

Summary Report of Associated Entities

Campus	Fiscal Year End	Unqualified Audit Opinion	Audit Performed By	Management Letter/Report Issues	Basis for Statement Preparation	Total Net Assets	Reporting Status	Memorandum of Understanding
Appalachian State University								
ASU Foundation, Inc	6/30/11	Yes	McGladrey & Pullen, LLP	No	GAAP ¹	\$96,962,624	Discretely Presented	Yes
Appalachian Real Estate Holdings, Inc	6/30/11	Yes	Internal Audit	No	GAAP ¹	\$958		Yes
ASU Student Housing Corporation	6/30/11	Yes	Apple, Koceja, & Associates, PA	No	GAAP ¹	\$12,086,916	Discretely Presented	Yes
East Carolina University								
ECU Alumni Association, Inc	6/30/11	Yes	Clifton Gunderson, LLP	No	GAAP ¹	\$1,753,072		Yes
ECU Educational Foundation, Inc	6/30/11	Yes	Clifton Gunderson, LLP	No	GAAP ¹	\$30,061,854		Yes
ECU Foundation, Inc and Consolidated Affiliate	6/30/11	Yes	Clifton Gunderson, LLP	No	GAAP ¹	\$88,807,372	Discretely Presented	Yes
East Carolina University Medical Foundation & Health Sciences Foundation, Inc	6/30/11	Yes	Clifton Gunderson, LLP	No	GAAP ¹	\$34,634,971		Yes
Elizabeth City State University								
ECSU Foundation, Inc and Subsidiary	6/30/11	Yes	Thomas & Gibbs CPAs, PLLC	No	GAAP ¹	\$7,137,750	Blended	Yes
ECSU National Alumni Association, Inc	12/31/10	Yes	Murphy & Company, PC	No	GAAP ¹	\$135,998		Yes
Fayetteville State University								
FSU Athletic Club	6/30/11	Yes	Alexander G Vuchnich, CPA	No	GAAP ¹	\$9,321		Yes
FSU Development Corporation	6/30/11	Yes	Buie, Norman, & Company, PA	No	GAAP ¹	\$1,060,154		Yes
FSU Foundation, Inc and Subsidiary	6/30/11	Yes	Buie, Norman, & Company, PA	No	GAAP ¹	\$2,426,390	Discretely Presented	Yes
FSU National Alumni Association, Inc	6/30/11	Yes	Buie, Norman, & Company, PA	No	GAAP ¹	\$30,846		Yes
The Fayetteville State University Housing Foundation, LLC	6/30/11	Yes	Buie, Norman, & Company, PA	No	GAAP ¹	(\$2,507,104)		Yes
Fayetteville State University Student Housing Corporation and Subsidiary	6/30/11	Yes	Buie, Norman, & Company, PA	No	GAAP ¹	(\$200)		

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North Carolina A & T State University								
Friends of the School of Education ³								Yes
NCA&T National Aggie Club, Inc	6/30/11	Yes	John S Fitzgerald, CPA	No	Modified Cash ²	\$176,287		Yes
NCA&T University Alumni Association, Inc	6/30/11	Yes	James E Avent, Jr , CPA	No	GAAP ¹	\$2,389,734		Yes
NCA&T University Foundation, Inc	6/30/11	Yes	Oliver W Bowie, CPA, PA	No	GAAP ¹	\$10,158,812	Discretely Presented	Yes
Sports Hall of Famers ³								Yes
The Victory Club Foundation, Inc	6/30/11	Yes	Oliver W Bowie, CPA, PA	No	GAAP ¹	\$1,094,848		Yes
North Carolina Central University								
NCCU Alumni Association, Inc	6/30/11	Yes	Claude M Bogues, CPA, PLLC	No	GAAP ¹	\$575,344		Yes
NCCU Educational Advancement Foundation, Inc	6/30/08	Yes	Ty Cox & Co , CPAs, PLLC	No	GAAP ¹	\$173,710		Yes
NCCU Foundation, Inc	6/30/11	Yes	McGladrey & Pullen, LLP	No	GAAP ¹	\$11,738,718	Discretely Presented	Yes
NCCU Real Estate Foundation	6/30/11	Yes	Blackman & Sloop, CPAs, PA	No	GAAP ¹	(\$1,103,998)	Blended	Yes
North Carolina School of Science and Mathematics								
NCSSM Foundation	6/30/11	Yes	McGladrey & Pullen, LLP	No	GAAP ¹	\$7,629,134		Yes
NCSSM Student and Constituent Support Services, Inc	6/30/11	Yes	Thomas E Spivey, CPA, PA	No	GAAP ¹	\$100,414		Yes

