

NOTES TO THE FINANCIAL STATEMENTS

NOTE 23: FUND EQUITY RECLASSIFICATIONS AND RESTATEMENTS

The following table reconciles the beginning fund equity as previously reported to the beginning fund equity as restated (dollars in thousands). The adjustments in the *Fund Reclassifications* column result primarily from reclassification of the North Carolina School of Science and Math from the primary government to the University of North Carolina System, a component unit (*statutory change*). The amount in the *Change in Capital Assets Valuation* column represents adjustments to beginning balances of accumulated depreciation on capital assets previously reported as fully depreciated that remain in use. The amounts in the *Other Adjustments* column are due primarily to the correction of errors related to prior periods.

	July 1, 2007 Fund Equity as Previously Reported	Change in Capital Assets Valuation	Fund Reclassifications	Other Adjustments	July 1, 2007 Fund Equity as Restated
Primary Government					
Major Governmental Funds:					
General Fund	\$ 2,576,911	\$ —	\$ (708)	\$ 30,515	\$ 2,606,718
Highway Fund	593,969	—	—	84,933	678,902
Highway Trust Fund	17,121	—	—	(84,933)	(67,812)
Other Governmental Funds:					
Special Revenue Funds	2,757,588	—	(27)	(4,144)	2,753,417
Capital Projects Funds	337,605	—	(2,367)	—	335,238
Permanent Funds	66,244	—	—	—	66,244
Total Governmental Funds	<u>6,349,438</u>	<u>—</u>	<u>(3,102)</u>	<u>26,371</u>	<u>6,372,707</u>
Internal Service Funds	190,022	—	—	(64)	189,958
Government-wide adjustments:					
Capital assets	30,792,249	9,698	(42,166)	58,611	30,818,392
Unavailable deferred revenues	189,393	—	—	—	189,393
Long-term liabilities	(7,595,106)	—	1,383	(79,011)	(7,672,734)
Accrued interest payable	(81,788)	—	—	—	(81,788)
Pension assets	114	—	—	—	114
Total Government-wide adjustments	<u>23,304,862</u>	<u>9,698</u>	<u>(40,783)</u>	<u>(20,400)</u>	<u>23,253,377</u>
Total Governmental Activities	<u>\$ 29,844,322</u>	<u>\$ 9,698</u>	<u>\$ (43,885)</u>	<u>\$ 5,907</u>	<u>\$ 29,816,042</u>
Business-type Activities - Enterprise Funds:					
Unemployment Compensation Fund	\$ 746,108	\$ —	\$ —	\$ —	\$ 746,108
EPA Revolving Loan Fund	863,183	—	—	—	863,183
Other enterprise funds	102,453	—	—	2,732	105,185
Total Business-type Activities - Enterprise Funds	<u>\$ 1,711,744</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,732</u>	<u>\$ 1,714,476</u>
Fiduciary Funds					
Pension and Other Employee Benefit Trust Funds ..	<u>\$ 81,793,252</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (39,721)</u>	<u>\$ 81,753,531</u>
Component Units					
The Golden LEAF, Inc.	\$ 648,900	\$ —	\$ —	\$ —	\$ 648,900
University of North Carolina System	11,205,829	42,652	43,885	14,009	11,306,375
Community Colleges	2,151,698	29,454	—	(715)	2,180,437
NC Housing Finance Agency	432,336	—	—	—	432,336
State Education Assistance Authority	629,278	—	—	—	629,278
Other component units	357,144	40,654	—	(16)	397,782
Total Component Units	<u>\$ 15,425,185</u>	<u>\$ 112,760</u>	<u>\$ 43,885</u>	<u>\$ 13,278</u>	<u>\$ 15,595,108</u>