



MEETING OF THE BOARD OF GOVERNORS
Committee on Budget and Finance

April 6, 2022 at 9:00 a.m.
Via Videoconference and PBS North Carolina Live Stream
A.K. Hinds University Center, Grand Room (3rd Floor)
Western Carolina University
Cullowhee, North Carolina

AGENDA

- A-1. Approval of the MinutesJames L. Holmes, Jr.
 - a. Meeting of February 22, 2022
 - b. Meeting of February 23, 2022
 - c. Meeting of March 25, 2022
- A-2. Proposed Funding Model..... Lee Roberts and Jennifer Haygood
- A-3. 2020-21 UNC System Consolidated Financial ReportJennifer Haygood
- A-4. 2022-23 Non-Appropriated Capital Improvement Projects Katherine Lynn
- A-5. Additional 2021-22 State Capital and Infrastructure Fund (SCIF) R&R Allocations..... Katherine Lynn
- A-6. Capital Improvement Projects Katherine Lynn
- A-7. Disposition Property by Demolition – Fayetteville State University..... Katherine Lynn
- A-8. Disposition of Property by Lease – North Carolina State University Katherine Lynn
- A-9. Acquisition of Property by Lease – University of North Carolina at Chapel Hill Katherine Lynn
- A-10. Adjourn

Additional Information Available:

Workforce Analysis Update

DRAFT MINUTES

February 22, 2022 at 12:30 p.m.
Via Videoconference and PBS North Carolina Live Stream
University of North Carolina System Office
Chapel Hill, North Carolina

This meeting of the Committee on Budget and Finance was presided over by Chair James L. Holmes, Jr. The following committee members, constituting a quorum, were present in-person, by video, or phone: J. Alex Mitchell, Wendy Floyd Murphy, Lee Roberts, Jimmy Clark, and Michael Williford.

Chancellors participating by video were Robin Cummings (UNC Pembroke), Sheri Everts (Appalachian State University), and Randy Woodson (NC State University). Faculty Assembly advisors participating by video were Dr. Carol Cain (Winston-Salem State University), Dr. Susan Harden (UNC Charlotte), and Dr. Jim Westerman (Appalachian State University).

Staff members present included Jennifer Haygood, Lindsay Farling, Katherine Lynn, and others from the UNC System Office.

1. Call to Order and Approval of OPEN Session Minutes (Item A-1)

The chair called the meeting to order at 12:30 p.m., on Tuesday, February 22, 2022, and called for a motion to approve the open session minutes of January 18, 2022, for the special meeting of the Committee on Budget and Finance and the open session minutes of January 19, 2022, for the regular meeting of the Committee on Budget and Finance.

MOTION: Resolved, that the Committee on Budget and Finance approve the open session minutes of January 18, 2022, for the special meeting of the Committee on Budget and Finance and the open session minutes of January 19, 2022, for the regular meeting of the Committee on Budget and Finance, as distributed.

Motion: Michael Williford

Motion carried

2. Adopt Section 600.1.6 of the UNC Policy Manual, *Policy on Millennial Campuses* (Item A-2)

Senior Vice President Jennifer Haygood stated that the Millennial Financing Act (G.S. 116-198.31) provided the Board certain authorities over the financing and development of the Centennial Campus at North Carolina State University, the Horace Williams Campus at the University of North Carolina at Chapel Hill, and additional millennial campuses designated by the Board at other constituent institutions. She discussed the need to adopt a policy to clarify the Board's authority over millennial campus designation, as well as approvals related to issuing

debt, acquisition and disposition of real property, capital projects, public-private partnership projects (P3 projects), and other related matters. The proposed policy also includes a requirement for annual reporting on millennial campus activities and describes the Board's authority to approve capital projects exceeding a constituent institution's delegated authority.

MOTION: Resolved, that the Committee on Budget and Finance adopt Section 600.1.6 of the UNC Policy Manual, *Policy on Millennial Campuses*, and recommend it to the full Board of Governors for a vote through the consent agenda at the next meeting.

Motion: Jimmy Clark

Motion carried

3. Amend Section 600.2.1 of the UNC Policy Manual, *Endowment Funds*, and Repeal Section 600.2.2, *Endowment Fund of The University of North Carolina Center for Public Television* (Item A-3)

Ms. Haygood discussed the proposed changes to the policy manual to define the Board's authority regarding endowment funds, clarify annual reporting requirements, incorporate legislative and statutory updates, and merge the UNC System policies regarding endowment funds into a single policy. Ms. Haygood stated that adequate oversight of endowment activities is necessary if it impacts state property and that clarifying annual comprehensive report requirements would ensure visibility on financials and current capital projects.

MOTION: Resolved, that the Committee on Budget and Finance approve the amendments to Section 600.2.1 of the UNC Policy Manual, *Endowment Funds* and repeal Section 600.2.2, *Endowment Fund of The University of North Carolina Center for Public Television* and recommend them to the full Board of Governors for a vote through the consent agenda at the next meeting.

Motion: Lee Roberts

Motion carried

4. FY2021-22 Maintenance Repairs and Renovations Capital Projects (Item A-4)

Senior Associate Vice President Katherine Lynn presented a combined list of priority maintenance R&R projects to be funded from \$60 million FY2021-22 R&R funds allocated to constituent institutions and affiliated entities and approved by the Board of Governors in December 2021. Ms. Lynn recommended that the Board approve the projects so that they can be reported to the Fiscal Research Division as required by statute. Ms. Lynn also recommended that Board allow the unassigned cost escalation and contingency reserve to be applied to an approved FY2021-22 R&R project upon request of the constituent institution. Any assignment of the contingencies will be included in the annual report of reallocated funds.

MOTION: Resolved, that the Committee on Budget and Finance approve the FY2021-22 Maintenance Repairs and Renovations Capital Projects and recommend them to the full Board of Governors for a vote through the consent agenda.

Motion: Jimmy Clark

Motion carried

5. Request for Additional Delegation of Authority for Real Property – The University of North Carolina at Greensboro (Item A-5)

Ms. Lynn presented The University of North Carolina at Greensboro's (UNCG) request for additional delegated real property. Under Section 600.1.3 of the UNC Policy Manual, *Policy on Authority for Real Property Transactions*, a constituent institution may request additional delegated real property authority after completing a self-assessment and certification and submitting a formal request. A selected committee from the System Office and representatives from other campuses met with UNCG and reviewed their submittal and recommends approval of the request.

MOTION: Resolved, that the Committee on Budget and Finance approve the request for additional delegated real property authority for The University of North Carolina at Greensboro and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Lee Roberts

Motion carried

6. Capital Improvement Projects – East Carolina University, UNC-Chapel Hill, UNC Pembroke, and Western Carolina University (Item A-6)

Ms. Lynn provided information on the requests for new authorizations for five capital improvements at East Carolina University, the University of North Carolina-Chapel Hill, and Western Carolina University, totaling approximately \$18.5 million, and requests for increased authorization for seven capital improvement projects at East Carolina University, the University of North Carolina at Chapel Hill, and The University of North Carolina at Pembroke for a total increased authorization of approximately \$12 million. Ms. Lynn also reported one chancellor authorized R&R project at the University of North Carolina at Asheville.

MOTION: Resolved, that the Committee on Budget and Finance approve the capital improvement requests from East Carolina University, UNC-Chapel Hill, UNC Pembroke, and Western Carolina University and recommend them to the full Board of Governors for a vote through the consent agenda.

Motion: Lee Roberts

Motion carried

7. Disposition of Property by Demolition – The University of North Carolina at Pembroke (Item A-7)

Ms. Lynn presented The University of North Carolina at Pembroke's request for authorization to dispose of property by the demolition of Wellons Hall. The building is vacant, and demolition is required to support future development in accordance with the campus master plan.

MOTION: Resolved, that the Committee on Budget and Finance approve the disposition of Wellons Hall by demolition for The University of North Carolina at Pembroke and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Lee Roberts

Motion carried

8. Sale of Special Obligation Bonds – East Carolina University (Item A-8)

Ms. Haygood provided information regarding East Carolina University's (ECU) request that the Board of Governors issue special obligation bonds in a principal amount not to exceed \$11,300,000 (the "2022 Bonds") for the purpose of (1) refunding the callable maturities of ECU's General Revenue Bonds, Series 2013A (the "2013A Bonds") and (2) paying costs of issuance with respect to the 2022 Bonds. Ms. Haygood stated that ECU would achieve approximately \$440,000 in net present value savings by refunding the 2013A Bonds.

MOTION: Resolved, that the Committee on Budget and Finance approve the sale of special obligation bond for East Carolina University and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Jimmy Clark

Motion carried

9. Adjourn (Item A-9)

There being no further business and without objection, the meeting adjourned at 12:48 p.m.

Michael Williford, Secretary



DRAFT MINUTES

February 23, 2022 at 10:00 a.m.
Via Videoconference and PBS North Carolina Live Stream
University of North Carolina System Office
Chapel Hill, North Carolina

This meeting of the Committee on Budget and Finance was presided over by Chair James L. Holmes, Jr. The following committee members, constituting a quorum, were present: J. Alex Mitchell, Wendy Floyd Murphy, Lee Roberts, Jimmy Clark, and Michael Williford.

Chancellors participating were Robin Cummings (UNC Pembroke), Sheri Everts (Appalachian State University), and Randy Woodson (NC State University). Faculty Assembly advisors participating by video were Dr. Carol Cain (Winston-Salem State University), Dr. Susan Harden (UNC Charlotte), and Dr. Jim Westerman (Appalachian State University).

Staff members present included Jennifer Haygood, Lindsay Farling, Katherine Lynn, and others from the UNC System Office.

The chair called the meeting to order at 10.00 a.m., on Tuesday, February 23, 2022.

1. Authorization of Tuition for 2022-23 (Item A-1)

Senior Vice President Jennifer Haygood provided a presentation on tuition rates for undergraduate and graduate students, including professional schools, and recommended them for the Board's approval. There is no change to resident tuition rates, which have remained the same since 2017-18.

MOTION: Resolved, that the Committee on Budget and Finance approve the Authorization of Tuition for 2022-23 and recommend it to the full Board of Governors for a vote.

Motion: Michael Williford

Motion carried

2. Authorization of Fees for 2022-23 (Item A-2)

Ms. Haygood presented information on the Authorization of Fees for 2022-23 including General Fees, Debt Service, Application, and Special Fees. Unless fee increases met specific criteria, proposed fee increases had to be offset by decreases in other areas. For example, the athletic fee increase at The University of North Carolina at Pembroke was offset by a decrease to the student activities fee. She also explained that there would be an implementation of an increase to the campus security fee pursuant to a policy that the Board approved last year.

In response to the information presented by Ms. Haygood, the committee discussed issues regarding the continual increase in athletic fees and whether this process was sustainable for institutions of the University of North Carolina System. Chair Holmes informed the group that this issue will be reviewed in the coming months.

MOTION: Resolved, that the Committee on Budget and Finance approve the Authorization of Fees for 2022-23, excluding athletic fees, and recommend it to the full Board of Governors for a vote.

Motion: Michael Williford

Motion carried

MOTION: Resolved, that the Committee on Budget and Finance approve the athletic fees as presented in the Fee Resolution for 2022-23 and recommend them to the full Board of Governors for a vote.

Motion: Jimmy Clark

Motion carried

Chair Holmes voted against.

3. Proposed Funding Model Changes (Item A-3)

Chair Holmes gave remarks thanking the work being done by the System Office and committee members on the proposed funding model changes and more specifically Jennifer Haygood and Lee Roberts. He cited the countless hours listening to feedback from chancellors and chief financial officers to adjust the proposed funding model.

Lee Roberts presented an overview of the feedback provided by institutions and recommended adjustments to the proposed funding model. Mr. Roberts reiterated that the proposed funding model aligns State funding with Board strategy, focuses on resident students, and provides a more equitable approach for a diverse group of institutions by providing more consistent state subsidies and summer funding opportunities.

MOTION: Resolved, that the Committee on Budget and Finance directs staff to develop the System's Short Session enrollment funding, which will be presented for the Board for approval at the April meeting, based on the new model incorporating transition year provisions with the understanding that there may be minor further adjustments, particularly as related to STEM master programs. The enrollment funding request will be presented to the Board for approval at the April meeting.

Motion: J. Alex Mitchell

Motion carried

4. Adjourn (Item A-4)

There being no further business and without objection, the meeting adjourned at 11:22 a.m.

Michael Williford, Secretary

DRAFT MINUTES

March 25, 2022 at 10:00 a.m.

Via Videoconference and PBS North Carolina Livestream

This meeting of the Committee on Budget and Finance was presided over by Chair James L. Holmes, Jr. The following committee members, constituting a quorum, were present by video, or phone: Wendy Floyd Murphy, Lee Roberts, and Jimmy Clark. The following members were absent: J. Alex Mitchell and Michael Williford.

Chancellors participating by video were Robin Cummings (UNC Pembroke) and Randy Woodson (NC State University). Faculty Assembly advisors participating by video were Dr. Susan Harden (UNC Charlotte) and Dr. Jim Westerman (Appalachian State University).

Staff members present included Jennifer Haygood, Lindsay Farling, Katherine Lynn, and others from the UNC System Office.

1. Proposed Funding Model Changes (Item A-1)

Following an introduction from Mr. Holmes, Mr. Roberts gave a presentation on additional adjustments to the proposed funding model. In accordance with feedback received from institutions, the presentation recommended that masters-level student credit hours in STEM and health professional disciplines be funded at 1.5x the base rate. Further, to ensure our enrollment funding request for FY 23 remains consistent with what was previously requested of the General Assembly, the presentation further recommended that only undergraduate base summer credit hours be funded in the transition year. Following the presentation, Mr. Holmes and Mr. Roberts asked the group if there were any questions and after receiving none, expressed appreciation for the engagement received while making changes to the funding model.

MOTION: Resolved, that the Committee on Budget and Finance approve the additional adjustments to the Proposed Funding Model.

Motion: Lee Roberts

Motion carried

2. Adjourn (Item A-9)

There being no further business and without objection, the meeting adjourned at 10:08 a.m.

Michael Williford, Secretary

AGENDA ITEM

A-2. Proposed Funding Model Lee Roberts and Jennifer Haygood

Situation: The UNC System uses a formula based on completed student credit hours to request and allocate enrollment funding to institutions on an annual basis. The current formula is complex and does not include a performance-based component.

Background: In 2017 and 2018 a task force was convened to review the UNC System enrollment funding model. The results of this work were presented to the Board in May of 2018 and included a number of recommendations for improvements to the model, including basing the funding on completed rather than projected credit hours. Simultaneously, the General Assembly required the 2017-19 enrollment funding be verified based on actual enrollment before it could be allocated. In response to the conclusions of the task force and the new requirement from the General Assembly, the UNC System enrollment funding model was updated to be based on actual credit hours completed in arrears.

However, other recommendations made by the task force in 2018, including incorporating some measure of performance funding, have not been integrated into the funding model. As such, concerns raised by the task force related to complexity, incentives, and variation by institution remain unaddressed.

Over the last several months, the committee has discussed a proposed new model that would incorporate many of the original recommendations of the task force as well as new feedback that has been provided by the Board and the UNC System constituent institutions.

Assessment: The current UNC System enrollment funding model is not aligned with strategic goals, is unnecessarily confusing and complex, and does not accommodate a diverse system. A new model to address these concerns has been proposed and discussed by the committee. It is now recommended that the the proposed new enrollment change funding model be adopted.

Action: This item requires a vote by the committee and a vote by the full Board of Governors.

UNC System Enrollment Change Funding Model

Per G.S. 116C-10, “the State shall make significant efforts to increase access to learning and improve the education of more North Carolinians so that, by the year 2030, 2,000,000 residents between the ages of 25 and 44 will have completed a high-quality credential or postsecondary degree.” Towards this end, graduating more North Carolina undergraduates on time and with less debt is a top priority of the Board of Governors.

To better align State appropriations with these policy goals, it is proposed that the Board of Governors adopt a revised enrollment change funding model that provides a clearly defined State subsidy for the change in performance-weighted, resident student credit hours. Specifically:

- It is proposed that, effective with the 2022-23 fiscal year, the UNC System enrollment change funding model be revised to be based on appropriation per credit hour rates that are applied to the annual change in total resident student credit hours, including credits completed in the summer. To the extent practical, the appropriation per credit hour rates shall be differentiated by discipline and Carnegie classification and based on national benchmarks for the cost of instruction and overhead costs specific to relevant expenditures within the UNC System.
- It is proposed that funding for graduate education in STEM and health professions be funded at a higher rate than undergraduate education to recognize the additional cost of delivery as well as workforce needs of the State, except for Schools of Medicine, Dentistry, Pharmacy, and Veterinary Medicine, which shall not be included in the funding model calculation. These programs will be required to make a separate appropriation request for class size changes.
- Consistent with the current enrollment change funding model, it is proposed that the change in student credit hours be determined based on the difference in actual completed student credit hours in the prior two calendar years, as reported in the UNC Student Data Mart.
- It is further proposed that, effective with the 2023-24 fiscal year, performance weighting be incorporated into the funding calculation, such that a portion of the generated funding request is based on university outcomes related to strategic goals of the System and the State of North Carolina.

AGENDA ITEM

A-3. 2020-21 UNC System Consolidated Financial Report.....Jennifer Haygood

Situation: The University of North Carolina System is presenting a consolidated financial report for the year ended June 30, 2021.

Background: Historically, University financial information has been reported in two ways: 1) as a part of each institution's set of audited financial statements and 2) as a part of the greater Consolidated Annual Financial Report (CAFR) for the State of North Carolina. The UNC System Financial Report has been prepared to provide additional information since fiscal year 2015 on the current financial status of the University. This report includes a consolidation of the University of North Carolina System as a whole, a side-by-side comparison of institutional financial statements, selected disclosures, and other financially related information.

Assessment: The UNC System, excluding UNC Hospitals, recognized a \$2.9 billion increase in net position during the year, bringing ending net position to \$9.0 billion. Cash increased by \$517.1 million. Endowment funds within the UNC System have increased 152 percent in the last 10 years.

Action: This item is for information only.