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²Modified Cash - This basis of accounting can take many forms. However, the typical differences of this basis of accounting versus General Accepted Accounting Principles is that certain revenues would be recognized when received instead of when earned and certain expenses would be recognized when paid instead of when incurred.

³No Activity, will be removed after this cycle

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North Carolina State University								
N C Agricultural Foundation, Inc	6/30/11	Yes	Williams, Overman, Pierce, LLP	No	GAAP ¹	\$106,745,263		Yes
N C State Alumni Club, Inc	12/31/10	Yes	Batchelor, Tillery, & Roberts, LLP	No	GAAP ¹	\$364,358		Yes
N C State Engineering Foundation, Inc	6/30/11	Yes	Williams, Overman, Pierce, LLP	No	Modified Cash ²	\$59,062,036		Yes
N C State Investment Fund, Inc	6/30/11	Yes	Williams, Overman, Pierce, LLP	No	GAAP ¹	\$378,259,552	Blended	Yes
N C State Natural Resources Foundation, Inc	6/30/11	Yes	Williams, Overman, Pierce, LLP	No	Modified Cash ²	\$25,644,445		Yes
N C State University Alumni Association	6/30/11	Yes	Williams, Overman, Pierce, LLP	No	GAAP ¹	\$22,357,442		Yes
N C State University Foundation, Inc	6/30/11	Yes	Williams, Overman, Pierce, LLP	No	GAAP ¹	\$120,359,764	Discretely Presented	Yes
N C State University Partnership Corporation ³	6/30/11	Yes	Williams, Overman, Pierce, LLP	No	GAAP ¹	\$10,876,425	Blended	Yes
N C State University Physical & Mathematical Sciences Foundation, Inc	6/30/11	Yes	Williams, Overman, Pierce, LLP	No	Modified Cash ²	\$14,569,655		Yes
N C Textile Foundation, Inc	6/30/11	Yes	Koonce, Wooten, & Haywood, LLP	No	Modified Cash ²	\$32,600,671		Yes

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³N C. State Centennial Development, LLC and N C State Residences, LLC were combined with the N C State University Partnership Corporation

Summary Report of Associated Entities

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North Carolina State University (cont'd)								
N C Tobacco Foundation, Inc	6/30/11	Yes	Williams, Overman, Pierce, LLP	No	Modified Cash ²	\$4,588,997		Yes
N C Veterinary Medical Foundation, Inc	6/30/11	Yes	Williams, Overman, Pierce, LLP	No	Modified Cash ²	\$36,873,715		Yes
NCSU Student Aid Association, Inc	6/30/11	Yes	Koonce, Wooten, & Haywood, LLP	No	GAAP ¹	\$84,276,552	Discretely Presented	Yes
North Carolina State University Club	12/31/10	Yes	Batchelor, Tillery, & Roberts, LLP	No	GAAP ¹	\$2,956,973		Yes
The Friends of NC State Baseball, LLC ⁴	3/1/10	Yes	Internal Audit	Yes ³	GAAP ¹	-\$1,160		Yes
The University of North Carolina at Asheville								
The Center for Creativity, Craft, & Design, Inc	6/30/11	Yes	Gabler Molis & Company, PA	No	GAAP ¹	\$483,249		Yes
The North Carolina Arboretum Society	6/30/11	Yes	Gabler Molis & Company, PA	No	GAAP ¹	\$1,161,510		Yes
The University Botanical Gardens at Asheville, Inc	12/31/11	Yes	Gould Killian CPA Group, P A	No	GAAP ¹	\$927,057		Yes
UNC Asheville Foundation, Inc	6/30/11	Yes	Burleson & Earley, PA	No	GAAP ¹	\$23,150,872	Discretely Presented	Yes
The University of North Carolina at Chapel Hill								
Botanical Garden Foundation, Inc	6/30/11	Yes	Blackman & Sloop, CPAs, PA	No	GAAP ¹	\$4,471,075		Yes
Carolina for Kibera, Inc ²	6/30/11	Yes	William F Roberson, CPA PLLC	Yes ³	GAAP ¹	\$2,581,852		Yes

