

## 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 amounts 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 adjustments in the "Fund Reclassifications" column result primarily from reclassifications of residual balances from the N.C. Infrastructure Finance Corporation capital projects fund to the N.C. Infrastructure Finance Corporation special revenue fund. The amounts in the "Other Adjustments" column include 1) government-wide adjustments to long-term liabilities for the implementation of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, 2) fiduciary fund adjustments to include the Public Hospitals Investment Account with the Investment Trust Fund, 3) a change in reporting entity to include the Rural Economic Development Center, Inc. as a discretely presented component unit, and 4) correction of errors related to prior periods.

|   | July 1, 2008<br>Fund Equity<br>as Previously<br>Reported | Change in<br>Capital Assets<br>Valuation | Fund<br>Reclassifications | Other<br>Adjustments | July 1, 2008<br>Fund Equity<br>as Restated |
|---|--|--|---------------------------|----------------------|--|
| <b>Primary Government</b>                               |  |  |                           |                      |  |
| Major Governmental Funds:                               |  |  |                           |                      |  |
| General Fund .....                                      | \$ 1,679,078   | \$ —                                     | \$ 2                      | \$ (941)             | \$ 1,678,139                               |
| Highway Fund .....                                      | 891,747  | —  | —                         | 84,138               | 975,885                                    |
| Highway Trust Fund .....                                | (74,615)   | —  | —                         | (84,138)             | (158,753)                                  |
| Other Governmental Funds:                               |  |  |                           |                      |  |
| Special Revenue Funds .....                             | 2,684,715  | —  | 3,595                     | (5,352)              | 2,682,958                                  |
| Capital Projects Funds .....                            | 413,885  | —  | (3,597)                   | —                    | 410,288                                    |
| Permanent Funds .....                                   | 73,125   | —  | —                         | —                    | 73,125                                     |
| Total Governmental Funds .....                          | <u>5,667,935</u>   | <u>—</u>                                 | <u>—</u>                  | <u>(6,293)</u>       | <u>5,661,642</u>                           |
| Internal Service Funds .....                            | 234,979  | —  | —                         | (497)                | 234,482                                    |
| Government-wide adjustments:                            |  |  |                           |                      |  |
| Capital assets .....                                    | 32,506,327   | —  | —                         | 53,069               | 32,559,396                                 |
| Unavailable deferred revenues .....                     | 209,085  | —  | —                         | —                    | 209,085                                    |
| Long-term liabilities .....                             | (8,566,690)  | —  | —                         | (6,374)              | (8,573,064)                                |
| Accrued interest payable .....                          | (84,248)   | —  | —                         | (4,467)              | (88,715)                                   |
| Pension assets .....                                    | 3,527  | —  | —                         | —                    | 3,527                                      |
| Total Government-wide adjustments .....                 | <u>24,068,001</u>  | <u>—</u>                                 | <u>—</u>                  | <u>42,228</u>        | <u>24,110,229</u>                          |
| Total Governmental Activities .....                     | <u>\$ 29,970,915</u>                                     | <u>\$ —</u>                              | <u>\$ —</u>               | <u>\$ 35,438</u>     | <u>\$ 30,006,353</u>                       |
| Business-type Activities - Enterprise Funds:            |  |  |                           |                      |  |
| Unemployment Compensation Fund .....                    | \$ 847,690   | \$ —                                     | \$ —                      | \$ —                 | \$ 847,690                                 |
| EPA Revolving Loan Fund .....                           | 922,867  | —  | —                         | —                    | 922,867                                    |
| Other enterprise funds .....                            | 126,212  | —  | —                         | (469)                | 125,743                                    |
| Total Business-type Activities - Enterprise Funds ..... | <u>\$ 1,896,769</u>                                      | <u>\$ —</u>                              | <u>\$ —</u>               | <u>\$ (469)</u>      | <u>\$ 1,896,300</u>                        |
| Fiduciary Funds   |  |  |                           |                      |  |
| Pension and Other Employee Benefit Trust Funds ..       | \$ 78,888,902  | \$ —                                     | \$ —                      | \$ 3,092             | \$ 78,891,994                              |
| Investment Trust Fund .....                             | 464,491  | —  | —                         | 59,327               | 523,818                                    |
| Private Purpose Trust Funds .....                       | 1,071,894  | —  | —                         | —                    | 1,071,894                                  |
| <b>Component Units</b>                                  |  |  |                           |                      |  |
| The Golden LEAF, Inc. ....                              | \$ 571,433   | \$ —                                     | \$ —                      | \$ —                 | \$ 571,433                                 |
| University of North Carolina System .....               | 12,036,794   | 23,913                                   | —                         | 11,434               | 12,072,141                                 |
| Community Colleges .....                                | 2,311,256  | 12,194                                   | —                         | 364                  | 2,323,814                                  |
| NC Housing Finance Agency .....                         | 473,309  | —  | —                         | —                    | 473,309                                    |
| State Education Assistance Authority .....              | 655,669  | —  | —                         | —                    | 655,669                                    |
| Other component units .....                             | 532,866  | 40                                       | —                         | 200,739              | 733,645                                    |
| Total Component Units .....                             | <u>\$ 16,581,327</u>                                     | <u>\$ 36,147</u>                         | <u>\$ —</u>               | <u>\$ 212,537</u>    | <u>\$ 16,830,011</u>                       |