CONSOLIDATED FINANCIAL REPORT

Fiscal Year Ended: June 30, 2021

**Board of Governors
Committee on Budget and Finance**

April 6, 2022

1

Presentation Outline

- Revenues and Expenses
- Balance Sheet Trends
- Cash Position

2

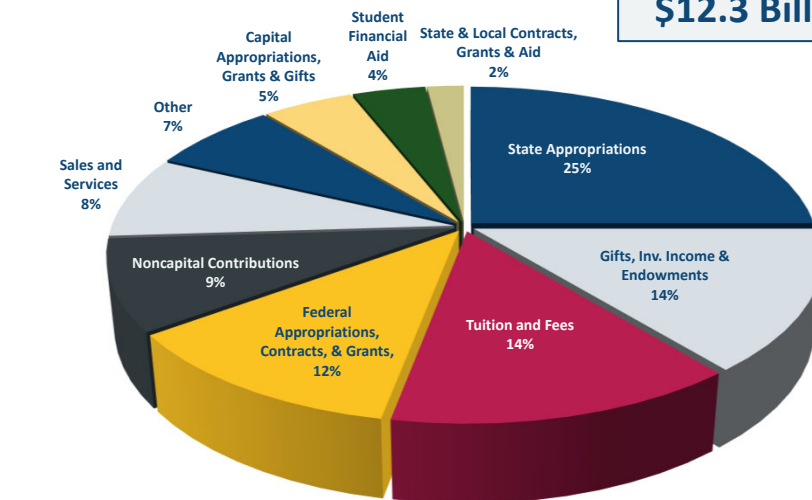
Revenues and Expenses

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UNC System Revenues: FY 2021 (excluding UNC Hospitals)

\$12.3 Billion



 THE UNIVERSITY OF
NORTH CAROLINA SYSTEM

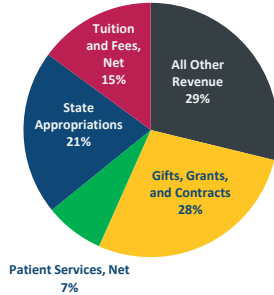
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Revenues by Campus Size: FY 2021

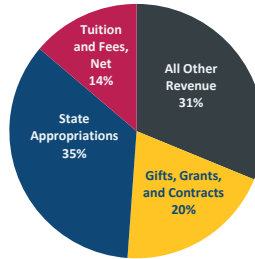
Large Universities

ASU, ECU, N.C. A&T, NC State,
UNC-CH, UNCC, UNCG, UNCW



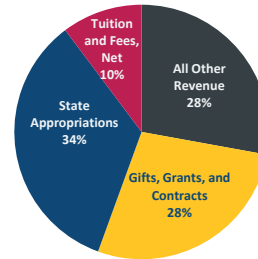
Medium Universities

FSU, NCCU, UNCA,
UNCP, WCU, WSSU



Small Universities

ECU, UNCSA



The Carnegie Classification has been used for the purpose of classifying the universities as small, medium, and large. The UNC System Office, North Carolina School of Science and Mathematics, and UNC Hospitals are not included in the classifications as these are not considered institutions of higher education. Therefore, these institutions are excluded from the above graphs.

UNC System Revenues: FY 2020-21

(excluding UNC Hospitals)

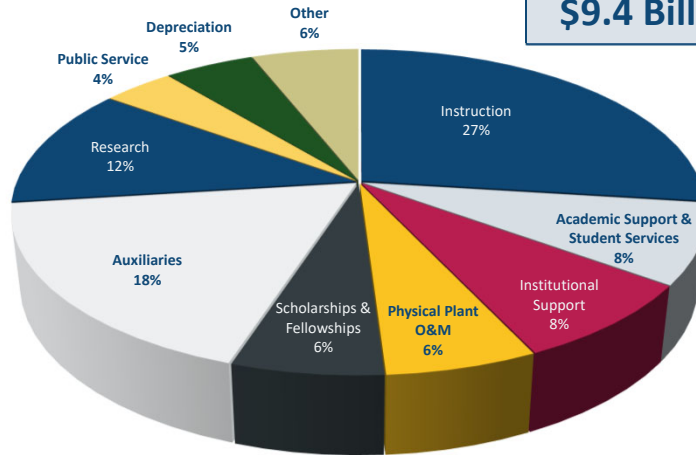
Revenues	FY 2020	FY 2021	Change	
State Appropriations	3,100,210,936	3,050,008,763	(50,202,173)	-1.6%
Gifts, Inv. Income & Endowments	222,165,792	1,755,796,040	1,533,630,248	690.3%
Tuition and Fees	1,794,767,445	1,737,617,934	(57,149,511)	-3.2%
Federal Approp., Contracts & Grants	1,191,088,802	1,507,297,329	316,208,527	26.5%
Noncapital Contributions	812,262,301	1,088,975,650	276,713,349	34.1%
Sales and Services	1,183,988,656	960,412,290	(223,576,366)	-18.9%
Other Revenue	796,333,457	846,576,608	50,243,151	6.3%
Capital Approp., Grants & Gifts	399,891,148	565,090,822	165,199,674	41.3%
Student Financial Aid	532,460,276	527,209,154	(5,251,122)	-1.0%
State & Local Contracts, Grants & Aid	100,924,939	294,583,349	193,658,410	191.9%
Total	10,134,093,752	12,333,567,939	2,199,474,187	21.7%

- Minimal state operating appropriations due to no FY 2019-21 state budget.
- Increase in investment income due to impressive investment returns.
- Increase in federal and state aid due to COVID-19.
- Decline in sales & services driven by decline in auxiliaries such as housing, dining, and parking due to COVID-19.

UNC System Expenditures: FY 2021

(excluding UNC Hospitals)

\$9.4 Billion

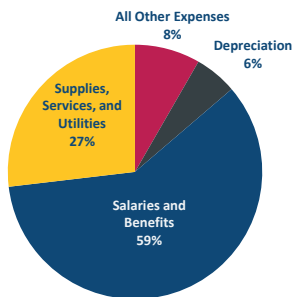


Note: Some research and private/endowment revenues are not available for immediate expenditure.

Expenses by Campus Size: FY 2021

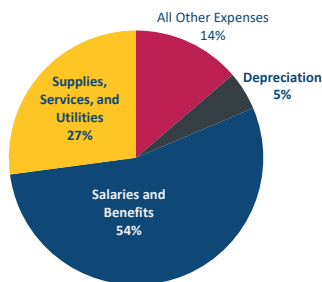
Large Universities

ASU, ECU, N.C. A&T, NC State,
UNC-CH, UNCC, UNCG, UNCW



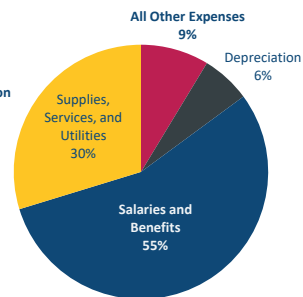
Medium Universities

FSU, NCCU, UNCA
UNCP, WCU, WSSU



Small Universities

ECSU, UNCSA



The Carnegie Classification has been used for the purpose of classifying the universities as small, medium, and large. The UNC System Office, North Carolina School of Science and Mathematics, and UNC Hospitals are not included in the classifications as these are not considered institutions of higher education. Therefore, these institutions are excluded from the above graphs.

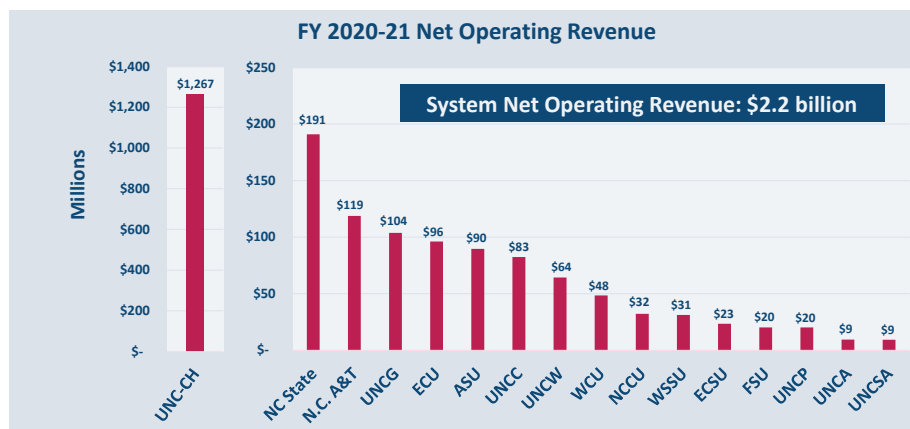
UNC System Expenses: FY 2020-21

(excluding UNC Hospitals)

Expenses	FY 2020	FY 2021	Change	
Instruction	2,624,690,461	2,585,251,924	(39,438,537)	-1.5%
Academic Support & Student Services	790,297,724	775,554,295	(14,743,429)	-1.9%
Institutional Support	760,321,724	779,347,883	19,026,159	2.5%
Physical Plant O&M	589,277,229	551,157,059	(38,120,170)	-6.5%
Scholarships & Fellowships	482,488,921	548,801,352	66,312,431	13.7%
Auxiliaries	1,924,171,503	1,724,714,394	(199,457,109)	-10.4%
Research	1,050,104,072	1,095,363,290	45,259,218	4.3%
Public Service	387,244,499	368,875,918	(18,368,581)	-4.7%
Depreciation	491,492,651	490,077,484	(1,415,167)	-0.3%
Other Expenses	496,549,742	524,116,261	27,566,519	5.6%
Total	9,596,638,526	9,443,259,860	(153,378,666)	-1.6%

- Decreases in expenses in most activities as a result of revenue declines.
- Increase in student aid as a result of federal emergency relief.

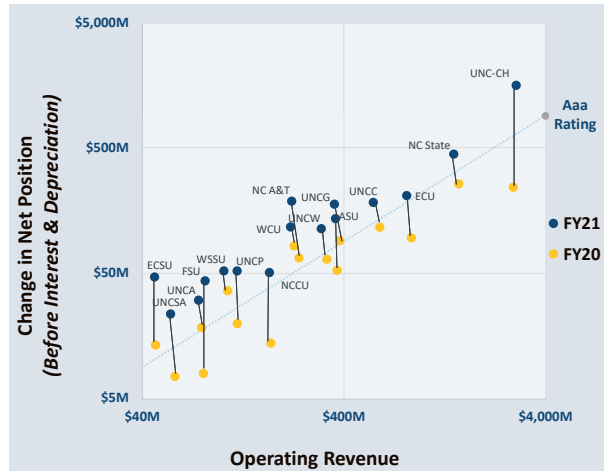
Operating Performance: Net Operating Revenue



Net Operating Revenue is defined as Net Revenue before Capital Appropriations, Capital Contributions, and Additions to Endowments.

Operating Performance

Operating Margin (EBIDA)			
	2020	2021	Change
ASU	14%	38%	23%
ECU	11%	26%	14%
ECSU	29%	101%	73%
FSU	10%	53%	43%
NC A&T	28%	86%	58%
NCCU	8%	30%	22%
NC State	17%	32%	14%
UNCA	23%	40%	17%
UNCCH	9%	56%	47%
UNCC	19%	33%	14%
UNCG	24%	50%	26%
UNCP	17%	44%	28%
UNCW	20%	37%	17%
UNCSA	13%	43%	30%
WCU	37%	54%	17%
WSSU	34%	51%	17%

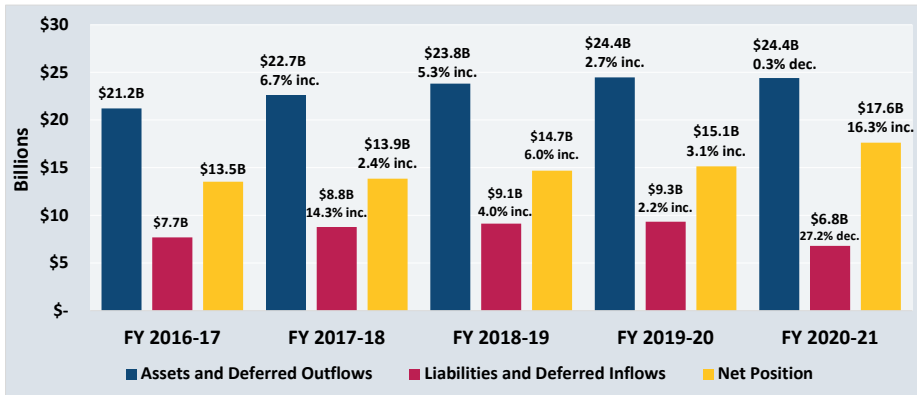


Investment performance and COVID-related revenues significantly improved university financial positions in FY21, while operating revenues remained largely stable.

Balance Sheet Trends

Balance Sheet Trends: FY 2017-21

Overall Balance Sheet Changes (excluding UNC Hospitals)

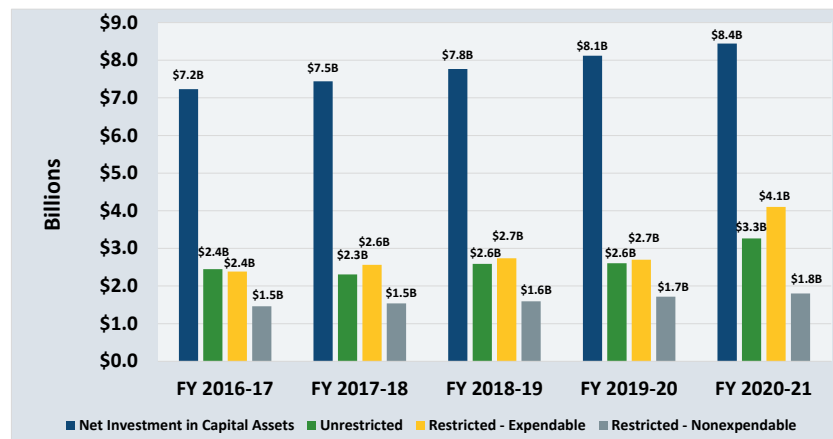


These balances have been adjusted to remove the effect of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, and GASB Statement No. 68, Accounting and Financial Reporting for Pensions. They have been partially adjusted to remove the effect of inter-campus transactions (e.g., inter-institutional transfers).

In FY 2016-17, Capital Assets made up 54.1% of total assets and deferred outflows; in FY 2020-21, they made up 54.0%.

Balance Sheet Trends FY 2017-21

Changes in Net Position (excluding UNC Hospitals)



These balances have been adjusted to remove the effect of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, and GASB Statement No. 68, Accounting and Financial Reporting for Pensions. They have not been adjusted to remove the effect of inter-campus transactions (e.g., inter-institutional transfers).

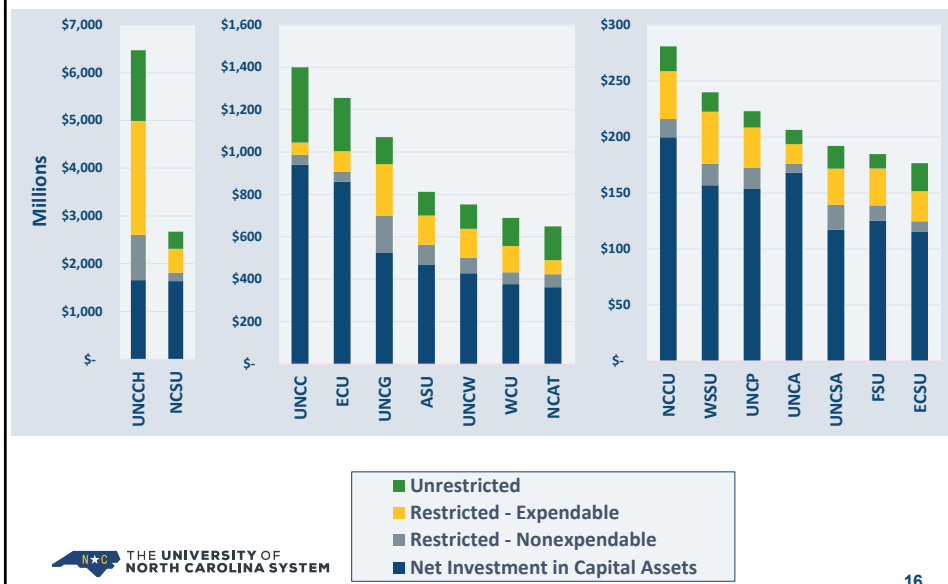
Operating Performance: Change in Net Position



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Financial Resources: Expendable Net Position



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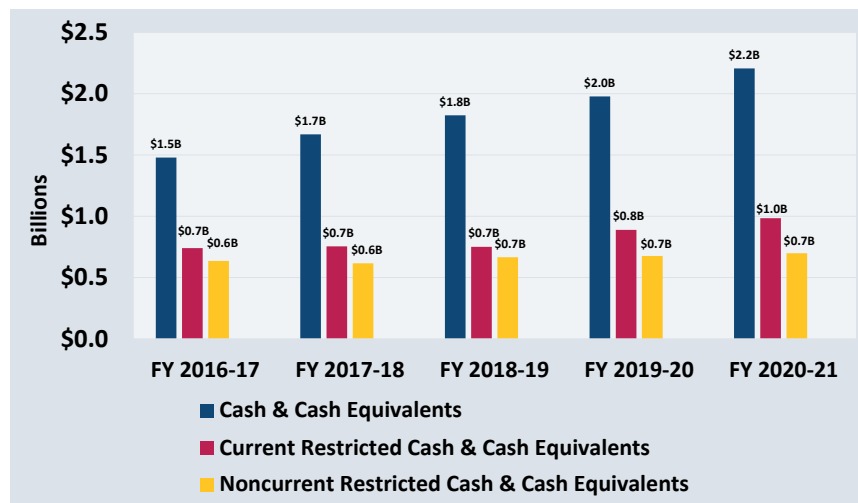
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Cash Position

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UNC System Cash Position: FY 2017-21 *(excluding UNC Hospitals)*



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UNC System Cash Flows: FY 2020-21

(excluding UNC Hospitals)