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³Findings and actions taken found on page 10

⁴Friends of NC State Baseball, LLC has changed year end from March 31 to December 31

Summary Report of Associated Entities

Campus	Fiscal Year End	Unqualified Audit Opinion	Audit Performed By	Management Letter/Report Issues	Basis for Statement Preparation	Total Net Assets	Reporting Status	Memorandum of Understanding
The University of North Carolina at Chapel Hill (cont'd)								
Chapel Hill Foundation Real Estate Holdings, Inc	6/30/11	Yes	KPMG, LLP	No	GAAP ¹	\$3,896,499		Yes
KFBSF Private Equity Fund I, L P ²	12/31/10	Yes	Bernard, Robinson, & Company, LLP	No	GAAP ¹	\$1,714,115		Pending
KFBSF Private Equity Fund II, L P ²	12/31/10	Yes	Bernard, Robinson, & Company, LLP	No	GAAP ¹	\$434,053		Pending
KFBSF Real Estate Fund I, L P ²	12/31/10	Yes	Bernard, Robinson, & Company, LLP	No	GAAP ¹	\$1,630,732		Pending
Morehead-Cain Scholarship Fund	6/30/11	Yes	Batchelor, Tillery & Roberts, LLP	No	GAAP ¹	\$13,124,830		Yes
The Dental Foundation of N C , Inc	6/30/11	Yes	Koonce, Wooten, & Haywood, LLP	Yes ³	GAAP ¹	\$34,678,711		Yes
The Educational Foundation, Inc	6/30/11	Yes	Batchelor, Tillery & Roberts, LLP	No	GAAP ¹	\$48,023,621		Yes
The Educational Foundation Scholarship Endowment Trust	6/30/11	Yes	KPMG, LLP	No	GAAP ¹	\$190,972,754	Discretely Presented	Yes
The Kenan Flagler Business School Foundation	6/30/11	Yes	Bernard, Robinson, & Company, LLP	No	GAAP ¹	\$89,266,364	Blended	Yes
The James B Hunt, Jr Institute for Educational Leadership and Policy	6/30/11	Yes	Dixon Hughes Goodman, PLLC	No	GAAP ¹	\$4,218,704		Yes
The Medical Foundation of N C , Inc	6/30/11	Yes	Blackman & Sloop, CPAs, PA	Yes ³	GAAP ¹	\$215,397,046	Discretely Presented	Yes
The Pharmacy Foundation of N C , Inc	6/30/11	Yes	Koonce, Wooten, & Haywood, LLP	No	GAAP ¹	\$36,282,617		Yes
The School of Education Foundation, Inc	6/30/11	Yes	Blackman & Sloop, CPAs, PA	Yes ³	GAAP ¹	\$2,938,917	Blended	Yes
The School of Government Foundation, Inc	6/30/11	Yes	Blackman & Sloop, CPAs, PA	Yes ³	GAAP ¹	\$15,913,768		Yes
The School of Journalism & Mass Communications Foundation of North	6/30/11	Yes	Blackman & Sloop, CPAs, PA	No	GAAP ¹	\$19,193,389		Yes

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²These are subsidiaries of The Kenan Flagler Business School Foundation. Statuses of the MOUs are in process of being determined based on whether or not these are stand alone entities

