

## 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, 2009 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.....	\$ 614	\$ 1,601,550	\$ 171,810	\$ 7,054	\$ 52,581	\$ 81,176	\$ 1,914,785
Investments.....	555,870	872,412	44,230	—	—	213,748	1,686,260
Receivables, net.....	3	768,564	72,682	23,561	75,120	16,672	956,602
Due from component units.....	—	8,448	8,285	—	1,740	1,219	19,692
Due from primary government.....	—	2,442	—	53,544	6,366	5,000	67,352
Inventories.....	—	79,007	16,563	—	28	807	96,405
Prepaid items.....	83	15,921	1,633	—	—	378	18,015
Notes receivable, net.....	—	232,913	406	1,535,593	3,875,258	11,882	5,656,052
Investment in joint venture.....	—	9,399	—	—	—	—	9,399
Deferred charges.....	—	16,934	—	—	20,780	625	38,339
Restricted/designated cash and cash equiv.....	—	1,102,620	77,475	333,877	230,363	92,143	1,836,478
Restricted investments.....	—	2,894,379	109,279	113,692	784,967	27,477	3,929,794
Restricted due from primary government.....	—	31,310	74,468	—	—	—	105,778
Restricted due from component units.....	—	1,059	469	—	—	—	1,528
Capital assets-nondepreciable.....	928	1,694,489	309,433	537	—	238,536	2,243,923
Capital assets-depreciable, net.....	3,196	7,340,870	1,726,386	2,639	6,660	346,305	9,426,056
Total Assets.....	560,694	16,672,317	2,613,119	2,070,497	5,053,863	1,035,968	28,006,458
<b>Liabilities</b>							
Accounts payable and accrued liabilities.....	37,040	541,282	51,118	2,877	12,172	32,281	676,770
Medical claims payable.....	—	3,985	—	—	—	—	3,985
Interest payable.....	—	16,673	24	49,165	15,053	82	80,997
Short-term debt.....	15,000	174,991	—	—	—	—	189,991
Due to component units.....	21,220	—	—	—	—	—	21,220
Due to primary government.....	530	19,104	42	—	—	14,467	34,143
Unearned revenue.....	—	135,381	19,349	9,239	—	1,622	165,591
Advance from primary government.....	—	—	—	—	—	36,716	36,716
Deposits payable.....	—	7,526	4	3,885	—	88	11,503
Funds held for others.....	—	723,774	6,172	—	429,419	90	1,159,455
<b>Long-term liabilities:</b>							
Due within one year.....	16	256,721	9,571	72,775	648,427	1,825	989,335
Due in more than one year.....	—	3,261,305	77,760	1,429,417	3,348,969	101,945	8,219,396
Total Liabilities.....	73,806	5,140,742	164,040	1,567,358	4,454,040	189,116	11,589,102
<b>Net Assets</b>							
Invested in capital assets, net of related debt.....	4,124	5,787,670	2,013,582	3,176	6,660	461,298	8,276,510
Restricted for:							
Nonexpendable:							
Higher education.....	—	1,460,773	125,673	—	—	—	1,586,446
Expendable:							
Higher education.....	—	1,902,277	205,900	—	533,404	—	2,641,581
Health and human services.....	—	—	—	—	—	3,281	3,281
Economic development.....	—	—	—	491,277	—	339,998	831,275
Transportation.....	—	—	—	—	—	25,000	25,000
Unrestricted.....	482,764	2,380,855	103,924	8,686	59,759	17,275	3,053,263
Total Net Assets.....	\$ 486,888	\$ 11,531,575	\$ 2,449,079	\$ 503,139	\$ 599,823	\$ 846,852	\$ 16,417,356

**NOTES TO THE FINANCIAL STATEMENTS**

**Statement of Activities**

	The Golden LEAF, Inc.	University of North Carolina System	Community Colleges	N.C. Housing Finance Agency	State Education Assistance Authority	Other Component Units	Total
Total expenses.....	\$ 30,607	\$ 8,245,139	\$ 1,810,953	\$ 296,266	\$ 446,729	\$ 254,100	\$ 11,083,794
Program revenues:							
Charges for services.....	51	4,829,138	275,348	267,757	138,792	54,701	5,565,787
Operating grants and contributions:							
State aid - program.....	—	84,750	42,213	38,892	192,663	20,896	379,414
Other operating grants and contributions..... [1]	(141,583)	22,333	571,123	—	59,428	13,130	524,431
Capital grants and contributions:							
State capital aid.....	—	141,388	76,356	—	—	30,927	248,671
Other capital grants and contributions.....	—	58,284	136,800	—	—	20,633	215,717
Net program (expense) revenue.....	(172,139)	(3,109,246)	(709,113)	10,383	(55,846)	(113,813)	(4,149,774)
Non-tax general revenues:							
State aid - general.....	87,593	2,489,129	829,505	19,447	—	225,498	3,651,172
Miscellaneous.....	1	459	68	—	—	1,522	2,050
Total non-tax general revenues.....	87,594	2,489,588	829,573	19,447	—	227,020	3,653,222
Contributions to endowments.....	—	79,092	4,805	—	—	—	83,897
Change in net assets.....	(84,545)	(540,566)	125,265	29,830	(55,846)	113,207	(412,655)
Net assets — July 1, as restated.....	571,433	12,072,141	2,323,814	473,309	655,669	733,645	16,830,011
Net assets — June 30.....	\$ 486,888	\$ 11,531,575	\$ 2,449,079	\$ 503,139	\$ 599,823	\$ 846,852	\$ 16,417,356

[1] The negative amount of program revenue for the Golden LEAF, Inc. was due to unrealized losses on investments.

**Significant Balances and Transactions Between Component Units**

	The Golden LEAF, Inc.	University of North Carolina System	Community Colleges	N.C. Housing Finance Agency	State Education Assistance Authority	Other Component Units	Total
The Golden LEAF, Inc.:							
Due from (due to) component units.....	\$ (21,220)	\$ 9,507	\$ 8,754	\$ —	\$ 1,740	\$ 1,219	\$ —
Grant revenue (expense).....	(9,317)	2,281	5,221	—	1,740	75	—
UNC System - grant revenue (expense).....	—	(29,360)	—	—	29,360	—	—

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

	Due From/Restricted Due From Component Units			Due From / Restricted Due From Primary Government					
	Other Governmental Funds	Other Funds	Total	University of North Carolina System	Community Colleges	NC Housing Finance Agency	State Education Assistance Authority	Other Component Units	Total
<b>Due To Component Units:</b>									
General Fund.....	\$ —	\$ —	\$ —	\$ 2,442	\$ —	\$ 53,544	\$ —	\$ —	\$ 55,986
Other Governmental Funds.....	—	—	—	31,310	74,468	—	6,366	5,000	117,144
<b>Due To Primary Government:</b>									
The Golden LEAF, Inc.....	530	—	530	—	—	—	—	—	—
University of North Carolina System.....	18,192	912	19,104	—	—	—	—	—	—
Community Colleges.....	—	42	42	—	—	—	—	—	—
Other Component Units.....	14,446	21	14,467	—	—	—	—	—	—
Total.....	\$ 33,168	\$ 975	\$ 34,143	\$ 33,752	\$ 74,468	\$ 53,544	\$ 6,366	\$ 5,000	\$ 173,130