

NOTES TO THE FINANCIAL STATEMENTS**NOTE 18: COMPONENT UNITS – FINANCIAL INFORMATION**

Financial statements as of and for the fiscal year ended June 30, 2021 are presented below (dollars in thousands).

Statement of Net Position

| | University of North Carolina System | Community Colleges | State Health Plan | Other Component Units | Total |
|---|---|-----------------------|----------------------|-----------------------------|--------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ 2,965,891 | \$ 427,590 | \$ 765,907 | \$ 101,058 | \$ 4,260,446 |
| Investments | 4,497,920 | 143,638 | - | 1,433,540 | 6,075,098 |
| Securities lending collateral | 44 | 3 | 9 | 7 | 63 |
| Receivables, net | 1,422,820 | 109,227 | 104,088 | 94,679 | 1,730,814 |
| Due from component units | 5,361 | 2,568 | - | 3,012 | 10,941 |
| Due from primary government | 34,216 | - | - | 1,094 | 35,310 |
| Inventories | 178,397 | 15,932 | - | 656 | 194,985 |
| Prepaid items | 155,937 | 15,452 | - | 8,363 | 179,752 |
| Notes receivable, net | 104,422 | 1,133 | - | 1,427,596 | 1,533,151 |
| Investment in joint venture | 199,635 | - | - | - | 199,635 |
| Restricted/designated cash and cash equivalents | 1,882,965 | 122,687 | - | 1,364,101 | 3,369,753 |
| Restricted investments | 7,126,893 | 383,082 | - | 4,856,078 | 12,366,053 |
| Restricted due from primary government | - | 8,140 | - | - | 8,140 |
| Restricted due from component units | - | 3,729 | - | 3,299 | 7,028 |
| Advances to outside entities | 206 | - | - | 4 | 210 |
| Beneficial interest in assets held by others | 3,467 | - | - | - | 3,467 |
| Net OPEB asset | 12,715 | 2,356 | 10 | 70 | 15,151 |
| Capital assets-nondepreciable | 2,266,383 | 558,140 | - | 178,655 | 3,003,178 |
| Capital assets-depreciable, net | 13,103,478 | 3,312,410 | - | 828,039 | 17,243,927 |
| Total Assets | 33,960,750 | 5,106,087 | 870,014 | 10,300,251 | 50,237,102 |
| Deferred Outflows of Resources | | | | | |
| Accumulated decrease in fair value of hedging derivatives | 128,607 | - | - | 1,850 | 130,457 |
| Deferred loss on refunding | 55,454 | - | - | 303 | 55,757 |
| Deferred outflows for asset retirement obligation | 13,406 | - | - | - | 13,406 |
| Deferred outflows for pensions | 780,178 | 274,397 | 1,269 | 8,931 | 1,064,775 |
| Deferred outflows for OPEB | 1,256,939 | 166,520 | 2,960 | 11,101 | 1,437,520 |
| Other deferred outflows | - | 1,746 | - | - | 1,746 |
| Total Deferred Outflows of Resources | 2,234,584 | 442,663 | 4,229 | 22,185 | 2,703,661 |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities | 1,379,262 | 86,646 | 32,308 | 203,043 | 1,701,259 |
| Medical claims payable | - | - | 299,784 | - | 299,784 |
| Interest payable | 40,196 | 6 | - | 21,808 | 62,010 |
| Obligations under securities lending | 44 | 3 | 9 | 7 | 63 |
| Due to component units | - | - | - | 17,969 | 17,969 |
| Due to primary government | 2,726 | - | - | 30,678 | 33,404 |
| Unearned revenue | 809,990 | 29,073 | 30,810 | 35,967 | 905,840 |
| Advance from primary government | - | - | - | 2,191 | 2,191 |
| Deposits payable | 27,236 | - | - | 3,774 | 31,010 |
| Funds held for others | 36,635 | 8,357 | - | 3,518,707 | 3,563,699 |
| Hedging derivatives liability | 128,607 | - | - | 1,999 | 130,606 |
| Long-term liabilities: | | | | | |
| Due within one year | 392,213 | 15,692 | 44 | 126,263 | 534,212 |
| Due in more than one year | 15,201,964 | 2,103,209 | 8,777 | 2,334,959 | 19,648,909 |
| Total Liabilities | 18,018,873 | 2,242,986 | 371,732 | 6,297,365 | 26,930,956 |