	FY 2020	FY 2021	Change	
Received from customers	5,196,102,143	4,950,717,760	(245,384,383)	-4.7%
State Appropriations Received	3,110,210,936	3,060,008,763	(50,202,173)	-1.6%
Noncapital grants, gifts, and student aid	1,398,651,643	1,869,615,380	470,963,737	33.7%
Other Receipts	2,073,269,572	1,327,717,596	(745,551,976)	-36.0%
Payments to employees and fringe benefits	(5,647,559,518)	(5,625,531,073)	22,028,445	-0.4%
Payments to vendors and suppliers	(2,646,359,667)	(2,458,914,404)	187,445,263	-7.1%
Payments for grants, gifts, and student aid	(885,209,315)	(1,072,634,788)	(187,425,473)	21.2%
Other payments	(1,831,882,804)	(1,266,134,423)	565,748,381	-30.9%
Net Cash Provided by Operating and Noncapital Financing Activities	767,222,990	784,844,811	17,621,821	2.3%
Net Cash Used by Capital Financing Activities	(632,130,858)	(395,954,782)	236,176,076	-37.4%
Net Cash Provided by Investing Activities	136,743,942	128,203,460	(8,540,482)	-6.2%
Net Increase in Cash and Cash Equivalents	271,836,074	517,093,489	245,257,415	90.2%

Summary

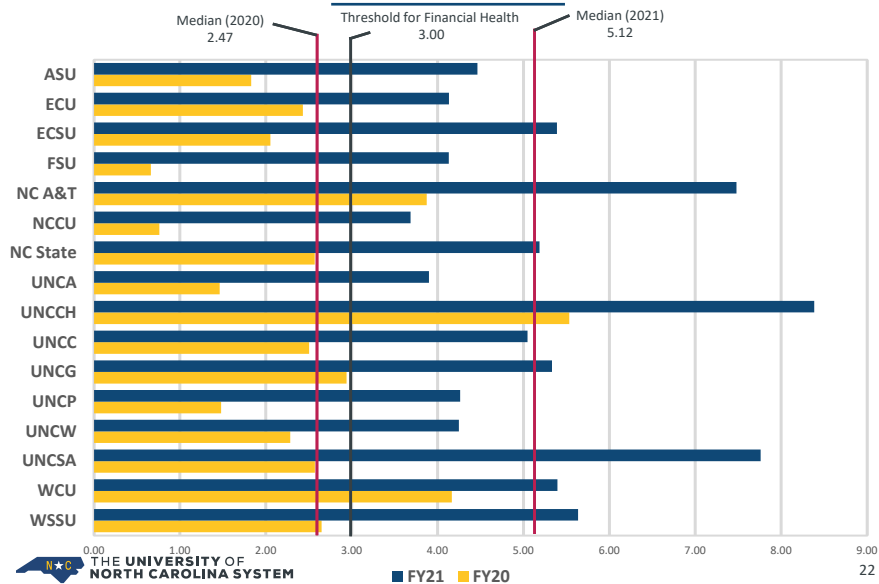
Composite Financial Index: FY 2020-21

■ University-specific composite measure developed by NACUBO:

- Evaluates overall institutional financial health and strategic risk
- Used widely throughout Higher Education
- Derivable from audited financial statements
- Useful for private and public institutions

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Composite Financial Index



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Conclusions

- The UNC System ended the fiscal year in a strong financial position, but the revenue streams that drove its growth during FY 2021 are temporary in nature: federal and state aid related to COVID-19, large noncapital contributions, and unusually robust investment returns.
- This underlines the importance of maintaining sufficient and flexible reserves for future years.
- The financial health of auxiliary enterprises continues to be negatively impacted by COVID-19.

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QUESTIONS?

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**THE
UNIVERSITY OF
NORTH CAROLINA
SYSTEM**

Consolidated Financial Report

April 6, 2022

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Overview

The University of North Carolina (UNC) System is a multi-campus university dedicated to serving the state and its people through world-class teaching, research and scholarship, and outreach and service. In 1971, the Higher Education Reorganization Act placed the 16 baccalaureate-granting institutions that comprise the University of North Carolina System under one governing board. The act emphasized basic objectives for the University: to foster the development of a well-planned and coordinated system of higher education, to improve the quality of education, to extend educational benefits beyond campus borders, and to encourage economic and effective use of the state's resources.

The following entities are included in this report:

UNC System Office (Sys Ofc)	UNC Charlotte (UNCC)
Appalachian State University (ASU)	UNC Greensboro (UNCG)
East Carolina University (ECU)	UNC Pembroke (UNCP)
Elizabeth City State University (ECSU)	UNC Wilmington (UNCW)
Fayetteville State University (FSU)	UNC School of the Arts (UNCSA)
North Carolina A&T State University (N.C. A&T)	Western Carolina University (WCU)
North Carolina Central University (NCCU)	Winston-Salem State University (WSSU)
North Carolina State University (NC State)	NC School of Science and Mathematics (NCSSM)
UNC Asheville (UNCA)	UNC Hospitals at Chapel Hill (UNCH)
UNC-Chapel Hill (UNC-CH)	

In its efforts to move forward with strategic planning, the University recognized the importance of establishing an overall mission and defining the role each institution would play in fulfilling the mission. In 1992, the Board of Governors adopted a general mission statement, and after some modification, the official statement was given statutory status in 1995.

Mission Statement

The University of North Carolina System is a public, multi-campus university dedicated to the service of North Carolina and its people. It encompasses the 17 diverse constituent institutions and other educational, research, and public service organizations. Each shares in the overall mission of the University. That mission is to discover, create, transmit, and apply knowledge to address the needs of individuals and society. This mission is accomplished through instruction, which communicates the knowledge and values and imparts the skills necessary for individuals to lead responsible, productive, and personally satisfying lives; through research, scholarship, and creative activities, which advance knowledge and enhance the educational process; and through public service, which contributes to the solution of societal problems and enriches the quality of life in the state. In the fulfillment of this mission, the University shall seek an efficient use of available resources to ensure the highest quality in its service to the citizens of the state.

Overview (cont.)

Classification

The Carnegie Classification has been used for the purpose of classifying the universities within this report as small, medium, and large. For the past four and a half decades, the Carnegie Classification has been the leading framework for recognizing and describing institutional diversity in U.S. higher education. Starting in 1970, the Carnegie Commission on Higher Education developed a classification of colleges and universities to support its program of research and policy analysis. More information on this classification is available at <http://carnegieclassifications.iu.edu>. Based on these classifications, the universities have been classified as follows:

<u>Large</u>	<u>Medium</u>	<u>Small</u>
Appalachian State University	Fayetteville State University	UNC School of the Arts
East Carolina University	North Carolina Central University	Elizabeth City State University
North Carolina A&T State University	UNC Asheville	
North Carolina State University	UNC Pembroke	
UNC-Chapel Hill	Western Carolina University	
UNC Charlotte	Winston-Salem State University	
UNC Greensboro		
UNC Wilmington		

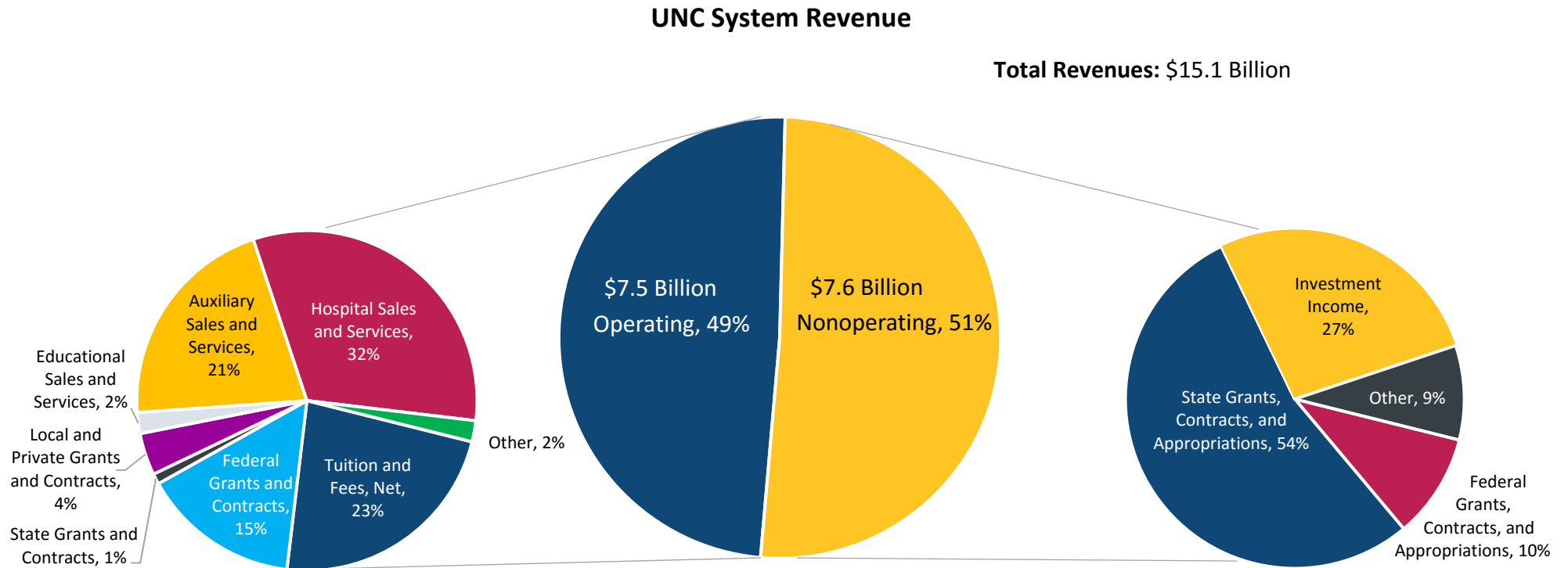
The UNC System Office, North Carolina School of Science and Mathematics, and UNC Hospitals at Chapel Hill are not included in the above classifications as these are not considered institutions of higher education. These institutions do factor into the comprehensive data summaries on the following pages. However, these three institutions are not included when data is categorized as 'Large', 'Medium', or 'Small'.



Selected Disclosures

Revenues

A summary of all revenues is shown below:



Revenues (cont.)

The UNC System's operating revenues by institution for the year ended June 30, 2021 are presented as follows:

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill	UNC Charlotte
Student Tuition and Fees										
Gross Revenues	\$ 164,760,974	\$ 228,605,773	\$ 8,964,892	\$ 30,116,984	\$ 114,843,643	\$ 65,980,451	\$ 438,524,751	\$ 28,808,942	\$ 557,388,244	\$ 275,250,172
Less Allowance for Uncollectibles	(444,020)	(799,030)	(375,154)	—	(412,515)	(1,996,154)	(175,433)	(434,774)	(50,072)	(1,056,180)
Less Scholarship Discounts	(33,656,047)	(47,012,777)	(3,817,535)	(12,331,338)	(47,119,277)	(15,321,715)	(109,267,789)	(8,812,772)	(145,266,384)	(59,835,923)
Net Revenues	130,660,907	180,793,966	4,772,203	17,785,646	67,311,851	48,662,582	329,081,529	19,561,396	412,071,788	214,358,069
% of Total UNC Institutions and System Office	7.6%	10.4%	0.3%	1.0%	3.9%	2.8%	18.9%	1.1%	23.7%	12.3%
Patient Service Revenue										
Gross Revenues	—	450,611,577	—	—	—	—	—	—	1,260,322,294	—
Less Allowance for Uncollectibles	—	(11,988,988)	—	—	—	—	—	—	(22,079,553)	—
Less Indigent Care and Contractual Adjustments	—	(205,494,948)	—	—	—	—	—	—	(693,033,167)	—
Net Revenues	—	233,127,641	—	—	—	—	—	—	545,209,574	—
% of Total UNC Institutions and System Office		30.0%							70.0%	
Sales and Services										
Gross Revenues	78,950,716	54,479,835	8,369,355	12,049,156	26,128,998	28,185,970	190,676,725	14,296,931	400,888,622	45,768,747
Internal Sales Eliminations	—	—	—	—	—	—	—	—	—	—
Less Allowance for Uncollectibles	(509,157)	—	(391,095)	—	(126,006)	—	(282,886)	(215,764)	—	(253,214)
Less Scholarship Discounts	(9,062,824)	(7,495,557)	(3,380,319)	(3,889,565)	(7,811,364)	(6,407,422)	(11,354,951)	(4,011,402)	(3,519,673)	(6,907,553)
Net Revenues	69,378,735	46,984,278	4,597,941	8,159,591	18,191,628	21,778,548	179,038,888	10,069,765	397,368,949	38,607,980
% of Total UNC Institutions and System Office	7.3%	4.9%	0.5%	0.8%	1.9%	2.3%	18.6%	1.0%	41.2%	4.0%
Other Revenue										
Gross Revenues	13,517,175	60,324,036	1,131,276	1,997,324	45,354,299	18,113,562	370,746,361	5,605,882	965,282,971	49,792,990
Less Allowance for Uncollectibles	—	—	—	—	—	—	(188,760)	—	—	—
Net Revenues	13,517,175	60,324,036	1,131,276	1,997,324	45,354,299	18,113,562	370,557,601	5,605,882	965,282,971	49,792,990
% of Total UNC Institutions and System Office	0.9%	3.8%	0.1%	0.1%	2.8%	1.1%	23.1%	0.3%	60.1%	3.1%
Total Net Operating Revenues	\$ 213,556,817	\$ 521,229,921	\$ 10,501,420	\$ 27,942,561	\$ 130,857,778	\$ 88,554,692	\$ 878,678,018	\$ 35,237,043	\$ 2,319,933,282	\$ 302,759,039
% of Total UNC Institutions and System Office	4.1%	10.3%	0.2%	0.5%	2.6%	1.7%	17.3%	0.7%	45.6%	6.0%

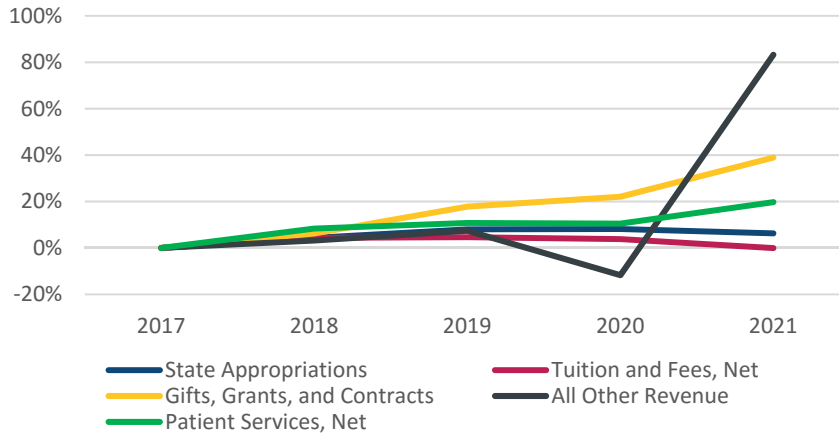
Revenues (cont.)

	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total	UNC Hospitals at Chapel Hill
Student Tuition and Fees										
Gross Revenues	\$ 149,258,961	\$ 30,848,061	\$ 123,725,953	\$ 21,569,361	\$ 57,762,127	\$ 32,683,267	\$ 246,534	\$ —	\$2,329,339,090	\$ —
Less Allowance for Uncollectibles	(556,465)	(77,122)	(48,147)	(1,500)	(567,611)	(449,196)	—	—	(7,443,373)	—
Less Scholarship Discounts	(44,969,498)	(7,715,748)	(18,407,783)	(6,114,670)	(13,674,235)	(11,213,187)	—	—	(584,536,678)	—
Net Revenues	103,732,998	23,055,191	105,270,023	15,453,191	43,520,281	21,020,884	246,534	—	1,737,359,039	—
% of Total UNC Institutions and System Office	6.0%	1.3%	6.1%	0.9%	2.5%	1.2%	0.0%		100.0%	
Patient Service Revenue										
Gross Revenues	—	—	—	—	—	—	—	—	1,710,933,871	5,732,604,735
Less Allowance for Uncollectibles	—	—	—	—	—	—	—	—	(34,068,541)	(101,518,012)
Less Indigent Care and Contractual Adjustments	—	—	—	—	—	—	—	—	(898,528,115)	(3,269,512,296)
Net Revenues	—	—	—	—	—	—	—	—	778,337,215	2,361,574,427
% of Total UNC Institutions and System Office									100.0%	
Sales and Services										
Gross Revenues	53,457,427	18,846,245	42,252,608	7,709,780	45,255,783	24,043,476	146,496	14,949,608	1,066,456,478	—
Internal Sales Eliminations	—	—	—	—	—	—	(38,711)	—	(38,711)	—
Less Allowance for Uncollectibles	(180,827)	(449,185)	(76,351)	—	(387,196)	(166,825)	—	—	(3,038,506)	—
Less Scholarship Discounts	(11,900,817)	(4,018,099)	(4,189,031)	(1,507,317)	(7,892,032)	(6,219,182)	—	—	(99,567,108)	—
Net Revenues	41,375,783	14,378,961	37,987,226	6,202,463	36,976,555	17,657,469	107,785	14,949,608	963,812,153	—
% of Total UNC Institutions and System Office	4.3%	1.5%	3.9%	0.6%	3.8%	1.8%	0.0%	1.6%	100.0%	
Other Revenue										
Gross Revenues	41,241,340	3,501,555	16,179,313	1,227,277	9,611,866	1,518,629	110,793	31,883	1,605,288,532	36,225,406
Less Allowance for Uncollectibles	—	—	—	—	—	—	—	—	(188,760)	—
Net Revenues	41,241,340	3,501,555	16,179,313	1,227,277	9,611,866	1,518,629	110,793	31,883	1,605,099,772	36,225,406
% of Total UNC Institutions and System Office	2.6%	0.2%	1.0%	0.1%	0.6%	0.1%	0.0%	0.0%	100.0%	
Total Net Operating Revenues	\$ 186,350,121	\$ 40,935,707	\$ 159,436,562	\$ 22,882,931	\$ 90,108,702	\$ 40,196,982	\$ 465,112	\$ 14,981,491	\$5,084,608,179	\$ 2,397,799,833
% of Total UNC Institutions and System Office	3.7%	0.8%	3.1%	0.5%	1.8%	0.8%	0.0%	0.3%	100.0%	

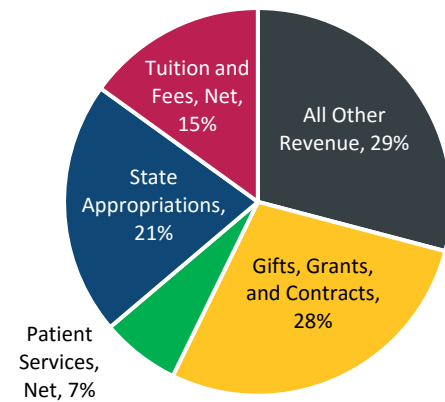
Revenues (cont.)

