

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 18: COMPONENT UNITS – FINANCIAL INFORMATION

Financial statements as of and for the fiscal year ended June 30, 2023 are presented below (dollars in thousands).

#### Statement of Net Position

	University of North Carolina System	Community Colleges	State Health Plan	Other Component Units	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 3,636,600	\$ 523,710	\$ 742,359	\$ 241,393	\$ 5,144,062
Investments	4,322,619	185,470	-	1,365,258	5,873,347
Securities lending collateral	85,390	7,240	12,998	1,126	106,754
Receivables, net	1,744,986	113,942	175,667	75,497	2,110,092
Due from component units	1,149	1,216	-	3,556	5,921
Due from primary government	141,351	-	-	-	141,351
Inventories	163,070	13,742	-	711	177,523
Prepaid items	142,524	12,866	-	4,260	159,650
Hedging derivatives asset	926	-	-	-	926
Notes receivable, net	109,190	1,284	-	518,932	629,406
Lease receivable	142,110	3,078	-	76,545	221,733
Investment in joint venture	237,477	-	-	-	237,477
Restricted/designated cash and cash equivalents	1,863,488	390,965	-	1,530,698	3,785,151
Restricted investments	7,229,229	412,394	-	5,376,373	13,017,996
Restricted due from primary government	-	3,141	-	-	3,141
Restricted due from component units	-	4,059	-	2,474	6,533
Advances to outside entities	-	-	-	16,936	16,936
Beneficial interest in assets held by others	3,829	-	-	-	3,829
Capital assets-nondepreciable	1,901,540	556,540	-	164,605	2,622,685
Capital assets-depreciable, net	14,838,440	3,708,069	-	813,225	19,359,734
Total Assets	36,563,918	5,937,716	931,024	10,191,589	53,624,247
<b>Deferred Outflows of Resources</b>					
Accumulated decrease in fair value of hedging derivatives	52,138	-	-	-	52,138
Deferred loss on refunding	45,874	-	-	-	45,874
Deferred outflows for asset retirement obligation	13,981	-	-	-	13,981
Deferred outflows for pensions	1,468,139	525,667	2,018	18,176	2,014,000
Deferred outflows for OPEB	1,366,773	250,751	1,800	13,472	1,632,796
Other deferred outflows	-	1,164	-	-	1,164
Total Deferred Outflows of Resources	2,946,905	777,582	3,818	31,648	3,759,953
<b>Liabilities</b>					
Accounts payable and accrued liabilities	1,312,793	90,387	26,471	271,891	1,701,542
Medical claims payable	-	-	415,033	-	415,033
Interest payable	42,568	3	-	25,898	68,469
Obligations under securities lending	85,390	7,240	12,998	1,126	106,754
Short-term debt	19,000	-	-	-	19,000
Due to component units	-	-	-	12,454	12,454
Due to primary government	9,954	-	-	68,185	78,139
Unearned revenue	650,809	26,066	89,883	52,177	818,935
Advance from primary government	-	-	-	1,441	1,441
Deposits payable	26,715	-	-	3,806	30,521
Funds held for others	35,237	10,005	-	3,845,318	3,890,560
Hedging derivatives liability	52,138	-	-	133	52,271
Long-term liabilities:					
Due within one year	631,080	31,927	35	58,045	721,087
Due in more than one year	14,743,714	2,120,155	7,832	1,827,778	18,699,479
Total Liabilities	17,609,398	2,285,783	552,252	6,168,252	26,615,685