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

| | University of North Carolina System | Community Colleges | State Health Plan | Other Component Units | Total |
|--|---|-----------------------|----------------------|-----------------------------|---------------|
| Deferred Inflows of Resources | | | | | |
| SCA revenue applicable to future years | 184,620 | - | - | - | 184,620 |
| Deferred state aid | 74,840 | - | - | 125,930 | 200,770 |
| Deferred inflows for pensions | 6,827 | 13,145 | 35 | 62 | 20,069 |
| Deferred inflows for OPEB | 3,516,155 | 726,534 | 3,003 | 17,294 | 4,262,986 |
| Deferred inflows for irrevocable split-interest agreements | 23,808 | - | - | - | 23,808 |
| Other deferred inflows | 2,335 | - | - | 4 | 2,339 |
| Total Deferred Inflows of Resources | 3,808,585 | 739,679 | 3,038 | 143,290 | 4,694,592 |
| Net Position | | | | | |
| Net investment in capital assets | 9,425,391 | 3,790,419 | - | 892,093 | 14,107,903 |
| Restricted for: | | | | | |
| Nonexpendable: | | | | | |
| Higher education | 3,129,298 | 274,695 | - | - | 3,403,993 |
| Health and human services | 402 | - | - | - | 402 |
| Expendable: | | | | | |
| Higher education | 5,519,561 | 339,433 | - | 531,752 | 6,390,746 |
| Health and human services | 428,564 | - | - | 75 | 428,639 |
| Economic development | - | - | - | 1,033,216 | 1,033,216 |
| Other purposes | - | - | 2 | - | 2 |
| Unrestricted | (4,135,340) | (1,838,462) | 499,471 | 1,424,645 | (4,049,686) |
| Total Net Position | \$ 14,367,876 | \$ 2,566,085 | \$ 499,473 | \$ 3,881,781 | \$ 21,315,215 |

Statement of Activities

| | University of North Carolina System | Community Colleges | State Health Plan | Other Component Units | Total |
|--|---|-----------------------|----------------------|-----------------------------|---------------|
| Total expenses | \$ 13,664,751 | \$ 2,402,415 | \$ 4,063,819 | \$ 1,101,482 | \$ 21,232,467 |
| Program revenues: | | | | | |
| Charges for services [1] | 9,419,032 | 283,898 | 3,752,449 | 444,534 | 13,899,913 |
| Operating grants and contributions: | | | | | |
| Federal aid - COVID-19 | 392,699 | 193,109 | - | 1,099 | 586,907 |
| State aid - program | - | - | - | 207,283 | 207,283 |
| Other operating grants and contributions | 4,319,883 | 898,627 | 15,820 | 253,533 | 5,487,863 |
| Capital grants and contributions: | | | | | |
| State capital aid | 316,933 | 95,931 | - | - | 412,864 |
| Other capital grants and contributions | 197,106 | 263,615 | - | 5,282 | 466,003 |
| Net program (expense) revenue | 980,902 | (667,235) | (295,550) | (189,751) | (171,634) |
| Non-tax general revenues: | | | | | |
| Unrestricted investment earnings | - | - | - | 316,634 | 316,634 |
| State aid - coronavirus | 183,664 | 51,380 | - | 95,688 | 330,732 |
| State aid - general | 3,078,368 | 1,068,766 | - | 137,498 | 4,284,632 |
| Noncapital contributions | 119,627 | 23,149 | 93 | 1,378 | 144,247 |
| Miscellaneous | 830 | 101 | - | 2,235 | 3,166 |
| Total non-tax general revenues | 3,382,489 | 1,143,396 | 93 | 553,433 | 5,079,411 |
| Contributions to endowments | 187,100 | 11,389 | - | - | 198,489 |
| Change in net position | 4,550,491 | 487,550 | (295,457) | 363,682 | 5,106,266 |
| Net position — July 1, as restated | 9,817,385 | 2,078,535 | 794,930 | 3,518,099 | 16,208,949 |
| Net position — June 30 | \$ 14,367,876 | \$ 2,566,085 | \$ 499,473 | \$ 3,881,781 | \$ 21,315,215 |

[1] The State Health Plan's charges for services include \$1.5 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) | \$ (350,103) | \$ (95,044) | \$ 447,731 | \$ (2,584) | \$ - |

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 | Total | University of North Carolina System | Community Colleges | Other Component Units | Total |
| Due To Component Units: | | | | | | |
| General Fund | \$ — | \$ — | \$ 5,712 | \$ — | \$ — | \$ 5,712 |
| Other Governmental Funds | | | — | 8,140 | — | 8,140 |
| Other Funds | — | — | 28,504 | — | 1,094 | 29,598 |
| Due To Primary Government: | | | | | | |
| University of North Carolina System | 2,726 | 2,726 | — | — | — | — |
| Other Component Units | 30,678 | 30,678 | — | — | — | — |
| Total | \$ 33,404 | \$ 33,404 | \$ 34,216 | \$ 8,140 | \$ 1,094 | \$ 43,450 |