A summary of all revenues by Carnegie class is shown below:

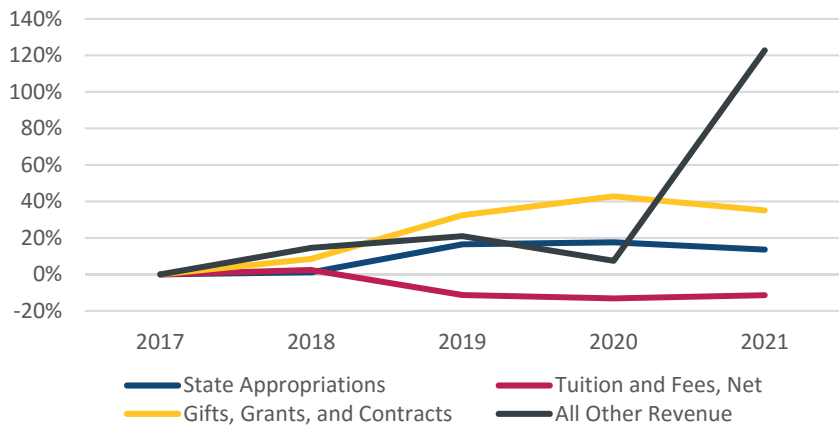
Large Universities - Cumulative % Change



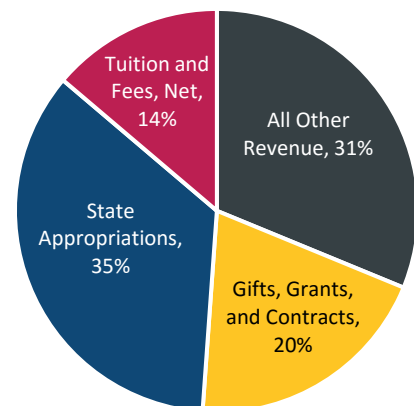
Large Universities 2021



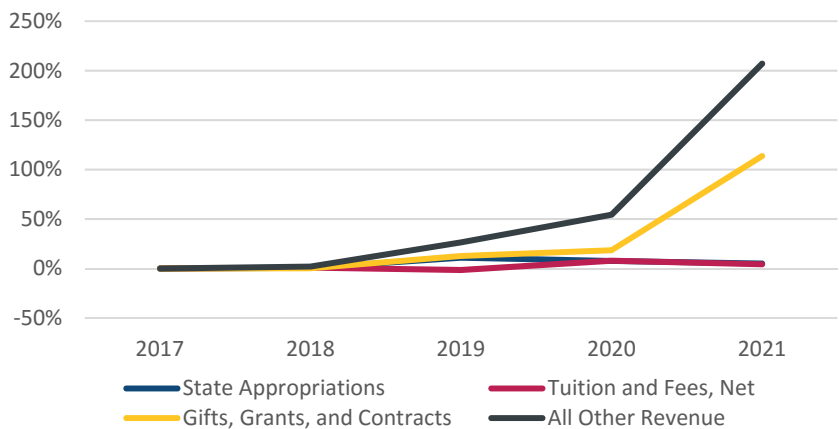
Medium Universities - Cumulative % Change



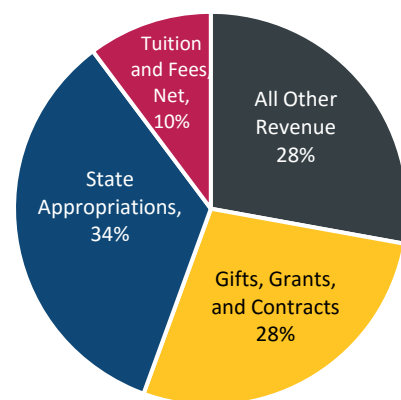
Medium Universities 2021



Small Universities - Cumulative % Change



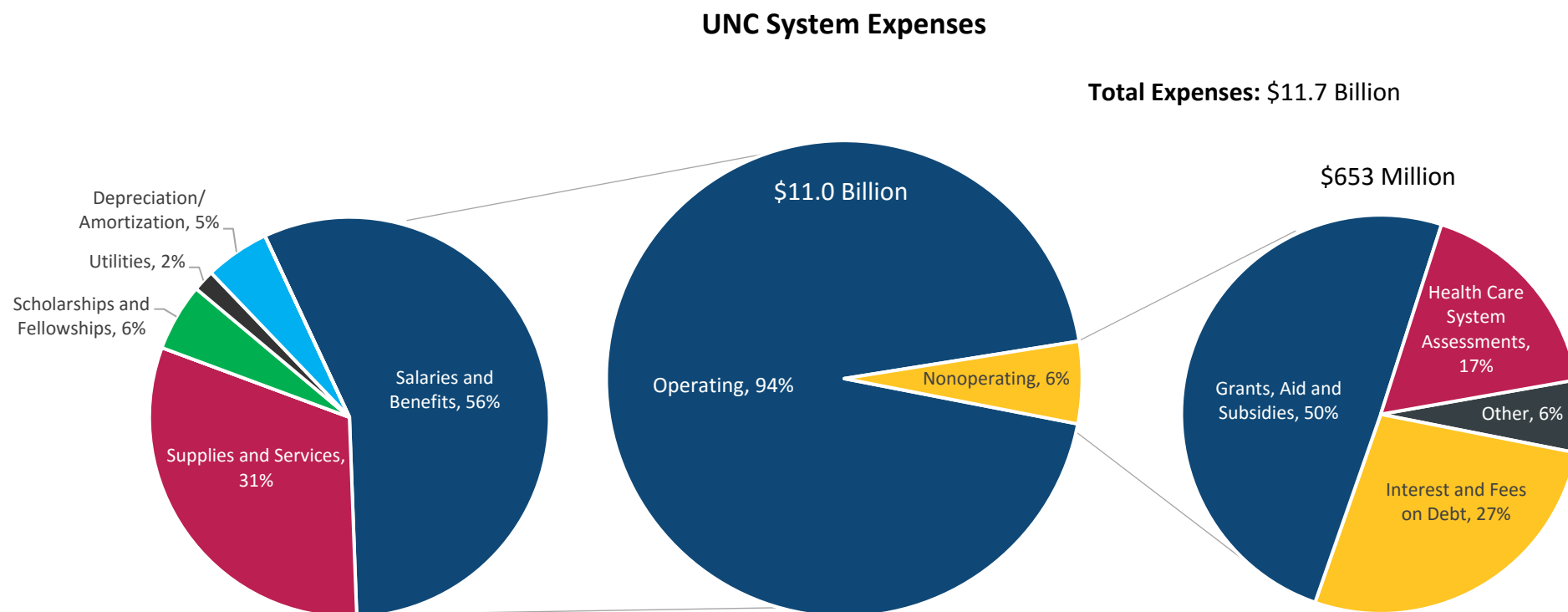
Small Universities 2021



Graphs above do not include UNC System Office, North Carolina School of Science and Mathematics, or UNC Hospitals at Chapel Hill.

Expenses

A summary of all expenses is shown below:



Expenses (cont.)

The UNC System's operating expenses by institution for the year ended June 30, 2021 are presented as follows:

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill	UNC Charlotte
Total Operating Expenses										
Salaries and Benefits	\$ 263,694,625	\$ 571,439,085	\$ 33,175,108	\$ 72,384,739	\$ 178,829,581	\$ 119,995,340	\$ 953,216,704	\$ 56,514,365	\$ 1,812,296,102	\$ 401,245,910
Supplies and Services	88,062,413	186,214,998	21,911,721	28,895,035	65,517,129	55,996,647	369,660,959	17,702,669	963,510,332	124,206,227
Scholarships and Fellowships	46,451,745	54,831,839	7,593,469	16,709,903	37,532,508	25,135,317	69,942,018	7,165,285	121,919,611	72,114,513
Utilities	9,866,142	15,398,090	2,333,187	2,778,322	5,654,572	4,644,756	29,188,289	2,353,961	79,240,505	11,447,838
Depreciation/ Amortization	24,429,628	36,738,693	4,493,032	5,024,800	14,658,462	9,898,836	114,947,438	6,704,747	159,181,030	35,169,232
Total	\$ 432,504,553	\$ 864,622,705	\$ 69,506,517	\$ 125,792,799	\$ 302,192,252	\$ 215,670,896	\$ 1,536,955,408	\$ 90,441,027	\$ 3,136,147,580	\$ 644,183,720
% of Total UNC Institutions and System Office	4.9%	9.7%	0.8%	1.4%	3.4%	2.4%	17.2%	1.0%	35.2%	7.2%
Instruction	\$ 139,542,594	\$ 264,842,742	\$ 12,087,136	\$ 39,890,557	\$ 81,816,263	\$ 73,241,254	\$ 476,003,034	\$ 27,253,784	\$ 745,235,796	\$ 235,466,750
Research	5,641,812	42,093,202	869,719	1,944,152	32,920,180	12,034,948	294,108,574	1,738,282	632,623,509	33,103,259
Public Service	10,978,831	23,710,453	1,139,427	3,773,929	6,546,670	882,487	122,871,365	2,528,052	136,145,519	1,656,201
Academic Support	45,161,753	39,282,002	4,928,057	12,846,307	38,151,888	19,362,625	92,786,120	4,623,437	136,729,030	55,800,997
Student Services	8,505,774	12,798,508	6,944,886	4,290,697	7,344,114	5,617,104	28,180,235	5,147,089	29,377,989	21,762,268
Institutional Support	35,993,548	64,090,405	16,299,266	14,266,606	43,750,700	28,958,411	110,130,693	12,408,666	190,417,759	46,273,732
Operations and Maintenance of Plant	44,920,973	52,243,105	6,807,346	11,055,251	21,243,301	15,166,221	86,213,252	9,174,917	130,150,602	50,877,499
Student Financial Aid	41,971,589	54,831,839	7,593,469	16,709,903	17,795,958	13,243,342	72,629,757	7,323,073	121,919,611	72,114,513
Auxiliary Enterprises	64,804,558	273,991,756	8,344,179	15,990,597	37,964,716	34,574,509	139,084,940	13,538,980	854,366,735	91,959,269
Depreciation/ Amortization	24,429,628	36,738,693	4,493,032	5,024,800	14,658,462	9,898,836	114,947,438	6,704,747	159,181,030	35,169,232
Independent Operations	10,553,493	—	—	—	—	2,691,159	—	—	—	—
Hospital Services	—	—	—	—	—	—	—	—	—	—
Total	\$ 432,504,553	\$ 864,622,705	\$ 69,506,517	\$ 125,792,799	\$ 302,192,252	\$ 215,670,896	\$ 1,536,955,408	\$ 90,441,027	\$ 3,136,147,580	\$ 644,183,720
% of Total UNC Institutions and System Office	4.9%	9.7%	0.8%	1.4%	3.4%	2.4%	17.2%	1.0%	35.2%	7.2%

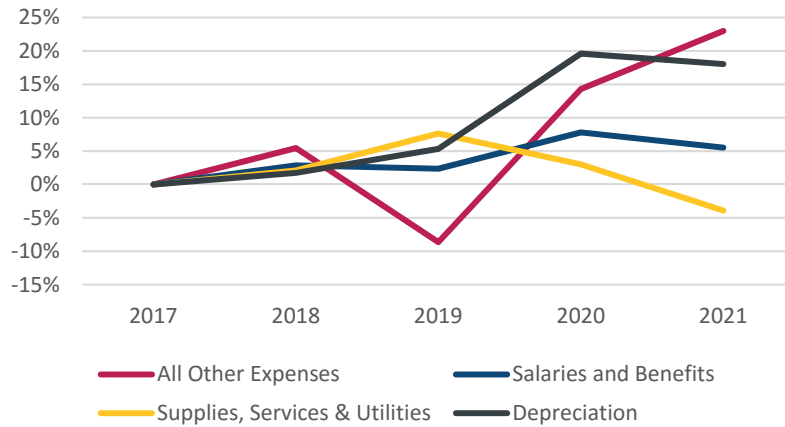
Expenses (cont.)

	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total	UNC Hospitals at Chapel Hill
Total Operating Expenses										
Salaries and Benefits	\$ 280,777,060	\$ 77,540,157	\$ 217,064,717	\$ 43,785,867	\$ 139,159,852	\$ 69,259,918	\$ 21,272,671	\$ 42,655,735	\$ 5,354,307,536	\$ 879,417,764
Supplies and Services	80,136,962	45,006,641	74,296,115	15,191,223	65,627,385	34,171,956	4,073,317	38,994,625	2,279,176,354	1,175,259,635
Scholarships and Fellowships	41,361,847	16,825,822	42,185,426	1,730,315	24,538,254	17,041,461	—	—	603,079,333	—
Utilities	7,862,596	3,085,983	7,254,663	1,887,515	3,802,393	2,958,004	823,491	1,608,600	192,188,907	—
Depreciation/ Amortization	24,614,292	7,357,875	16,741,545	4,154,727	10,035,619	9,461,148	1,544,279	4,922,101	490,077,484	86,554,847
Total	\$ 434,752,757	\$ 149,816,478	\$ 357,542,466	\$ 66,749,647	\$ 243,163,503	\$ 132,892,487	\$ 27,713,758	\$ 88,181,061	\$ 8,918,829,614	\$ 2,141,232,246
% of Total UNC Institutions and System Office	4.9%	1.7%	4.0%	0.7%	2.7%	1.5%	0.3%	1.0%	100.0%	
Instruction	\$ 160,706,592	\$ 41,173,081	\$ 136,168,593	\$ 17,944,938	\$ 75,950,825	\$ 41,350,711	\$ 13,185,114	\$ 3,392,160	\$ 2,585,251,924	\$ —
Research	20,460,134	1,094,675	11,046,089	—	2,151,619	3,533,136	—	—	1,095,363,290	—
Public Service	8,874,082	2,794,980	3,412,848	1,567,429	6,955,680	572,655	—	34,465,310	368,875,918	—
Academic Support	44,019,758	21,861,675	33,887,944	6,201,971	18,800,371	8,777,378	377,279	—	583,598,592	—
Student Services	23,712,565	7,216,649	12,975,443	1,652,753	7,623,100	3,903,578	4,902,951	—	191,955,703	—
Institutional Support	39,907,527	20,089,640	31,385,338	15,753,814	37,492,699	21,481,027	5,030,470	45,303,597	779,033,898	—
Operations and Maintenance of Plant	32,892,645	11,995,639	29,405,255	10,058,553	24,120,199	12,060,743	2,673,665	97,893	551,157,059	—
Student Financial Aid	38,405,736	16,131,034	39,666,502	1,730,315	16,188,767	10,545,944	—	—	548,801,352	—
Auxiliary Enterprises	41,159,426	20,101,230	42,852,909	7,685,147	40,394,653	21,206,167	—	—	1,708,019,771	—
Depreciation/ Amortization	24,614,292	7,357,875	16,741,545	4,154,727	10,035,619	9,461,148	1,544,279	4,922,101	490,077,484	86,554,847
Independent Operations	—	—	—	—	3,449,971	—	—	—	16,694,623	—
Hospital Services	—	—	—	—	—	—	—	—	—	2,054,677,399
Total	\$ 434,752,757	\$ 149,816,478	\$ 357,542,466	\$ 66,749,647	\$ 243,163,503	\$ 132,892,487	\$ 27,713,758	\$ 88,181,061	\$ 8,918,829,614	\$ 2,141,232,246
% of Total UNC Institutions and System Office	4.9%	1.7%	4.0%	0.7%	2.7%	1.5%	0.3%	1.0%	100.0%	

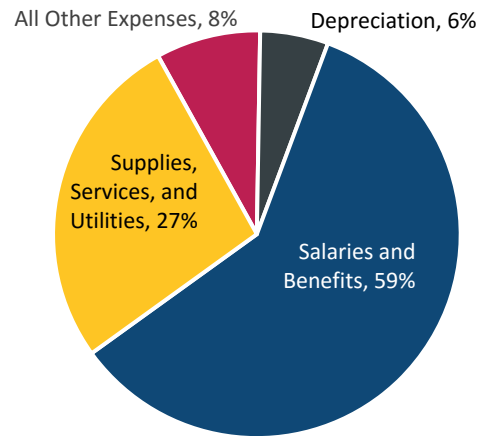
Expenses (cont.)