**NOTES TO THE FINANCIAL STATEMENTS****Statement of Net Position**

	University of North Carolina System	Community Colleges	State Health Plan	Other Component Units	Total
<b>Deferred Inflows of Resources</b>					
Deferred inflows for PPP arrangements	334,251	-	-	-	334,251
Deferred state aid	150,840	-	-	179,865	330,705
Deferred inflows for lease agreements	146,341	2,927	-	74,734	224,002
Deferred inflows for pensions	80,311	23,321	128	370	104,130
Deferred inflows for OPEB	2,931,681	610,095	2,687	16,677	3,561,140
Deferred inflows for irrevocable split-interest agreements	23,228	-	-	-	23,228
Accumulated increase in fair value of hedging derivatives	926	-	-	-	926
Other deferred inflows	3,157	-	-	-	3,157
Total Deferred Inflows of Resources	3,670,735	636,343	2,815	271,646	4,581,539
<b>Net Position</b>					
Net investment in capital assets	10,020,535	4,112,159	-	871,747	15,004,441
Restricted for:					
Nonexpendable:					
Higher education	3,452,001	290,685	-	-	3,742,686
Expendable:					
Higher education	5,598,963	599,149	-	130,329	6,328,441
Health and human services	495,136	-	-	21	495,157
Economic development	-	-	-	1,031,839	1,031,839
Unrestricted	(1,335,945)	(1,208,821)	379,775	1,749,403	(415,588)
Total Net Position	\$ 18,230,690	\$ 3,793,172	\$ 379,775	\$ 3,783,339	\$ 26,186,976

**Statement of Activities**

	University of North Carolina System	Community Colleges	State Health Plan	Other Component Units	Total
Total expenses	\$ 15,878,572	\$ 2,534,777	\$ 4,140,785	\$ 1,447,854	\$ 24,001,988
Program revenues:					
Charges for services [1]	11,489,349	310,331	3,986,768	622,406	16,408,854
Operating grants and contributions:					
Federal aid - COVID-19	227,481	122,862	-	-	350,343
State aid - program	-	-	-	208,383	208,383
Other operating grants and contributions	1,760,393	984,615	28,581	341,076	3,114,665
Capital grants and contributions:					
State capital aid	83,532	99,288	-	-	182,820
Other capital grants and contributions	173,381	334,069	-	11,928	519,378
Net program (expense) revenue	(2,144,436)	(683,612)	(125,436)	(264,061)	(3,217,545)
Non-tax general revenues:					
Unrestricted investment earnings	-	-	-	82,464	82,464
State aid - coronavirus	75,515	13,400	-	-	88,915
State aid - general	3,779,992	1,237,447	-	356,500	5,373,939
Noncapital contributions	55,932	8,633	31	267	64,863
Miscellaneous	7,007	157	-	16,682	23,846
Total non-tax general revenues	3,918,446	1,259,637	31	455,913	5,634,027
Contributions to endowments	174,040	13,642	-	-	187,682
Change in net position	1,948,050	589,667	(125,405)	191,852	2,604,164
Net position — July 1, as restated	16,282,640	3,203,505	505,180	3,591,487	23,582,812
Net position — June 30	\$ 18,230,690	\$ 3,793,172	\$ 379,775	\$ 3,783,339	\$ 26,186,976

[1] The State Health Plan's charges for services include \$1.6 billion from the primary government.

**NOTES TO THE FINANCIAL STATEMENTS**

**Significant Transactions Between Component Units**

	University of North Carolina System	Community Colleges	State Health Plan	Other Component Units	Total
State Health Plan - premium revenue (expense)	\$ (396,514)	\$ (109,144)	\$ 508,960	\$ (3,302)	\$ -

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

	Due From/Restricted Due From Component Units				Due From/Restricted Due From Primary Government		
	General Fund	Highway Fund	Other Governmental Funds	Total	University of North Carolina System	Community Colleges	Total
<b>Due To Component Units:</b>							
General Fund	\$ —	\$ —	\$ —	\$ —	\$ 122,640	\$ —	\$ 122,640
Highway Fund	—	—	—	—	1,769	—	1,769
Other Governmental Funds	—	—	—	—	—	3,141	3,141
Other Funds	—	—	—	—	16,942	—	16,942
<b>Due To Primary Government:</b>							
University of North Carolina System	9,954	—	—	9,954	—	—	—
Other Component Units	25,320	40,000	2,865	68,185	—	—	—
<b>Total</b>	<u>\$ 35,274</u>	<u>\$ 40,000</u>	<u>\$ 2,865</u>	<u>\$ 78,139</u>	<u>\$ 141,351</u>	<u>\$ 3,141</u>	<u>\$ 144,492</u>