³Findings and actions taken found on page 10

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The University of North Carolina at Chapel Hill (cont'd)								
The School of Social Work Foundation, Inc	6/30/11	Yes	Blackman & Sloop, CPAs, PA	No	GAAP ¹	\$9,183,642		Yes
The University of North Carolina at Chapel Hill Arts & Sciences Foundation, Inc	6/30/11	Yes	Blackman & Sloop, CPAs, PA	No	GAAP ¹	\$174,353,823	Discretely Presented	Yes
UNC Investment Fund, LLC	6/30/11	Yes	KPMG, LLP	No	GAAP ¹	\$2,903,626,696	Blended	Yes
The University of North Carolina at Chapel Hill Foundation Investment Fund, Inc	6/30/11	Yes	KPMG, LLP	No	GAAP ¹	\$2,218,718,973	Blended	Yes
The University of North Carolina at Chapel Hill Foundation, Inc	6/30/11	Yes	KPMG, LLP	No	GAAP ¹	\$258,842,433	Blended	Yes
The University of North Carolina at Chapel Hill School of Nursing Foundation, Inc	6/30/11	Yes	Blackman & Sloop, CPAs, PA	No	GAAP ¹	\$7,704,936		Yes
UNC Law Foundation of North Carolina, Inc	6/30/11	Yes	McGladrey & Pullen, LLP	No	Modified Cash ²	\$34,466,935	Blended	Yes
UNC Management Company, Inc	6/30/11	Yes	KPMG, LLP	No	GAAP ¹	\$10,713,965	Blended	Yes
The University of North Carolina at Chapel Hill Public Health Foundation, Inc	6/30/11	Yes	Blackman & Sloop, CPAs, PA	No	GAAP ¹	\$52,030,603		Yes
The University of North Carolina at Charlotte								
The Athletic Foundation of The University of North Carolina at Charlotte	6/30/11	Yes	Greer & Walker, LLP	No	GAAP ¹	\$20,283,802		Yes
The Ben Craig Center	6/30/11	Yes	Greer & Walker, LLP	No	GAAP ¹	\$245,299		Yes
The University of North Carolina at Charlotte Foundation, Inc	6/30/11	Yes	Greer & Walker, LLP	No	GAAP ¹	\$107,360,395	Discretely Presented	Yes
The University of North Carolina at Charlotte Facilities Development Corporation, Inc	6/30/11	Yes	Greer & Walker, LLP	No	GAAP ¹	\$2,405,834	Blended	Yes
The University of North Carolina at Charlotte Investment Fund,	6/30/11	Yes	Greer & Walker, LLP	No	GAAP ¹	\$0	Blended	Yes

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University of North Carolina at Greensboro								
Capital Facilities Foundation, Inc	6/30/11	Yes	McGladrey & Pullen	No	GAAP ¹	\$1,593,138	Blended	Yes
Gateway University Research Park	6/30/11	Yes	Dixon Hughes, PLLC	No	GAAP ¹	\$57,349,690		Yes
Serve, Inc	11/30/10	Yes	Bernard, Robinson, & Company, LLP	No	GAAP ¹	\$407,218		Yes
The Alumni Association of the University of North Carolina at Greensboro, Inc	6/30/11	Yes	Dixon Hughes, PLLC	No	Modified Cash ²	\$3,084,945		Yes
The UNCG Excellence Foundation	6/30/11	Yes	McGladrey & Pullen	No	GAAP ¹	\$90,677,438	Blended	Yes
The UNCG Human Environmental Sciences Foundation, Inc	6/30/11	Yes	McGladrey & Pullen	No	GAAP ¹	\$7,992,640	Blended	Yes
The Weatherspoon Art Foundation	6/30/10	Yes	Internal Audit ³	No	N/A	\$21,509,383	Blended	Yes
The Weatherspoon Art Museum Association	6/30/11	Yes	McGladrey & Pullen	Yes ⁴	GAAP ¹	\$306,602		Yes
UNCG Investment Fund, Inc	6/30/11	Yes	McGladrey & Pullen	No	GAAP ¹	\$204,556,778	Blended	Yes
The University of North Carolina at Pembroke								
The UNCP University Foundation, LLC	6/30/11	Yes	Reznick Group	No	GAAP ¹	\$8,619,636	Discretely Presented	Yes
UNCP Foundation, Inc	6/30/11	Yes	Thomas, Judy, & Tucker, PA	No	GAAP ¹	\$7,653,382	Discretely Presented	Yes
UNCP Student Housing, LLC	6/30/11	Yes	Thomas, Judy, & Tucker, PA	No	GAAP	\$2,304,898	Discretely Presented	Yes

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³Internal audit reviewed the value and internal controls over the art work owned by the foundation. This foundation's only assets are the works of art. The art values are based on cost if purchased or fair value at the time of donation, if donated.