A summary of all expenses by Carnegie class is shown below:

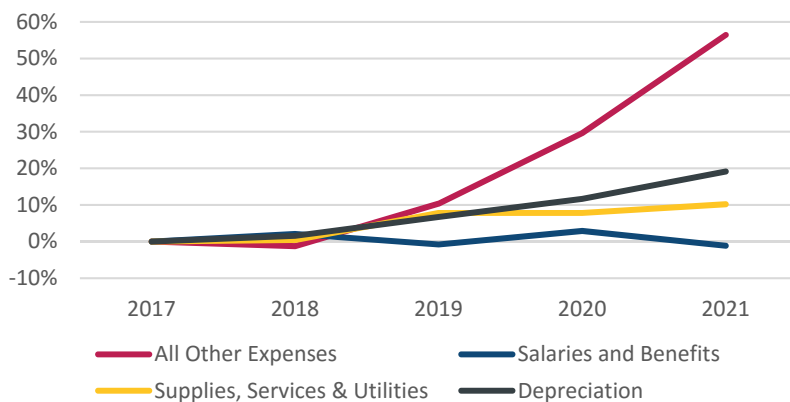
Large Universities - Cumulative % Change



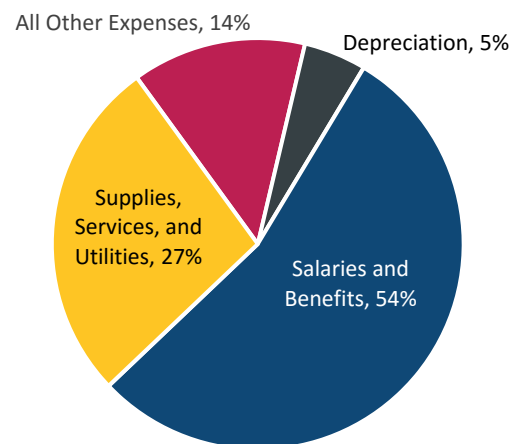
Large Universities 2021



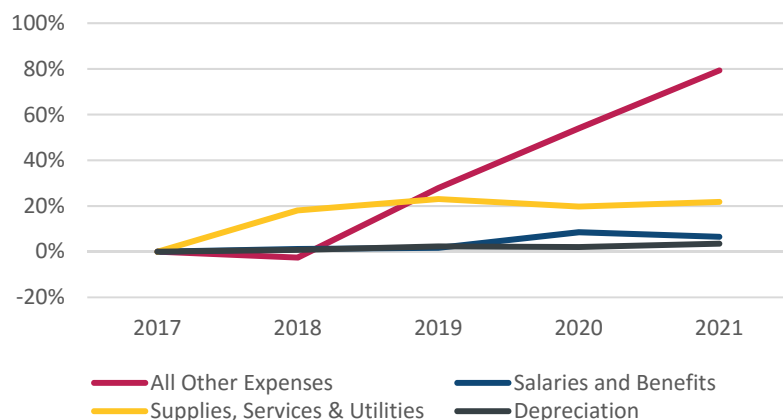
Medium Universities – Cumulative % Change



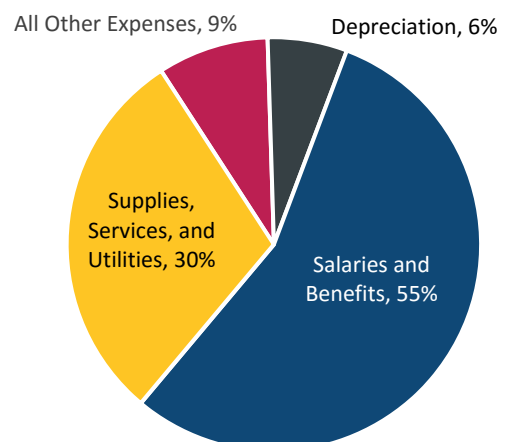
Medium Universities 2021



Small Universities - Cumulative % Change



Small Universities 2021



Graphs above do not include UNC System Office, North Carolina School of Science and Mathematics, or UNC Hospitals at Chapel Hill.

Long-Term Liabilities

Changes in long-term liabilities for the UNC System - including the 16 universities, UNC System Office, North Carolina School of Science and Mathematics, and UNC Hospitals at Chapel Hill - for the year ended June 30, 2021 are presented as follows:

	Balance June 30, 2020 (As Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion
Revenue Bonds Payable	\$ 4,102,628,800	\$ 696,560,000	\$ 631,821,700	\$ 4,167,367,100	\$ 147,583,500
Revenue Bonds from Direct Placements	163,056,996	52,387,000	15,061,790	200,382,206	76,599,554
Special Indebtedness	59,965,000	—	13,150,000	46,815,000	2,200,000
Limited Obligation Bonds Payable	156,750,000	14,975,000	23,250,000	148,475,000	6,155,000
Certificates of Participation	3,854,000	3,518,000	3,854,000	3,518,000	346,000
Plus: Unamortized Premium	248,941,461	73,922,041	37,866,907	284,996,595	—
Less: Unamortized Discount	(4,258,315)	—	(644,958)	(3,613,357)	—
Less: Accretion of Discount on Capital Appreciation Bonds	(517,271)	—	(517,271)	—	—
Total Revenue Bonds and Special Indebtedness, Net	4,730,420,671	841,362,041	723,842,168	4,847,940,544	232,884,054
Notes from Direct Borrowings	223,061,524	180,581,758	28,382,663	375,260,619	18,632,458
Capital Leases Payable	10,472,552	1,210,408	4,320,757	7,362,203	1,954,195
Capital Leases Payable - Due to Foundation	33,715,000	—	1,545,000	32,170,000	1,625,000
Other Liabilities	1,579,020	432,019	—	2,011,039	—
Annuity and Life Income Payable	49,748,222	11,816,186	4,803,099	56,761,309	879,901
Pollution Remediation Payable	4,609,905	350,000	288,861	4,671,044	454,929
Asset Retirement Obligations	13,846,001	492,275	—	14,338,276	—
Compensated Absences	482,792,499	358,502,660	344,366,231	496,928,928	50,586,692
Net Pension Liability	1,486,583,855	249,491,021	—	1,736,074,876	—
Net Other Postemployment Benefit Liability	7,668,189,479	—	894,461,415	6,773,728,064	—
Workers' Compensation Obligation	61,419,113	6,457,552	9,616,092	58,260,573	13,120,105
Total Long-Term Liabilities	\$14,766,437,841	\$ 1,650,695,920	\$2,011,626,286	\$14,405,507,475	\$ 320,137,334

Long-Term Liabilities (cont.)

The annual requirements for the UNC System - including the 16 universities, UNC System Office, North Carolina School of Science and Mathematics, and UNC Hospitals at Chapel Hill - to pay principal and interest on the long-term obligations at June 30, 2021 are presented as follows:

Annual Requirements

Fiscal Year	Revenue Bonds Payable			Revenue Bonds from Direct Placements	
	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest
2022	129,683,500	141,008,580	12,379,048	16,599,554	4,011,068
2023	143,048,700	137,135,059	11,939,801	18,640,844	3,612,676
2024	146,593,500	132,597,326	11,479,362	17,657,910	3,198,834
2025	151,511,800	127,720,443	11,061,168	14,619,485	2,844,695
2026	158,674,600	122,735,939	10,709,239	14,608,270	2,527,466
2027-2031	877,858,800	532,531,599	49,858,749	39,636,663	9,001,552
2032-2036	1,060,146,200	362,594,673	44,698,114	14,669,480	5,427,871
2037-2041	652,515,000	196,557,706	32,307,488	3,950,000	4,313,062
2042-2046	661,830,000	88,338,632	2,692,291	30,000,000	2,485,000
2047-2051	185,505,000	16,077,360	—	30,000,000	1,960,000
2052-2056	—	—	—	—	—
2057-2061	—	—	—	—	—
Total Requirements	<u>\$4,167,367,100</u>	<u>\$1,857,297,317</u>	<u>\$ 187,125,260</u>	<u>\$ 200,382,206</u>	<u>\$ 39,382,224</u>

Annual Requirements

Fiscal Year	Special Indebtedness		Limited Obligation Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	2,200,000	1,830,731	6,155,000	6,060,995	346,000	75,637
2023	2,300,000	1,729,331	6,585,000	5,903,786	357,000	63,440
2024	2,360,000	1,665,331	6,820,000	5,659,469	368,000	56,300
2025	2,465,000	1,561,281	7,140,000	5,329,647	378,000	48,940
2026	2,565,000	1,462,681	7,465,000	5,010,589	390,000	41,380
2027-2031	14,615,000	5,518,275	42,280,000	20,071,981	1,679,000	85,220
2032-2036	12,840,000	2,664,794	49,825,000	10,502,468	—	—
2037-2041	7,470,000	605,400	20,115,000	2,183,562	—	—
2042-2046	—	—	2,090,000	158,000	—	—
2047-2051	—	—	—	—	—	—
2052-2056	—	—	—	—	—	—
2057-2061	—	—	—	—	—	—
Total Requirements	<u>\$ 46,815,000</u>	<u>\$ 17,037,824</u>	<u>\$ 148,475,000</u>	<u>\$ 60,880,497</u>	<u>\$ 3,518,000</u>	<u>\$ 370,917</u>

Long-Term Liabilities (cont.)Annual Requirements

Fiscal Year	Notes from Direct Borrowings	
	Principal	Interest
2022	18,632,458	8,919,649
2023	30,226,114	8,266,275
2024	28,424,211	7,609,035
2025	28,911,072	6,948,144
2026	28,403,308	6,270,705
2027-2031	169,024,685	17,765,903
2032-2036	30,156,444	9,455,056
2037-2041	31,118,718	2,012,410
2042-2046	3,075,884	931,136
2047-2051	3,438,002	608,018
2052-2056	3,842,705	264,315
2057-2061	7,018	158
Total Requirements	<u>\$ 375,260,619</u>	<u>\$ 69,050,804</u>

UNC System Statement of Net Position with Pension/ OPEB Adjustments

The Governmental Accounting Standards Board (GASB) is charged with setting reporting standards for governmental agencies. The State of North Carolina implemented standards *GASB 68 Accounting and Financial Reporting for Pensions* in fiscal year 2015 and *GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB) in fiscal year 2018. Prior to these standards, governmental entities were only required to report contributions to the plan incurred each year as expenses in their financial statements. However, these standards required the net liability (the unfunded portion of the pension/ OPEB plans) to be reported as a liability (or asset if funded in excess) in their financial statements. These standards were created in direct response to several governmental entities going bankrupt due to the burden their pension/ OPEB plans placed on their resources.

The adjustments noted below, remove the impact of these liabilities/ assets from the UNC System Statement of Net Position.

<i>(in billions)</i>	FY 2021	Pension/ OPEB Adjustment	FY 2021 Adjusted
Assets	\$ 27.9	\$ -	\$ 27.9
Deferred Outflows of Resources	2.1	(1.9)	0.2
Liabilities	16.3	(8.5)	7.8
Deferred Inflows of Resources	3.7	(3.4)	0.3
Net Position	\$ 10.0	\$ 10.0	\$ 20.0

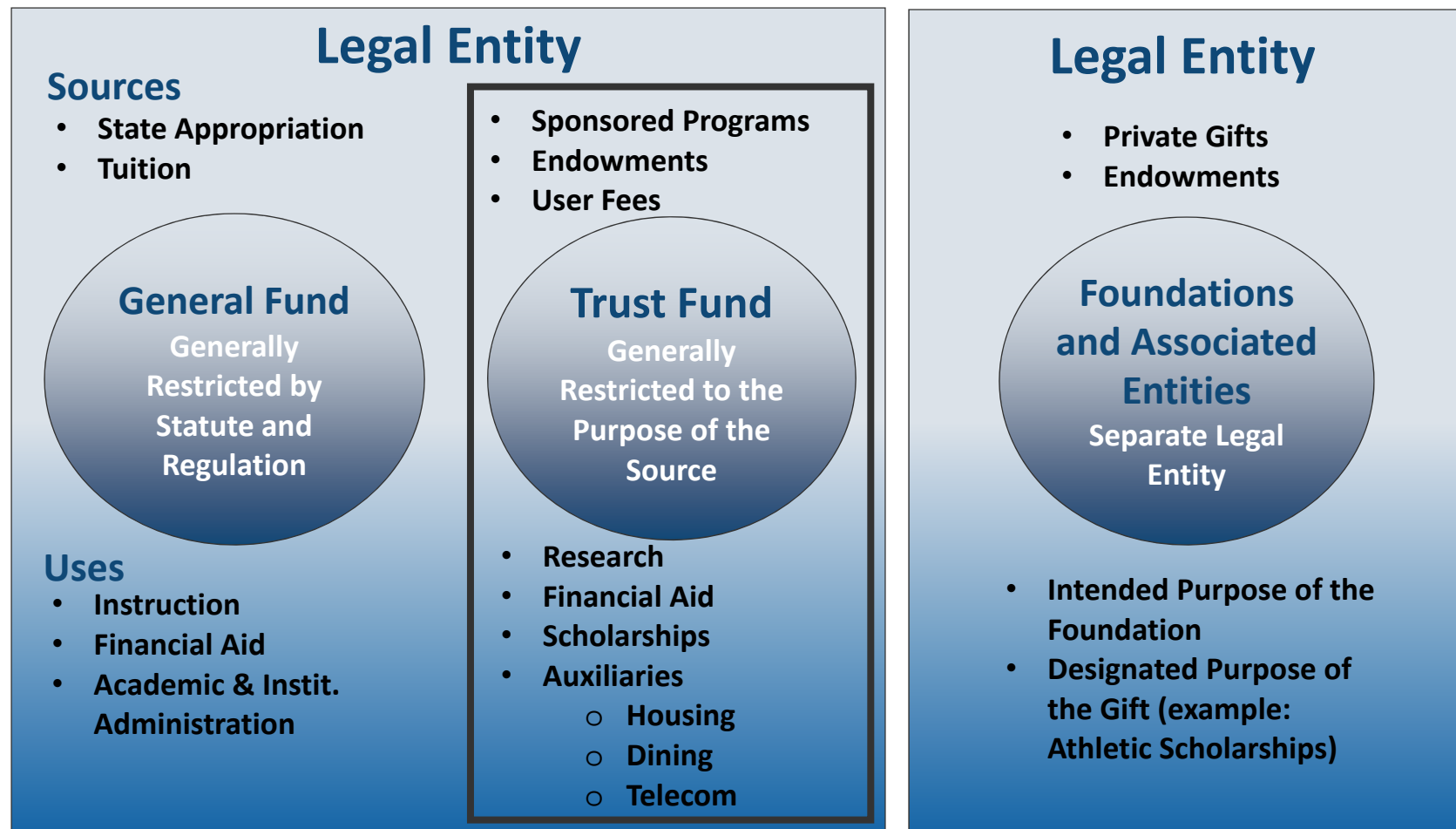
Adjusted to remove GASB 68/75*

	Net Position			
	Net investment in capital assets	Restricted nonexpendable	Restricted expendable	Unrestricted net position
Appalachian State University	467,525,035	95,332,490	137,331,341	111,976,111
East Carolina University	859,403,840	46,649,306	97,909,216	251,136,418
Elizabeth City State University	115,494,413	9,045,546	26,967,416	24,908,282
Fayetteville State University	125,149,573	13,559,614	32,965,664	12,926,539
North Carolina A&T State University	362,801,409	60,792,054	66,252,636	159,439,451
North Carolina Central University	199,570,606	16,281,111	42,682,079	22,125,538
North Carolina State University	1,637,378,907	175,778,621	500,964,624	357,636,127
UNC Asheville	167,901,061	8,145,128	17,341,614	12,741,437
UNC-Chapel Hill	1,656,472,890	949,848,314	2,381,550,115	1,479,894,752
UNC Charlotte	939,518,252	47,516,605	57,428,850	354,708,480
UNC Greensboro	524,029,898	176,776,115	241,571,719	127,799,083
UNC Pembroke	153,508,594	19,044,108	35,761,169	14,538,438
UNC Wilmington	428,354,122	72,859,495	136,453,823	114,846,870
UNC School of the Arts	117,026,872	22,390,695	32,146,490	20,316,467
Western Carolina University	377,025,459	55,393,256	124,174,762	132,232,810
Winston-Salem State University	156,716,836	19,089,071	46,619,982	17,340,472
NC School of Science and Mathematics	95,994,892	-	859,291	2,069,651
UNC System Office	59,483,957	14,802,419	121,215,095	48,218,735
UNC Hospitals at Chapel Hill	625,957,600	-	422,328,191	1,328,542,798
			Total Net Position	19,988,540,700

*All balances are netted in Unrestricted Net Position for presentation purposes (but other categories could potentially be impacted).

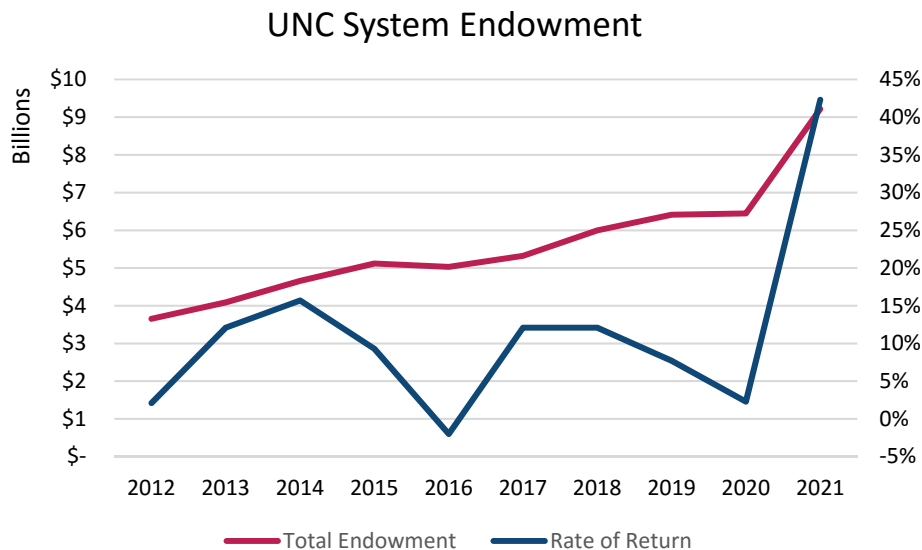
Overview of Primary Sources and Uses of Funds of UNC System

Each UNC System institution comprises multiple legally-separate entities, each with its own sources of funds. A summary of a standard UNC System institution is shown below, including the primary sources and uses of funds:



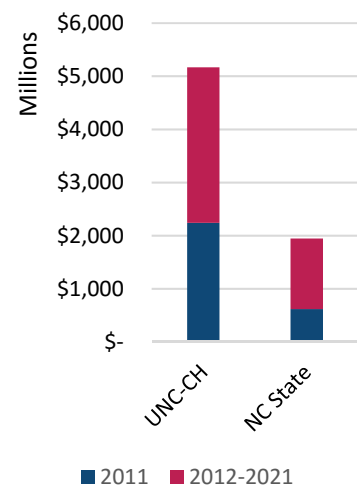
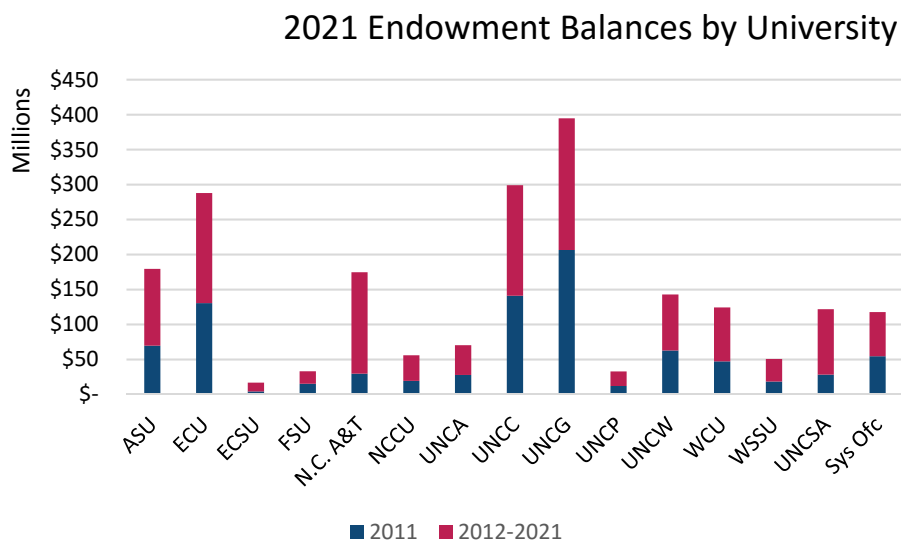
UNC System Endowment Funds

Endowment funds may be accounted for in institutional trust funds, foundations, or other associated entities based on the nature of the gift and the institutional control over the foundation. Endowment funds within the UNC System have increased 152.2% in the last 10 years. The below graph depicts the growth in total endowment assets as well as the fluctuation in the UNC Investment Fund, LLC's rate of return. The majority of UNC System endowment assets are invested in the UNC Investment Fund, LLC.



