

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18: COMPONENT UNITS – FINANCIAL INFORMATION

Financial statements as of and for the fiscal year ended June 30, 2020 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.....	\$ 3,315,752	\$ 372,552	\$ 1,032,420	\$ 89,290	\$ 4,810,014
Investments.....	2,540,549	121,909	—	1,212,597	3,875,055
Securities lending collateral.....	87,143	5,621	22,514	12,627	127,905
Receivables, net.....	1,210,203	86,062	85,539	78,724	1,460,528
Due from component units.....	3,511	1,500	—	3,050	8,061
Due from primary government.....	23,813	—	—	—	23,813
Inventories.....	184,744	16,545	—	675	201,964
Prepaid items.....	104,968	9,354	—	3,788	118,110
Notes receivable, net.....	146,153	1,105	—	1,601,826	1,749,084
Investment in joint venture.....	164,916	—	—	—	164,916
Restricted/designated cash and cash equivalents.....	1,960,438	115,154	—	1,252,063	3,327,655
Restricted investments.....	6,387,813	301,979	—	3,878,878	10,568,670
Restricted due from primary government.....	14,577	11,017	—	—	25,594
Restricted due from component units.....	—	2,200	—	3,711	5,911
Advances to Outside Entities.....	18,501	—	—	—	18,501
Beneficial interest in assets held by others.....	1,593	—	—	—	1,593
Net OPEB asset.....	10,937	2,124	9	56	13,126
Capital assets-nondepreciable.....	2,081,297	554,508	—	162,186	2,797,991
Capital assets-depreciable, net.....	12,570,910	3,092,943	—	849,501	16,513,354
Total Assets.....	30,827,818	4,694,573	1,140,482	9,148,972	45,811,845
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives....	171,331	—	—	2,640	173,971
Deferred loss on refunding.....	49,312	—	—	468	49,780
Deferred outflow s for asset retirement obligation.....	13,233	—	—	—	13,233
Deferred outflow s for pensions.....	689,440	250,533	1,258	7,582	948,813
Deferred outflow s for OPEB.....	1,368,417	186,878	1,473	9,687	1,566,455
Other deferred outflow s.....	—	2,037	—	—	2,037
Total Deferred Outflow s of Resources.....	2,291,733	439,448	2,731	20,377	2,754,289
Liabilities					
Accounts payable and accrued liabilities.....	1,099,620	86,871	48,202	208,653	1,443,346
Medical claims payable.....	—	—	233,262	—	233,262
Interest payable.....	43,617	10	—	22,732	66,359
Obligations under securities lending.....	87,143	5,621	22,514	12,627	127,905
Short-term debt.....	85,046	—	—	—	85,046
Due to component units.....	—	—	—	13,972	13,972
Due to primary government.....	58,801	—	—	62,414	121,215
Unearned revenue.....	834,923	24,963	34,401	45,742	940,029
Advance from primary government.....	—	—	—	2,647	2,647
Obligations under reverse repurchase agreements.....	14,312	—	—	—	14,312
Deposits payable.....	21,572	—	—	4,110	25,682
Funds held for others.....	1,414,211	6,026	—	2,694,235	4,114,472
Hedging derivatives liability.....	171,331	—	—	2,797	174,128
Long-term liabilities:					
Due w ithin one year.....	356,897	16,643	24	164,922	538,486
Due in more than one year.....	15,643,646	2,255,220	7,423	2,267,572	20,173,861
Total Liabilities.....	19,831,119	2,395,354	345,826	5,502,423	28,074,722

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.....	21,909	—	—	—	21,909
Deferred state aid.....	64,840	—	—	134,455	199,295
Deferred inflow s for pensions.....	10,201	12,601	79	64	22,945
Deferred inflow s for OPEB.....	3,333,634	661,742	2,378	14,736	4,012,490
Deferred inflow s for irrevocable split-interest agreements.....	21,565	—	—	—	21,565
Other deferred inflow s.....	2,491	—	—	—	2,491
Total Deferred Inflow s of Resources.....	3,454,640	674,343	2,457	149,255	4,280,695
Net Position					
Net investment in capital assets.....	9,161,017	3,557,289	—	901,307	13,619,613
Restricted for:					
Nonexpendable:					
Higher education.....	2,907,940	247,584	—	—	3,155,524
Health and human services.....	402	—	—	—	402
Expendable:					
Higher education.....	3,594,722	281,828	—	505,520	4,382,070
Health and human services.....	416,944	—	1	—	416,945
Economic development.....	—	—	—	951,719	951,719
Unrestricted.....	(6,247,233)	(2,022,377)	794,929	1,159,125	(6,315,556)
Total Net Position.....	\$ 9,833,792	\$ 2,064,324	\$ 794,930	\$ 3,517,671	\$ 16,210,717

Statement of Activities

	University of North Carolina System	Community Colleges	State Health Plan	Other Component Units	Total
Total expenses.....	\$ 13,475,055	\$ 2,357,650	\$ 4,005,905	\$ 1,029,012	\$ 20,867,622
Program revenues:					
Charges for services..... [1]	8,962,688	293,779	3,745,835	438,902	13,441,204
Operating grants and contributions:					
Federal aid - COVID-19.....	200,275	38,093	—	—	238,368
State aid - program.....	—	—	—	200,154	200,154
Other operating grants and contributions.....	1,391,949	812,862	54,919	277,751	2,537,481
Capital grants and contributions:					
State capital aid.....	248,710	121,018	—	—	369,728
Other capital grants and contributions.....	134,030	257,360	—	11,806	403,196
Net program (expense) revenue	(2,537,403)	(834,538)	(205,151)	(100,399)	(3,677,491)
Non-tax general revenues:					
Unrestricted investment earnings.....	—	—	—	20,678	20,678
State aid - general.....	3,108,375	1,086,173	—	142,745	4,337,293
Miscellaneous.....	7,366	11	933	3,547	11,857
Total non-tax general revenues.....	3,115,741	1,086,184	933	166,970	4,369,828
Contributions to endow ments.....	116,860	8,890	—	—	125,750
Change in net position.....	695,198	260,536	(204,218)	66,571	818,087
Net position — July 1, as restated	9,138,594	1,803,788	999,148	3,451,100	15,392,630
Net position — June 30.....	\$ 9,833,792	\$ 2,064,324	\$ 794,930	\$ 3,517,671	\$ 16,210,717

[1] The State Health Plan's charges for services include \$1.5 billion from the primary government.

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).....	\$ (354,780)	\$ (95,595)	\$ 452,931	\$ (2,556)	\$ —

NOTES TO THE FINANCIAL STATEMENTS

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	Total
Due To Component Units :					
General Fund.....	\$ —	\$ —	\$ 4,109	\$ —	\$ 4,109
Other Governmental Funds	—	—	—	11,017	11,017
Other Funds.....	—	—	34,281	—	34,281
Due To Primary Government:					
University of North Carolina System.....	58,801	58,801	—	—	—
Other Component Units.....	62,414	62,414	—	—	—
Total.....	\$ 121,215	\$ 121,215	\$ 38,390	\$ 11,017	\$ 49,407