⁴Findings and actions taken found on page 10

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The University of North Carolina School of the Arts								
UNC School of the Arts Foundation, Inc	6/30/11	Yes	Smith Leonard Accountants & Consultants	No	GAAP ¹	\$22,003,809	Discretely Presented	Yes
NCSA Housing Corporation	6/30/11	Yes	Butler & Burke, LLP	No	GAAP ¹	(\$7,839)	Blended	Yes
NCSA Program Support Corporation	6/30/11	Yes	Butler & Burke, LLP	No	GAAP ¹	\$12,196		Yes
River Run Film Festival	6/30/11	Yes	Butler & Burke, LLP	No	GAAP ¹	\$147,382		Yes
The Foreign Art Study Foundation of North Carolina, Inc ²	6/30/10	Yes	Smith Leonard Accountants & Consultants	No	GAAP ¹	\$680,598		Yes
The Semans Art Fund, Inc	6/30/11	Yes	Smith Leonard Accountants & Consultants	No	GAAP ¹	\$2,078,134		Yes
The Student Creative Arts Foundation of North Carolina, Inc ²	6/30/10	Yes	Smith Leonard Accountants & Consultants	No	GAAP ¹	\$661,412		Yes
The University of North Carolina at Wilmington								
Cameron Foundation	Waived ³	Waived ³	Waived ³	Waived ³	Waived ³	Waived ³		Yes
Donald R. Watson Foundation, Inc	6/30/11	Yes	Thomas & Gibbs CPAs, PLLC	No	GAAP ¹	1,503,755	Blended	Yes
Friends of UNCW	6/30/11	Yes	Internal Audit	No	GAAP ¹	\$2,667		Yes
The Alumni Association of The University of North Carolina at Wilmington	6/30/11	Yes	Bernard, Robinson, & Company, LLP	No	GAAP ¹	\$594,990		Yes
The Foundation of UNCW, Inc	6/30/11	Yes	Thomas & Gibbs CPAs, PLLC	No	GAAP ¹	\$5,188,309		Yes
The UNCW Student Aid Association	6/30/11	Yes	Fisher & Company, CPAs	No	GAAP ¹	\$1,826,218		Yes
UNCW Corporation	6/30/11	Yes	Bernard, Robinson, & Company, LLP	No	GAAP ¹	\$0	Discretely Presented	Yes
UNCW Corporation II	6/30/11	Yes	Bernard, Robinson, & Company, LLP	No	GAAP ¹	\$491,976		Yes
UNCW Research Foundation	6/30/11	Yes	Bernard, Robinson, & Company, LLP	No	GAAP ¹	\$22,513		Yes

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²Merged into the Semans Art Fund in 2011. This merger is outlined in Note 1 of the audit report.

³Waived based on foundation characteristics per letter from President Bowles dated July 30, 2007.

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Western Carolina University								
Western Carolina University Foundation	6/30/11	Yes	Burleson, Earley, PA	No	GAAP ¹	\$23,483,873	Blended	Yes
Western Carolina University Research and Development Corporation	6/30/11	Yes	Burleson, Earley, PA	No	GAAP ¹	\$2,106,508	Discretely Presented	Yes
Forest Stewards, Inc	6/30/11	Yes	Burleson Earley, PA	No	GAAP ¹	\$9,647		Yes
The Highlands Biological Foundation, Inc	5/31/11	Yes	Corliss & Solomn, PLLC	No	GAAP ¹	1,240,690		Yes
Winston-Salem State University								
Simon Green Atkins Community Development Corporation	6/30/11	Yes	Preston, Sims, & Darden, PA	No	GAAP ¹	\$1,939,107		Yes
Winston-Salem State University Foundation, Inc and Subsidiary	6/30/11	Yes	Butler & Burke, LLP	No	GAAP ¹	\$13,126,701	Discretely Presented	Yes
Winston-Salem State University National Alumni Association, Inc	6/30/11	Yes	Butler & Burke, LLP	No	GAAP ¹	\$223,989		Yes
The University of North Carolina-General Administration								
The North Carolina Public Television Foundation, Inc	6/30/11	Yes	McGladrey & Pullen, LLP	No	GAAP ¹	\$916,035		Yes
The University of North Carolina Foundation, Inc	6/30/11	Yes	Koonce, Wooten, & Haywood, LLP	No	GAAP ¹	\$1,533,204		Yes