11.4% Average Annual Growth in Total Endowment Assets

12.4% Average Annual Rate of Return of UNC Investment Fund



North Carolina School of Science and Mathematics and UNC Hospitals at Chapel Hill are excluded from the above graphs as they do not submit IPEDS data.



Consolidated and Side-By-Side Financial Statements with Reconciliation

The University of North Carolina System

Statement of Net Position

June 30, 2021

	UNC System Institutions and UNC System Office	UNC Hospitals at Chapel Hill
Assets		
Current Assets:		
Cash and cash equivalents	\$ 2,205,851,786	\$ 107,708,624
Restricted cash and cash equivalents	983,561,080	1,382,273
Short-term investments	413,002,284	—
Restricted short-term investments	165,477,868	—
Receivables, net	547,144,801	331,495,844
Due from State of NC component units	161,433,563	138,450,193
Due from University component units	6,586,039	—
Due from primary government	44,433,639	—
Due from other UNC institutions	1,150,969	—
Due from UNC System Office fiduciary fund	1,008,939	—
Estimated third party settlements	—	9,508,736
Notes receivable, net	11,879,240	—
Advances to outside entities	205,691	—
Inventories	54,822,373	95,691,404
Prepaid items	17,172,014	50,396,618
Other assets	30,234,153	—
<i>Total Current Assets</i>	<i>4,643,964,439</i>	<i>734,633,692</i>
Noncurrent Assets:		
Restricted cash and cash equivalents	698,451,331	152,903,052
Receivables, net	97,253,328	1,087,805
Endowment investments	5,271,713,240	—
Restricted investments	29,368,181	401,983,458
Other investments	241,594,642	—
Investment in joint venture	17,783,933	—
Cash surrender value of life insurance policies	43,675	—
Investments in affiliates	—	27,313,777
Assets limited as to use	—	1,285,584,996
Advanced deposits with LITF	—	16,713,537
Notes receivable, net	47,820,640	—
Prepaid items	380,314	142,087,705
Beneficial interest in assets held by others	3,466,621	—
Net other postemployment benefits asset	10,530,716	1,732,999
Other noncurrent assets	728,942	—
Capital assets, nondepreciable	1,619,630,619	313,696,102
Capital assets, depreciable	11,547,552,284	595,821,254
<i>Total Noncurrent Assets</i>	<i>19,586,318,466</i>	<i>2,938,924,685</i>
Total Assets	24,230,282,905	3,673,558,377
Deferred Outflows of Resources		
Accumulated decrease in fair value of hedging derivatives	118,979,851	7,887,997
Deferred loss on refunding	51,872,618	4,893,008
Deferred outflows related to asset retirement obligations	13,406,266	—
Deferred outflows related to pensions	559,757,322	152,178,950
Deferred outflows related to other postemployment benefits	993,005,740	208,459,359
Total Deferred Outflows of Resources	1,737,021,797	373,419,314

The University of North Carolina System

Statement of Net Position

June 30, 2021

	UNC System Institutions and UNC System Office	UNC Hospitals at Chapel Hill
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	407,208,025	122,423,490
Advanced payments	—	148,995,875
Accrued salaries and benefits	—	60,044,281
Estimated third party settlements	—	144,023,819
Due to State of NC component units	17,911,418	167,930,356
Due to primary government	18,976,287	—
Due to patients or third parties	—	25,446,380
Due to University component units	12,433,614	—
Interest payable	29,676,464	4,997,775
Deposits payable	21,106,532	—
U.S. government grants refundable	573,881	—
Funds held for others	2,471,603	—
Unearned revenue	309,485,595	—
Long-term liabilities - current portion	286,916,032	33,221,302
<i>Total Current Liabilities</i>	<i>1,106,759,451</i>	<i>707,083,278</i>
Noncurrent Liabilities:		
Accounts payable and accrued liabilities	33,956,248	—
Estimated third party settlements	—	97,213,388
Hedging derivatives liability	118,979,851	7,887,997
Unearned revenue	91,484,770	—
Deposits payable	6,076,767	—
Funds held for others	17,728,577	—
U.S. government grants refundable	46,908,597	—
Long-term liabilities - noncurrent portion	12,252,458,528	1,832,911,613
<i>Total Noncurrent Liabilities</i>	<i>12,567,593,338</i>	<i>1,938,012,998</i>
Total Liabilities	13,674,352,789	2,645,096,276
Deferred Inflows of Resources		
Deferred gain on refunding	3,646,531	—
Deferred inflows related to pensions	4,723,963	—
Deferred inflows related to other postemployment benefits	2,963,855,817	436,568,163
Deferred inflows for irrevocable split-interest agreements	23,807,649	—
Deferred inflows for trusts held by others	3,304,415	—
Deferred inflows under service concession arrangement	184,620,031	—
Deferred inflows related to endowments	356,305	—
Deferred state aid	74,840,000	—
Total Deferred Inflows of Resources	3,259,154,711	436,568,163
Net Position		
Net investment in capital assets	8,443,356,616	625,957,600
Nonexpendable:		
Restricted nonexpendable	1,803,303,948	—
Expendable:		
Restricted expendable	4,100,195,886	422,328,191
Unrestricted net position	(5,313,059,248)	(82,972,539)
Total Net Position	\$ 9,033,797,202	\$ 965,313,252

The University of North Carolina System

Statement of Revenues, Expenses, and Changes in Net Position

For the fiscal year ended June 30, 2021

	UNC System Institutions and UNC System Office	UNC Hospitals at Chapel Hill
Operating Revenues		
Student tuition & fees, net	\$ 1,737,617,934	\$ —
Patient services, net	778,337,215	2,361,574,427
Federal appropriations	33,733,580	—
Federal grants and contracts	1,100,075,993	—
State and local grants and contracts	99,278,613	—
Nongovernmental grants and contracts	303,677,266	—
Sales and services, net	960,412,290	—
Interest earnings on loans	1,965,815	—
Other operating revenues, net	62,873,467	36,225,406
<i>Total Operating Revenues</i>	<u>5,077,972,173</u>	<u>2,397,799,833</u>
Operating Expenses		
Salaries and benefits	5,354,307,536	879,417,764
Supplies and services	2,278,958,689	482,305,576
Medical and surgical supplies	—	692,954,059
Scholarships and fellowships	603,610,983	—
Utilities	192,188,907	—
Depreciation/ amortization	490,077,484	86,554,847
<i>Total Operating Expenses</i>	<u>8,919,143,599</u>	<u>2,141,232,246</u>
Operating Loss	<u>(3,841,171,426)</u>	<u>256,567,587</u>
Nonoperating Revenues/ (Expenses)		
State appropriations	3,050,008,763	—
State aid - coronavirus relief fund	195,304,736	3,000,000
Student financial aid	527,209,154	—
Federal aid - COVID-19	373,487,756	11,664,146
Noncapital contributions, net	785,298,384	16,379,463
Interest and fees on debt	(162,767,350)	(15,149,134)
Investment income	1,683,541,129	357,148,076
Grants, aid and subsidies	(323,757,789)	—
Federal interest subsidy on debt	2,717,149	—
Loss on disposal of capital assets	(718,598)	(749,073)
Hurricane Florence disaster costs	(3,384,095)	—
Other nonoperating revenues	682,962	587,645
Other nonoperating expenses	(33,488,429)	—
<i>Total Nonoperating Revenues/ (Expenses)</i>	<u>6,094,133,772</u>	<u>372,881,123</u>
Income Before Transfers and Other Items	<u>2,252,962,346</u>	<u>629,448,710</u>
Capital appropriations	127,037,116	—
Capital contributions	438,053,706	—
Additions to endowments	72,254,911	—
Health care system assessments	—	(112,807,876)
Change in Net Position	<u>2,890,308,079</u>	<u>516,640,834</u>
Net position - July 1, as restated	<u>6,143,489,123</u>	<u>448,672,418</u>
Net Position - June 30	<u>\$ 9,033,797,202</u>	<u>\$ 965,313,252</u>

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	UNC System Institutions and UNC System Office	UNC Hospitals at Chapel Hill
Cash Flows From Operating Activities		
Received from customers	\$ 4,950,717,760	\$ 2,318,465,449
Payments to employees and fringe benefits	(5,625,531,073)	(873,741,642)
Payments to vendors and suppliers	(2,458,914,404)	(1,144,145,775)
Payments for scholarships and fellowships	(603,142,250)	—
Loans issued	(912,192)	—
Collection of loans	13,323,466	—
Interest earned on loans	2,171,897	—
Student deposits received	9,253,489	—
Student deposits returned	(9,122,290)	—
William D. Ford Direct Lending receipts	1,107,396,202	—
William D. Ford Direct Lending disbursements	(1,106,810,552)	—
Related activity agency receipts	135,595,229	—
Related activity agency disbursements	(131,364,757)	—
Other receipts	52,020,880	—
Other payments	(8,150,800)	(3,253,281)
Net Cash Provided (Used) by Operating Activities	(3,673,469,395)	297,324,751
Cash Flows From Noncapital Financing Activities		
State appropriations	3,060,008,763	—
State aid - coronavirus relief fund	213,011,309	3,000,000
Student financial aid	521,117,692	—
Federal aid - COVID-19	373,494,871	11,664,146
Noncapital contributions, net	681,922,952	19,497
Payments for annuities and life income payable under split-interest agreements	(4,583,910)	—
Additions to endowments	80,068,556	—
Proceeds from all-risk insurance	7,956,433	—
Hurricane recovery payments to vendors and suppliers	(3,790,522)	—
Grants, aid, and subsidies	(469,492,538)	—
Health care system assessments	—	(73,000,190)
Refunds to grantor	(390,461)	—
Advances to fiduciary activity	(1,008,939)	—
Principal paid on revenue bonds	—	(1,496,000)
Interest and fees paid on revenue bonds	—	(211,026)
Net Cash Provided (Used) by Noncapital Financing Activities	4,458,314,206	(60,023,573)
Cash Flows from Capital Financing and Related Financing Activities		
Proceeds from capital debt	714,106,683	—
Capital appropriations	127,037,116	—
Capital contributions	389,226,472	—
Proceeds from sale of capital assets	1,458,749	353,386
Proceeds from insurance on capital assets	815,746	—
Acquisition and construction of capital assets	(868,897,270)	(147,432,719)
Principal paid on capital debt and leases	(389,961,589)	(12,529,000)
Interest and fees paid on capital debt and leases	(171,376,412)	(17,574,171)
Federal interest subsidy on debt received	3,028,367	598,341
Payment to bond escrow agent	(201,392,644)	—
Net Cash Used by Capital Financing and Related Financing Activities	(395,954,782)	(176,584,163)

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	UNC System Institutions and UNC System Office	UNC Hospitals at Chapel Hill
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	676,170,015	—
Investment income	25,445,974	2,760,950
Investment in joint ventures	175,555	—
Purchase of investments and related fees	(573,588,084)	(454,000,000)
Investments in and loans to affiliated enterprises	—	(1,985,204)
Net Cash Provided (Used) by Investing Activities	128,203,460	(453,224,254)
Net Increase (Decrease) in Cash and Cash Equivalents	517,093,489	(392,507,239)
Cash and cash equivalents - July 1, as restated	3,370,770,708	654,501,188
Cash and Cash Equivalents - June 30	\$ 3,887,864,197	\$ 261,993,949

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	UNC System Institutions and UNC System Office	UNC Hospitals at Chapel Hill
Reconciliation of Net Operating Income		
to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ (3,834,221,435)	\$ 256,567,587
Adjustments to reconcile operating income (loss) to provided (used) by operating activities:		
Depreciation/ amortization expense	490,077,484	86,554,847
Allowance, write-offs, and amortizations	19,838,440	—
Nonoperating other income	9,980,889	—
Nonoperating other expenses	(15,023,126)	—
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Receivables, net	(110,627,739)	(60,969,763)
Due from primary government	(5,811,050)	—
Due from University component units	(37,398)	—
Due from State of NC component units	(8,135,326)	(27,138,262)
Estimated third party settlements	—	95,797,826
Inventories	1,279,781	6,116,240
Notes receivable, net	13,367,923	—
Prepaid items	1,500,464	(46,870,049)
Beneficial interest in assets held by others	(31,624)	—
Net other postemployment benefits asset	(1,404,857)	(292,687)
Other assets	(266,791)	—
Advanced deposits with Liability Insurance Trust Fund	—	(928,095)
Deferred outflows related to asset retirement obligations	(173,078)	—
Deferred outflows related to pensions	(48,185,182)	(21,446,564)
Deferred outflows related to other postemployment benefits	133,427,771	(17,582,870)
Accounts payable and accrued liabilities	47,752,479	12,564,577
Advanced payments	—	(96,802,262)
Accrued salaries and benefits	—	4,918,156
Due to primary government	465,748	—
Due to State of NC component units	(464,380)	60,231,187
Due to patients or third parties	—	6,524,796
Funds held for others	3,911,993	—
Unearned revenue	17,552,806	—
US government grants refundable	(37,703)	—
Pollution remediation	(108,571)	—
Compensated absences	8,111,867	6,024,562
Workers' compensation	(3,158,538)	—
Net pension liability	188,470,141	61,020,880
Net other postemployment benefits liability	(701,391,316)	(77,955,617)
Deposits payable	5,551,778	—
Asset retirement obligation	492,275	—
Deferred inflows for irrevocable split-interest agreements	33,095	—
Deferred inflows for pensions	6,208,033	(2,869,744)
Deferred inflows related to other postemployment benefits	108,034,985	53,860,006
Deferred inflows under service concession arrangements	(449,233)	—
Net Cash Provided (Used) by Operating Activities	\$ (3,673,469,395)	\$ 297,324,751

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	UNC System Institutions and UNC System Office	UNC Hospitals at Chapel Hill
Reconciliation of Cash and Cash Equivalents		
Current Assets:		
Cash and cash equivalents	\$ 2,205,851,786	\$ 107,708,624
Restricted cash and cash equivalents	983,561,080	1,382,273
Noncurrent Assets:		
Restricted cash and cash equivalents	698,451,331	152,903,052
Total Cash and Cash Equivalents – June 30	\$ 3,887,864,197	\$ 261,993,949
Noncash Investing, Capital, and Financing Activities		
Assets acquired through the assumption of a liability	\$ 127,822,740	\$ 8,836,164
Assets acquired through a gift	51,789,705	—
Assets acquired through a service concession arrangement	180,631,192	—
Change in fair value of investments	1,643,871,883	357,092,204
Reinvested distributions	663,367	—
Gain on investment in joint ventures	176,826	—
Loss on disposal of capital assets	(24,128,936)	(749,073)
Bond issuance cost withheld	485,415	—
Funds escrowed to defease debt	196,511,436	28,280,000
Amortization of bond premiums/ discounts and deferred loss on refunding	(32,047,535)	(1,742,762)
Change in receivables related to nonoperating income	15,586,469	—
Change in payables related to nonoperating income	101,964	—
Change in receivables related to noncapital contributions	(1,277,166)	—
Payments made on behalf of the University	(234,591)	—
UNC Management Company investment management fees	(624,348)	—
Decrease in net other postemployment benefits liability related to noncapital contributions	(83,960,458)	16,379,463

The University of North Carolina System

Statement of Net Position

June 30, 2021

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill
Assets									
Current Assets:									
Cash and cash equivalents	\$ 119,843,698	\$ 270,387,776	\$ 16,933,593	\$ 13,728,345	\$ 111,927,702	\$ 18,144,266	\$ 192,959,747	\$ 17,792,974	\$ 655,414,144
Restricted cash and cash equivalents	36,471,104	50,464,306	7,427,284	9,599,509	24,123,685	14,223,077	177,157,763	2,126,479	354,140,375
Short-term investments	—	—	—	—	—	—	—	—	412,695,265
Restricted short-term investments	—	—	—	—	90,539	1,899,725	—	—	152,658,924
Receivables, net	19,839,476	51,494,970	1,909,225	8,910,972	14,084,492	16,837,631	88,733,927	2,083,344	273,502,969
Due from State of NC component units	—	—	—	—	—	—	4,445,841	—	156,987,722
Due from University component units	—	47,867	—	—	1,382,677	125,596	3,674,050	—	—
Due from primary government	—	—	—	88,521	—	—	11,552,153	—	2,636,894
Due from other UNC institutions	—	—	—	—	—	—	—	—	—
Due from UNC System Office fiduciary fund	—	—	—	—	—	—	—	—	—
Notes receivable, net	630,389	1,293,812	6,027	181,399	25,669	16,853	2,513,071	310,299	4,143,935
Advances to outside entities	—	—	—	—	—	—	—	—	—
Inventories	12,539,691	2,740,305	94,843	211,795	703,096	812,616	6,777,945	410,118	21,516,298
Prepaid items	—	—	—	—	—	—	—	—	—
Other assets	3,202,684	4,315,844	379,568	—	587,500	—	—	436,058	21,004,536
<i>Total Current Assets</i>	<i>192,527,042</i>	<i>380,744,880</i>	<i>26,750,540</i>	<i>32,720,541</i>	<i>152,925,360</i>	<i>52,059,764</i>	<i>487,814,497</i>	<i>23,159,272</i>	<i>2,054,701,062</i>
Noncurrent Assets:									
Restricted cash and cash equivalents	75,575,281	47,151,406	16,085,185	12,681,165	11,579,558	17,268,678	163,699,584	1,598,107	122,400,846
Receivables, net	13,332,372	9,180,196	—	16,615	1,894,072	—	—	—	64,744,882
Endowment investments	152,978,741	74,958,046	16,725,906	28,493,288	143,143,941	53,927,251	522,702,478	22,110,209	3,173,504,846
Restricted investments	23,045,244	44,332	206,826	434,040	3,175	24,103	—	—	—
Other investments	11,250,700	—	11,677,247	—	—	—	176,462,653	—	41,403,894
Investment in joint venture	—	267,715	—	—	—	—	—	—	17,516,218
Cash surrender value									
of life insurance policies	—	—	—	—	—	—	—	—	—
Notes receivable, net	979,505	5,805,432	—	907,224	161,607	634,360	3,290,511	110,437	28,988,342
Prepaid items	—	—	—	294,529	—	—	—	—	—
Beneficial interest in assets held by others	2,003,261	—	—	—	—	—	—	—	1,283,580
Net other postemployment benefits asset	532,589	1,221,364	58,039	132,957	303,429	219,902	1,946,380	120,697	3,489,129
Other noncurrent assets	728,942	—	—	—	—	—	—	—	—
Capital assets, nondepreciable	100,507,610	137,693,329	3,505,696	13,281,992	97,453,407	66,681,171	201,794,087	28,844,532	383,446,640
Capital assets, depreciable	698,166,328	1,105,700,033	149,353,792	168,749,127	367,320,242	299,549,843	2,019,865,920	221,845,232	2,676,248,434
<i>Total Noncurrent Assets</i>	<i>1,079,100,573</i>	<i>1,382,021,853</i>	<i>197,612,691</i>	<i>224,990,937</i>	<i>621,859,431</i>	<i>438,305,308</i>	<i>3,089,761,613</i>	<i>274,629,214</i>	<i>6,513,026,811</i>
Total Assets	1,271,627,615	1,762,766,733	224,363,231	257,711,478	774,784,791	490,365,072	3,577,576,110	297,788,486	8,567,727,873

