change in net assets.....	(77,467)	730,419	130,819	40,973	26,391	135,084	986,219
Net assets — July 1, as restated (Note 23).....	648,900	11,306,375	2,180,437	432,336	629,278	397,782	15,595,108
Net assets — June 30.....	\$ 571,433	\$ 12,036,794	\$ 2,311,256	\$ 473,309	\$ 655,669	\$ 532,866	\$ 16,581,327

Significant Balances and Transactions Between Component Units

	University		N.C.		State		Total
	of North		Housing		Education		
	The Golden LEAF, Inc.	Carolina System	Community Colleges	Finance Agency	Assistance Authority	Other Component Units	
The Golden LEAF, Inc.:							
Due from (due to) component units.....	\$ (119,069)	\$ 11,469	\$ 5,722	\$ —	\$ 1,740	\$ 100,138	\$ —
Grant revenue (expense).....	(108,569)	2,746	4,083	—	1,740	100,000	—
UNC System operating aid.....	—	(38,317)	—	—	38,317	—	—

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 \$11.180 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/Restricted Due From Component Units				Due From / Restricted Due From Primary Government				
	Other		Other	Total	University		NC		State
	General Fund	Governmental Funds			of North Carolina System	Community Colleges	Housing Finance Agency	Education Assistance Authority	
Due To Component Units:									
General Fund.....	\$ —	\$ —	\$ —	\$ —	\$ 1,183	\$ —	\$ 49,256	\$ —	\$ 50,439
Other Governmental Funds.....	—	—	—	—	81,235	110,053	—	27,484	218,772
Due To Primary Government:									
The Golden LEAF, Inc.....	368	909	—	1,277	—	—	—	—	—
University of North Carolina System.....	—	1	1,020	1,021	—	—	—	—	—
Community Colleges.....	—	1	64	65	—	—	—	—	—
Other Component Units.....	1,110	12,193	27	13,330	—	—	—	—	—
Total.....	\$ 1,478	\$ 13,104	\$ 1,111	\$ 15,693	\$ 82,418	\$ 110,053	\$ 49,256	\$ 27,484	\$ 269,211