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Campus	Findings	Corrective Actions
North Carolina State University: The Friends of N C State Baseball, LLC	(1) Minor errors with written checks	(1) Recommendation Rally Club check signers should be diligent in reviewing checks before they sign them to ensure that no inaccuracies are present Response Rally Club has been reminded of the checking signing authority of the proper procedures and check signing requirements, and are putting additional effort in diligence in the accounting and bookkeeping for deposits and other financial matters
The University of North Carolina at Chapel Hill. Carolina for Kibera, Inc	(1) Lack of Knowledge of GAAP (2) Limited number of personnel	(1) Response The bookkeeper met with Roberson CPA Firm, PLLC to review key GAAP issues that assists in making correct transaction entries The bookkeeper will review an internal mid-year draft statement which the firm will also review on an informal basis to help identify potential problem areas If these steps do not remedy the situation, the Foundation will consider hiring accounting support (2) Response The Auditing firm preparing CFK Inc's financial statements and footnote disclosures continues to be the most cost effective and practical option for the organization However, if in order to resolve Audit finding/Issue 1 CFK Inc hires accounting support we would consider having that person with the appropriate qualifications also be responsible for preparing CFK Inc's financial statements and footnote disclosures
Dental Foundation of North Carolina, Inc	(1) Financial Statement Preparation (2) Reconciliations (3) Utilization of Accounting System (4) Endowment Funds with Deficiencies	(1) Outsourcing of services is not unusual in entities of this size and is a result of management's cost benefit decision to rely on external accounting expertise rather than incurring this internal resource cost This is the same finding as last year (2) Recommendation Monthly cash reconciliations prepared by the Foundation's accountant be reviewed and approved by management As of date Nov 5 2010, cash reconciliations have been completed and approved by management through Aug 2010 (3) Recommendation a) Accounts should be reviewed each month and corrections made accordingly b) The Foundation should periodically review the completeness of the Foundation's fund activity with the University's fund activity c) Through the year, the Foundation should review the process of retrieving pledges from the UNC Development Office system for accuracy and completeness (4) Recommendation Foundation should monitor all funds with deficiencies on a continual basis and develop a plan for each fund that replenishes the donor-restricted corpus
The Medical Foundation of North Carolina, Inc	(1) Supervisory Review of Checking Account	(1) Response The Foundation has revised its policy regarding the check log review The president is now being provided the binder which contains all previous check logs and all voided checks so he can review for sequential check numbering
The University of North Carolina at Chapel Hill Arts & Sciences Foundation, Inc	(1) Transfers (Grants) to the College	(1) Recommendation A process be developed and implemented that documents the approval process fro the annual transfers out of the Foundation over to the College Such process will provide an audit trail to allow third party verification that payments from the Foundation were properly approved and transferred to the appropriate College Fund Management's Response The Foundation began, in August 2010, providing annual reports to the department managers to inform them of the pending distributions from expendable funds
The University of North Carolina at Chapel Hill School of Education, Inc	(1) Preparation of Financial Statements	(1) Recommendation The Foundation should continue to perform internal control review procedures over the financial statement preparation process to ensure the completeness and accuracy of the Foundation's financial statements
The School of Government Foundation, Inc	(1) Preparation of Financial Statements	(1) Recommendation Management and the Board needs to continue to evaluate whether it is cost effective to appoint a person with qualifications to prepare the financial statements
The University of North Carolina at Greensboro: Weatherspoon Art Museum Association	(1) Recording of Costs Associated with the Museum Guide Project	(1) Recommendation In the future, management consider projects like the one created for the publication of a museum guide for capitalization