The University of North Carolina System

Statement of Net Position

June 30, 2021

	UNC Charlotte	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total
Assets										
Current Assets:										
Cash and cash equivalents	\$ 321,400,232	\$ 125,978,402	\$ 18,364,907	\$ 125,123,887	\$ 23,203,501	\$ 129,208,624	\$ 29,451,673	\$ 1,464,875	\$ 14,523,440	\$2,205,851,786
Restricted cash and cash equivalents	40,576,833	27,770,901	16,968,434	38,075,807	16,064,386	34,664,051	6,556,439	407,893	126,742,754	983,561,080
Short-term investments	—	307,019	—	—	—	—	—	—	—	413,002,284
Restricted short-term investments	—	9,366,418	1,462,259	—	—	—	3	—	—	165,477,868
Receivables, net	22,484,280	18,532,774	3,866,649	9,446,322	39,489	5,355,019	4,291,221	55,320	5,676,721	547,144,801
Due from State of NC component units	—	—	—	—	—	—	—	—	—	161,433,563
Due from University component units	—	—	—	—	47,466	—	—	1,308,383	—	6,586,039
Due from primary government	—	—	—	26,324,753	—	—	—	3,831,318	—	44,433,639
Due from other UNC institutions	—	—	—	—	—	—	—	—	1,150,969	1,150,969
Due from UNC System Office fiduciary fund	—	—	—	—	—	—	—	—	1,008,939	1,008,939
Notes receivable, net	397,020	862,575	14,208	547,956	—	931,801	4,226	—	—	11,879,240
Advances to outside entities	—	—	—	—	—	—	—	—	205,691	205,691
Inventories	377,146	582,571	35,511	454,727	136,031	7,123,692	232,777	41,297	31,914	54,822,373
Prepaid items	14,019,658	—	—	56,371	28,282	—	—	702	3,067,001	17,172,014
Other assets	—	129,131	—	—	—	178,832	—	—	—	30,234,153
<i>Total Current Assets</i>	<i>399,255,169</i>	<i>183,529,791</i>	<i>40,711,968</i>	<i>200,029,823</i>	<i>39,519,155</i>	<i>177,462,019</i>	<i>40,536,339</i>	<i>7,109,788</i>	<i>152,407,429</i>	<i>4,643,964,439</i>
Noncurrent Assets:										
Restricted cash and cash equivalents	36,765,666	16,040,596	11,286,615	25,384,583	23,317,426	100,839,774	11,563,179	772,266	4,441,416	698,451,331
Receivables, net	—	2,831,914	192,510	4,462,755	—	598,012	—	—	—	97,253,328
Endowment investments	189,580,736	394,717,536	32,759,600	134,626,607	40,335,395	122,773,384	50,570,116	—	117,805,160	5,271,713,240
Restricted investments	22,314	—	—	—	—	1,753,974	—	—	3,834,173	29,368,181
Other investments	47,148	739,500	—	—	—	13,500	—	—	—	241,594,642
Investment in joint venture	—	—	—	—	—	—	—	—	—	17,783,933
Cash surrender value										
of life insurance policies	—	—	43,675	—	—	—	—	—	—	43,675
Notes receivable, net	1,834,377	896,722	116,745	1,984,834	—	1,874,307	236,237	—	—	47,820,640
Prepaid items	—	—	—	—	—	85,785	—	—	—	380,314
Beneficial interest in assets held by others	—	—	—	—	—	—	—	—	179,780	3,466,621
Net other postemployment benefits asset	787,458	514,850	157,588	415,950	77,397	283,685	140,685	41,603	87,014	10,530,716
Other noncurrent assets	—	—	—	—	—	—	—	—	—	728,942
Capital assets, nondepreciable	143,785,371	75,734,604	43,244,232	42,973,941	37,967,132	169,166,796	7,480,901	65,255,187	813,991	1,619,630,619
Capital assets, depreciable	1,343,906,995	750,631,282	168,023,974	678,363,395	114,752,167	440,953,268	244,888,622	40,083,169	59,150,461	11,547,552,284
<i>Total Noncurrent Assets</i>	<i>1,716,730,065</i>	<i>1,242,107,004</i>	<i>255,824,939</i>	<i>888,212,065</i>	<i>216,449,517</i>	<i>838,342,485</i>	<i>314,879,740</i>	<i>106,152,225</i>	<i>186,311,995</i>	<i>19,586,318,466</i>
Total Assets	2,115,985,234	1,425,636,795	296,536,907	1,088,241,888	255,968,672	1,015,804,504	355,416,079	113,262,013	338,719,424	24,230,282,905

The University of North Carolina System

Statement of Net Position

June 30, 2021

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill
Deferred Outflows of Resources									
Accumulated decrease in									
fair value of hedging derivatives	—	—	—	—	—	—	—	—	118,979,851
Deferred loss on refunding	9,327,077	5,273,597	923,357	—	695,715	—	—	131,981	9,224,789
Deferred outflows related									
to asset retirement obligations	—	—	—	—	—	—	13,406,266	—	—
Deferred outflows related to pensions	33,824,815	64,273,674	5,314,449	9,735,456	22,255,707	17,755,902	107,473,251	5,343,124	152,817,734
Deferred outflows related									
to other postemployment benefits	45,735,406	96,858,786	4,740,522	15,073,639	28,447,491	14,622,233	181,920,238	9,137,503	324,323,757
Total Deferred Outflows of Resources	88,887,298	166,406,057	10,978,328	24,809,095	51,398,913	32,378,135	302,799,755	14,612,608	605,346,131
Liabilities									
Current Liabilities:									
Accounts payable and accrued liabilities	14,051,941	37,183,192	3,016,927	4,671,069	6,753,945	8,064,192	54,588,586	1,548,824	200,786,994
Due to State of NC component units	—	1,012,934	—	—	—	—	1,048,701	—	15,842,023
Due to primary government	—	6,365,591	—	—	—	—	10,877,880	—	—
Due to University component units	—	—	—	—	—	—	—	—	12,433,614
Interest payable	2,464,662	2,868,858	230,087	376,963	928,992	1,152,513	4,332,744	291,105	3,301,922
Deposits payable	232,122	1,673,020	—	—	—	—	—	—	16,544,501
U.S. government grants refundable	20,195	—	—	—	—	—	—	99,174	—
Funds held for others	824,917	—	—	—	—	125,843	—	5,000	1,236,692
Unearned revenue	15,345,697	23,867,145	1,850,454	3,032,780	4,405,045	3,211,716	70,572,287	2,956,604	122,820,517
Long-term liabilities - current portion	18,652,164	21,790,171	1,184,634	4,150,214	4,397,131	7,412,347	32,288,821	3,657,036	119,867,065
<i>Total Current Liabilities</i>	51,591,698	94,760,911	6,282,102	12,231,026	16,485,113	19,966,611	173,709,019	8,557,743	492,833,328
Noncurrent Liabilities:									
Accounts payable and accrued liabilities	12,808,129	—	—	—	—	—	—	—	16,293,709
Hedging derivatives liability	—	—	—	—	—	—	—	—	118,979,851
Unearned revenue	—	9,808,069	—	—	—	—	67,443,587	—	—
Deposits payable	222,175	—	—	—	—	400	5,283,431	63,726	—
Funds held for others	1,983,679	206,952	219,375	795,923	377,539	1,079,338	2,991,634	189,975	—
U.S. government grants refundable	2,205,369	9,648,199	—	751,342	46,536	2,042,107	1,610,565	482,246	18,027,134
Long-term liabilities - noncurrent portion	734,810,161	1,235,658,311	86,536,316	158,034,747	323,831,373	282,123,044	2,023,232,801	162,832,292	3,866,563,459
<i>Total Noncurrent Liabilities</i>	752,029,513	1,255,321,531	86,755,691	159,582,012	324,255,448	285,244,889	2,100,562,018	163,568,239	4,019,864,153
Total Liabilities	803,621,211	1,350,082,442	93,037,793	171,813,038	340,740,561	305,211,500	2,274,271,037	172,125,982	4,512,697,481

The University of North Carolina System

Statement of Net Position

June 30, 2021

	UNC Charlotte	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total
Deferred Outflows of Resources										
Accumulated decrease in fair value of hedging derivatives	—	—	—	—	—	—	—	—	—	118,979,851
Deferred loss on refunding	9,902,348	4,631,338	1,025,865	6,125,547	—	4,384,595	226,409	—	—	51,872,618
Deferred outflows related to asset retirement obligations	—	—	—	—	—	—	—	—	—	13,406,266
Deferred outflows related to pensions	38,525,256	28,442,865	10,721,173	22,265,012	4,842,696	16,845,533	9,754,994	3,577,323	5,988,358	559,757,322
Deferred outflows related to other postemployment benefits	83,197,761	61,859,153	16,338,396	52,716,342	9,090,418	28,402,562	9,853,345	4,052,095	6,636,093	993,005,740
Total Deferred Outflows of Resources	131,625,365	94,933,356	28,085,434	81,106,901	13,933,114	49,632,690	19,834,748	7,629,418	12,624,451	1,737,021,797
Liabilities										
Current Liabilities:										
Accounts payable and accrued liabilities	12,923,692	11,952,781	6,831,240	5,555,146	8,186,834	20,309,516	1,939,557	4,650,214	4,048,926	407,063,576
Due to State of NC component units	—	1,658	—	—	—	6,102	—	—	—	17,911,418
Due to primary government	—	—	—	—	6,804	—	—	—	1,726,012	18,976,287
Due to University component units	—	—	—	—	—	—	—	—	—	12,433,614
Interest payable	5,513,165	2,988,938	451,603	1,289,375	703,342	2,008,033	773,792	—	370	29,676,464
Deposits payable	1,912,523	682,710	6,628	55,028	—	—	—	—	—	21,106,532
U.S. government grants refundable	454,512	—	—	—	—	—	—	—	—	573,881
Funds held for others	3,347	38,355	—	8,601	—	—	—	228,848	—	2,471,603
Unearned revenue	10,064,865	6,667,775	4,395,979	18,197,664	460,809	7,325,847	6,219,670	355,383	7,735,358	309,485,595
Long-term liabilities - current portion	23,909,323	16,517,541	6,381,496	11,346,916	1,001,271	7,971,422	5,245,214	597,378	545,888	286,916,032
<i>Total Current Liabilities</i>	54,781,427	38,849,758	18,066,946	36,452,730	10,359,060	37,620,920	14,178,233	5,831,823	14,056,554	1,106,615,002
Noncurrent Liabilities:										
Accounts payable and accrued liabilities	—	58,285	—	201,705	—	1,833,348	—	2,761,072	—	33,956,248
Hedging derivatives liability	—	—	—	—	—	—	—	—	—	118,979,851
Unearned revenue	10,611,630	—	—	3,621,484	—	—	—	—	—	91,484,770
Deposits payable	—	—	297,900	—	—	159,563	49,572	—	—	6,076,767
Funds held for others	78,579	4,790,602	415,499	439,376	63,328	720,422	3,214,258	162,098	—	17,728,577
U.S. government grants refundable	1,711,101	2,982,076	421,364	1,874,895	112,405	4,606,313	386,945	—	—	46,908,597
Long-term liabilities - noncurrent portion	1,178,188,193	660,346,664	167,336,111	507,533,227	107,285,064	461,553,724	196,369,964	35,739,604	64,483,473	12,252,458,528
<i>Total Noncurrent Liabilities</i>	1,190,589,503	668,177,627	168,470,874	513,670,687	107,460,797	468,873,370	200,020,739	38,662,774	64,483,473	12,567,593,338
Total Liabilities	1,245,370,930	707,027,385	186,537,820	550,123,417	117,819,857	506,494,290	214,198,972	44,494,597	78,540,027	13,674,208,340

The University of North Carolina System

Statement of Net Position

June 30, 2021

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill
Deferred Inflows of Resources									
Deferred gain on refunding	—	—	—	—	—	—	—	74,511	—
Deferred inflows related to pensions	—	1,907,731	—	738,655	—	—	—	254,127	730,409
Deferred inflows related to other postemployment benefits	144,610,903	351,163,514	16,673,215	44,023,283	83,972,433	65,501,947	544,559,203	35,795,131	987,534,734
Deferred inflows for irrevocable split-interest agreements	1,361,950	—	—	—	—	—	—	—	22,179,078
Deferred inflows for trusts held by others	3,304,415	—	—	—	—	—	—	—	—
Deferred inflows under service concession arrangement	30,208,066	—	—	—	—	65,822,501	—	—	—
Deferred inflows related to endowments	—	—	—	—	356,305	—	—	—	—
Deferred state aid	—	—	—	—	—	—	—	—	—
Total Deferred Inflows of Resources	179,485,334	353,071,245	16,673,215	44,761,938	84,328,738	131,324,448	544,559,203	36,123,769	1,010,444,221
Net Position									
Net investment in capital assets	467,525,035	859,403,840	115,494,413	125,149,573	362,801,409	199,570,606	1,637,378,907	167,901,061	1,656,472,890
Nonexpendable:									
Restricted nonexpendable	95,332,490	46,649,306	9,045,546	13,559,614	60,792,054	16,281,111	175,778,621	8,145,128	949,848,314
Expendable:									
Restricted expendable	137,331,341	97,909,216	26,967,416	32,965,664	66,252,636	42,682,079	500,964,624	17,341,614	2,381,550,115
Unrestricted net position	(322,780,498)	(777,943,259)	(25,876,824)	(105,729,254)	(88,731,694)	(172,326,537)	(1,252,576,527)	(89,236,460)	(1,337,939,017)
Total Net Position	\$ 377,408,368	\$ 226,019,103	\$ 125,630,551	\$ 65,945,597	\$ 401,114,405	\$ 86,207,259	\$ 1,061,545,625	\$ 104,151,343	\$ 3,649,932,302

The University of North Carolina System

Statement of Net Position

June 30, 2021

	UNC Charlotte	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total
Deferred Inflows of Resources										
Deferred gain on refunding	25,438	—	—	1,211,675	—	—	2,334,907	—	—	3,646,531
Deferred inflows related to pensions	—	—	—	—	—	—	867,395	—	225,646	4,723,963
Deferred inflows related to other postemployment benefits	205,904,440	143,200,524	45,723,009	112,605,135	19,826,489	79,006,739	49,879,307	10,141,765	23,734,046	2,963,855,817
Deferred inflows for irrevocable split-interest agreements	—	86,841	—	—	—	—	—	—	179,780	23,807,649
Deferred inflows for trusts held by others	—	—	—	—	—	—	—	—	—	3,304,415
Deferred inflows under service concession arrangement	—	—	—	68,012,640	—	20,576,824	—	—	—	184,620,031
Deferred inflows related to endowments	—	—	—	—	—	—	—	—	—	356,305
Deferred state aid	—	—	—	—	—	—	—	—	74,840,000	74,840,000
Total Deferred Inflows of Resources	205,929,878	143,287,365	45,723,009	181,829,450	19,826,489	99,583,563	53,081,609	10,141,765	98,979,472	3,259,154,711
Net Position										
Net investment in capital assets	939,518,252	524,029,898	153,508,594	428,354,122	117,026,872	377,025,459	156,716,836	95,994,892	59,483,957	8,443,356,616
Nonexpendable:										
Restricted nonexpendable	47,516,605	176,776,115	19,044,108	72,859,495	22,390,695	55,393,256	19,089,071	—	14,802,419	1,803,303,948
Expendable:										
Restricted expendable	57,428,850	241,571,719	35,761,169	136,453,823	32,146,490	124,174,762	46,619,982	859,291	121,215,095	4,100,195,886
Unrestricted net position	(248,153,916)	(272,122,331)	(115,952,359)	(200,271,518)	(39,308,617)	(97,234,136)	(114,455,643)	(30,599,114)	(21,677,095)	(5,312,914,799)
Total Net Position	\$ 796,309,791	\$ 670,255,401	\$ 92,361,512	\$ 437,395,922	\$ 132,255,440	\$ 459,359,341	\$ 107,970,246	\$ 66,255,069	\$ 173,824,376	\$ 9,033,941,651

The University of North Carolina System

Statement of Net Position

June 30, 2021	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill
Total Assets	\$ 1,271,627,615	\$ 1,762,766,733	\$ 224,363,231	\$ 257,711,478	\$ 774,784,791	\$ 490,365,072	\$ 3,577,576,110	\$ 297,788,486	\$ 8,567,727,873
Total Deferred Outflows of Resources	88,887,298	166,406,057	10,978,328	24,809,095	51,398,913	32,378,135	302,799,755	14,612,608	605,346,131
Total Liabilities	803,621,211	1,350,082,442	93,037,793	171,813,038	340,740,561	305,211,500	2,274,271,037	172,125,982	4,512,697,481
Eliminations	—	—	—	—	—	—	—	—	—
Adjusted Total Liabilities	<u>803,621,211</u>	<u>1,350,082,442</u>	<u>93,037,793</u>	<u>171,813,038</u>	<u>340,740,561</u>	<u>305,211,500</u>	<u>2,274,271,037</u>	<u>172,125,982</u>	<u>4,512,697,481</u>
Total Deferred Inflows of Resources	179,485,334	353,071,245	16,673,215	44,761,938	84,328,738	131,324,448	544,559,203	36,123,769	1,010,444,221
Total Net Position	377,408,368	226,019,103	125,630,551	65,945,597	401,114,405	86,207,259	1,061,545,625	104,151,343	3,649,932,302
Eliminations	—	—	—	—	—	—	—	—	—
Adjusted Total Net Position	<u>\$ 377,408,368</u>	<u>\$ 226,019,103</u>	<u>\$ 125,630,551</u>	<u>\$ 65,945,597</u>	<u>\$ 401,114,405</u>	<u>\$ 86,207,259</u>	<u>\$ 1,061,545,625</u>	<u>\$ 104,151,343</u>	<u>\$ 3,649,932,302</u>

The University of North Carolina System

Statement of Net Position

June 30, 2021								North Carolina School of Science and Mathematics	UNC System Office	Total
	UNC Charlotte	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University			
Total Assets	\$ 2,115,985,234	\$ 1,425,636,795	\$ 296,536,907	\$1,088,241,888	\$ 255,968,672	\$1,015,804,504	\$ 355,416,079	\$ 113,262,013	\$ 338,719,424	\$24,230,282,905
Total Deferred Outflows of Resources	131,625,365	94,933,356	28,085,434	81,106,901	13,933,114	49,632,690	19,834,748	7,629,418	12,624,451	1,737,021,797
Total Liabilities	1,245,370,930	707,027,385	186,537,820	550,123,417	117,819,857	506,494,290	214,198,972	44,494,597	78,540,027	13,674,208,340
Eliminations	144,449	—	—	—	—	—	—	—	—	144,449
Adjusted Total Liabilities	<u>1,245,515,379</u>	<u>707,027,385</u>	<u>186,537,820</u>	<u>550,123,417</u>	<u>117,819,857</u>	<u>506,494,290</u>	<u>214,198,972</u>	<u>44,494,597</u>	<u>78,540,027</u>	<u>13,674,352,789</u>
Total Deferred Inflows of Resources	205,929,878	143,287,365	45,723,009	181,829,450	19,826,489	99,583,563	53,081,609	10,141,765	98,979,472	3,259,154,711
Total Net Position	796,309,791	670,255,401	92,361,512	437,395,922	132,255,440	459,359,341	107,970,246	66,255,069	173,824,376	9,033,941,651
Eliminations	(144,449)	—	—	—	—	—	—	—	—	(144,449)
Adjusted Total Net Position	<u>\$ 796,165,342</u>	<u>\$ 670,255,401</u>	<u>\$ 92,361,512</u>	<u>\$ 437,395,922</u>	<u>\$ 132,255,440</u>	<u>\$ 459,359,341</u>	<u>\$ 107,970,246</u>	<u>\$ 66,255,069</u>	<u>\$ 173,824,376</u>	<u>\$ 9,033,797,202</u>

The University of North Carolina System

Statement of Revenues, Expenses, and Changes in Net Position

For the fiscal year ended June 30, 2021

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill
Operating Revenues									
Student tuition & fees, net	\$ 130,660,907	\$ 180,793,966	\$ 4,772,203	\$ 17,785,646	\$ 67,311,851	\$ 48,662,582	\$ 329,081,529	\$ 19,561,396	\$ 412,071,788
Patient services, net	—	233,127,641	—	—	—	—	—	—	545,209,574
Federal appropriations	—	—	—	—	10,712,962	—	23,020,618	—	—
Federal grants and contracts	6,342,457	36,766,334	—	321,228	22,634,829	12,341,892	180,385,371	1,869,650	763,623,335
State and local grants and contracts	3,135,370	8,569,437	—	—	4,960,129	127,004	53,515,965	870,224	13,091,495
Nongovernmental grants and contracts	587,346	13,521,802	—	—	1,338,394	1,237,610	94,157,325	1,060,545	182,500,013
Sales and services, net	69,378,735	46,984,278	4,597,941	8,159,591	18,191,628	21,778,548	179,038,888	10,069,765	397,368,949
Interest earnings on loans	53,567	289,320	—	16,678	3,540	79,333	219,262	32,039	951,584
Other operating revenues, net	3,398,435	1,177,143	1,131,276	1,659,418	5,704,445	4,327,723	19,259,060	1,773,424	5,116,544
<i>Total Operating Revenues</i>	<u>213,556,817</u>	<u>521,229,921</u>	<u>10,501,420</u>	<u>27,942,561</u>	<u>130,857,778</u>	<u>88,554,692</u>	<u>878,678,018</u>	<u>35,237,043</u>	<u>2,319,933,282</u>
Operating Expenses									
Salaries and benefits	263,694,625	571,439,085	33,175,108	72,384,739	178,829,581	119,995,340	953,216,704	56,514,365	1,812,296,102
Supplies and services	88,062,413	186,214,998	21,911,721	28,895,035	65,517,129	55,996,647	369,660,959	17,702,669	963,510,332
Scholarships and fellowships	46,451,745	54,831,839	7,593,469	16,709,903	37,532,508	25,135,317	69,942,018	7,165,285	121,919,611
Utilities	9,866,142	15,398,090	2,333,187	2,778,322	5,654,572	4,644,756	29,188,289	2,353,961	79,240,505
Depreciation/ amortization	24,429,628	36,738,693	4,493,032	5,024,800	14,658,462	9,898,836	114,947,438	6,704,747	159,181,030
<i>Total Operating Expenses</i>	<u>432,504,553</u>	<u>864,622,705</u>	<u>69,506,517</u>	<u>125,792,799</u>	<u>302,192,252</u>	<u>215,670,896</u>	<u>1,536,955,408</u>	<u>90,441,027</u>	<u>3,136,147,580</u>
Operating Loss	<u>(218,947,736)</u>	<u>(343,392,784)</u>	<u>(59,005,097)</u>	<u>(97,850,238)</u>	<u>(171,334,474)</u>	<u>(127,116,204)</u>	<u>(658,277,390)</u>	<u>(55,203,984)</u>	<u>(816,214,298)</u>
Nonoperating Revenues/ (Expenses)									
State appropriations	149,535,625	296,470,173	35,390,924	53,834,712	88,887,956	81,978,866	520,557,104	40,619,983	537,409,229
State aid - coronavirus relief fund	6,392,972	23,731,237	1,785,301	7,973,257	4,527,131	1,762,277	7,637,627	2,438,703	47,967,574
Student financial aid	41,956,841	55,374,724	7,207,348	17,938,953	46,858,444	20,482,239	51,538,568	9,283,005	44,206,926
Federal aid - COVID-19	37,059,391	31,071,523	6,367,716	16,802,376	50,121,184	26,201,776	26,363,450	4,183,954	28,824,394
Noncapital contributions, net	27,939,192	27,172,010	27,140,324	16,343,180	67,294,329	12,923,725	100,365,195	4,811,231	399,819,639
Interest and fees on debt	(10,772,488)	(12,865,166)	(1,066,838)	(2,518,242)	(3,734,054)	(3,938,350)	(18,133,723)	(2,945,267)	(51,189,311)
Investment income (loss)	56,016,856	20,065,233	5,272,774	8,296,599	36,527,289	17,195,034	161,240,750	6,582,911	1,099,206,099
Grants, aid and subsidies	—	—	—	—	—	—	—	—	—
Federal interest subsidy on debt	—	103,486	—	—	—	—	—	—	2,143,405
Loss on disposal of capital assets	—	—	—	—	—	—	—	—	—
Hurricane Florence disaster costs	—	—	—	—	—	—	—	—	—
Other nonoperating revenues	407,976	—	275,759	—	—	2,628,274	—	—	—
Other nonoperating expenses	—	(1,529,221)	—	(733,239)	(428,316)	—	(313,249)	(385,433)	(25,498,844)
<i>Total Nonoperating Revenues/ (Expenses)</i>	<u>308,536,365</u>	<u>439,593,999</u>	<u>82,373,308</u>	<u>117,937,596</u>	<u>290,053,963</u>	<u>159,233,841</u>	<u>849,255,722</u>	<u>64,589,087</u>	<u>2,082,889,111</u>

The University of North Carolina System

Statement of Revenues, Expenses, and Changes in Net Position

For the fiscal year ended June 30, 2021

	UNC Charlotte	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total
Operating Revenues										
Student tuition & fees, net	\$ 214,358,069	\$ 103,732,998	\$ 23,055,191	\$ 105,270,023	\$ 15,453,191	\$ 43,520,281	\$ 21,020,884	\$ 246,534	\$ —	\$ 1,737,359,039
Patient services, net	—	—	—	—	—	—	—	—	—	778,337,215
Federal appropriations	—	—	—	—	—	—	—	—	—	33,733,580
Federal grants and contracts	37,205,607	26,449,743	—	7,292,531	55,674	4,879,656	—	—	—	1,100,168,307
State and local grants and contracts	3,421,270	9,928,005	356,519	3,570,901	—	800,226	—	—	—	102,346,545
Nongovernmental grants and contracts	5,333,402	1,632,786	22,592	1,754,764	—	765,479	—	—	—	303,912,058
Sales and services, net	38,607,980	41,375,783	14,378,961	37,987,226	6,202,463	36,976,555	17,657,469	107,785	14,949,608	963,812,153
Interest earnings on loans	173,171	102,749	20,764	7,568	—	16,240	—	—	—	1,965,815
Other operating revenues, net	3,659,540	3,128,057	3,101,680	3,553,549	1,171,603	3,150,265	1,518,629	110,793	31,883	62,973,467
<i>Total Operating Revenues</i>	<u>302,759,039</u>	<u>186,350,121</u>	<u>40,935,707</u>	<u>159,436,562</u>	<u>22,882,931</u>	<u>90,108,702</u>	<u>40,196,982</u>	<u>465,112</u>	<u>14,981,491</u>	<u>5,084,608,179</u>
Operating Expenses										
Salaries and benefits	401,245,910	280,777,060	77,540,157	217,064,717	43,785,867	139,159,852	69,259,918	21,272,671	42,655,735	5,354,307,536
Supplies and services	124,206,227	80,136,962	45,006,641	74,296,115	15,191,223	65,627,385	34,171,956	4,073,317	38,994,625	2,279,176,354
Scholarships and fellowships	72,114,513	41,361,847	16,825,822	42,185,426	1,730,315	24,538,254	17,041,461	—	—	603,079,333
Utilities	11,447,838	7,862,596	3,085,983	7,254,663	1,887,515	3,802,393	2,958,004	823,491	1,608,600	192,188,907
Depreciation/ amortization	35,169,232	24,614,292	7,357,875	16,741,545	4,154,727	10,035,619	9,461,148	1,544,279	4,922,101	490,077,484
<i>Total Operating Expenses</i>	<u>644,183,720</u>	<u>434,752,757</u>	<u>149,816,478</u>	<u>357,542,466</u>	<u>66,749,647</u>	<u>243,163,503</u>	<u>132,892,487</u>	<u>27,713,758</u>	<u>88,181,061</u>	<u>8,918,829,614</u>
Operating Loss	<u>(341,424,681)</u>	<u>(248,402,636)</u>	<u>(108,880,771)</u>	<u>(198,105,904)</u>	<u>(43,866,716)</u>	<u>(153,054,801)</u>	<u>(92,695,505)</u>	<u>(27,248,646)</u>	<u>(73,199,570)</u>	<u>(3,834,221,435)</u>
Nonoperating Revenues/ (Expenses)										
State appropriations	255,438,158	171,637,734	76,889,958	148,882,748	32,240,043	126,771,970	61,156,612	26,509,675	345,797,293	3,050,008,763
State aid - coronavirus relief fund	17,563,548	5,155,610	8,260,562	6,679,340	1,637,205	3,546,539	4,015,998	1,202,481	98,601,229	250,878,591
Student financial aid	77,639,120	62,427,962	19,471,684	27,252,838	1,711,669	22,395,731	22,935,944	—	—	528,681,996
Federal aid - COVID-19	53,075,687	19,023,663	10,063,905	39,796,415	1,275,320	10,626,440	13,220,939	—	—	374,078,133
Noncapital contributions, net	13,715,409	10,451,671	7,297,841	10,388,148	5,660,406	11,210,135	11,674,797	2,440,729	98,892,890	855,540,851
Interest and fees on debt	(20,965,301)	(10,648,789)	(2,135,406)	(7,775,982)	(1,670,562)	(8,151,260)	(4,161,499)	(91,181)	(3,931)	(162,767,350)
Investment income (loss)	28,472,464	94,288,965	8,766,414	40,511,581	11,909,468	37,623,165	14,995,037	—	36,570,490	1,683,541,129
Grants, aid and subsidies	—	—	—	—	—	—	—	—	(469,492,538)	(469,492,538)
Federal interest subsidy on debt	470,258	—	—	—	—	—	—	—	—	2,717,149
Loss on disposal of capital assets	—	—	—	—	—	—	—	—	(718,598)	(718,598)
Hurricane Florence disaster costs	—	—	—	(3,384,095)	—	—	—	—	—	(3,384,095)
Other nonoperating revenues	—	—	329,673	35,235	371,968	—	—	—	—	4,048,885
Other nonoperating expenses	(1,557,909)	(216,453)	—	—	—	(2,593,561)	—	—	(390,461)	(33,646,686)
<i>Total Nonoperating Revenues/ (Expenses)</i>	<u>423,851,434</u>	<u>352,120,363</u>	<u>128,944,631</u>	<u>262,386,228</u>	<u>53,135,517</u>	<u>201,429,159</u>	<u>123,837,828</u>	<u>30,061,704</u>	<u>109,256,374</u>	<u>6,079,486,230</u>

The University of North Carolina System

Statement of Revenues, Expenses, and Changes in Net Position

For the fiscal year ended June 30, 2021

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill
Income Before									
Transfers and Other Items	89,588,629	96,201,215	23,368,211	20,087,358	118,719,489	32,117,637	190,978,332	9,385,103	1,266,674,813
Capital appropriations	3,031,676	15,605,028	8,279,235	7,267,444	4,679,838	3,137,725	7,740,538	—	—
Capital contributions	3,512,046	45,602,221	9,120,227	7,793,341	37,279,923	1,460,858	106,812,355	11,280,178	78,871,011
Additions to endowments	5,069,451	1,708,529	222,890	661,436	9,310,434	—	8,332,544	—	34,471,810
Change in Net Position	101,201,802	159,116,993	40,990,563	35,809,579	169,989,684	36,716,220	313,863,769	20,665,281	1,380,017,634
Net position - July 1, as restated	276,206,566	66,902,110	84,639,988	30,136,018	231,124,721	49,491,039	747,681,856	83,486,062	2,269,914,668
Net Position - June 30	<u>\$ 377,408,368</u>	<u>\$ 226,019,103</u>	<u>\$ 125,630,551</u>	<u>\$ 65,945,597</u>	<u>\$ 401,114,405</u>	<u>\$ 86,207,259</u>	<u>\$ 1,061,545,625</u>	<u>\$ 104,151,343</u>	<u>\$ 3,649,932,302</u>

The University of North Carolina System

Statement of Revenues, Expenses, and Changes in Net Position

For the fiscal year ended June 30, 2021

	UNC Charlotte	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total
Income Before										
Transfers and Other Items	82,426,753	103,717,727	20,063,860	64,280,324	9,268,801	48,374,358	31,142,323	2,813,058	36,056,804	2,245,264,795
Capital appropriations	9,192,721	8,179,044	20,994,690	7,835,934	1,846,953	25,073,427	3,217,701	—	955,162	127,037,116
Capital contributions	35,861,497	22,322,908	811,152	9,565,258	3,891,318	24,164,362	3,771,452	31,905,723	4,027,876	438,053,706
Additions to endowments	25,231	8,184,127	738,378	7,208,816	2,701,790	1,193,980	264,564	—	2,931	80,096,911
Change in Net Position	127,506,202	142,403,806	42,608,080	88,890,332	17,708,862	98,806,127	38,396,040	34,718,781	41,042,773	2,890,452,528
Net position - July 1, as restated	668,803,589	527,851,595	49,753,432	348,505,590	114,546,578	360,553,214	69,574,206	31,536,288	132,781,603	6,143,489,123
Net Position - June 30	<u>\$ 796,309,791</u>	<u>\$ 670,255,401</u>	<u>\$ 92,361,512</u>	<u>\$ 437,395,922</u>	<u>\$ 132,255,440</u>	<u>\$ 459,359,341</u>	<u>\$ 107,970,246</u>	<u>\$ 66,255,069</u>	<u>\$ 173,824,376</u>	<u>\$ 9,033,941,651</u>

The University of North Carolina System

Statement of Revenues, Expenses and Changes in Net Position

For the fiscal year ended June 30, 2021

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill
Total Revenues	\$ 544,478,843	\$ 1,038,134,085	\$ 111,563,918	\$ 164,853,859	\$ 476,344,306	\$ 256,325,466	\$ 1,869,266,149	\$ 114,437,008	\$ 4,592,853,369
Eliminations	(5,792,576)	(6,144,843)	(3,960,888)	(2,502,941)	(5,061,032)	(3,763,027)	(9,643,924)	(2,138,646)	(65,195,223)
Total Adjusted Revenues	538,686,267	1,031,989,242	107,603,030	162,350,918	471,283,274	252,562,439	1,859,622,225	112,298,362	4,527,658,146
Total Expenses	(443,277,041)	(879,017,092)	(70,573,355)	(129,044,280)	(306,354,622)	(219,609,246)	(1,555,402,380)	(93,771,727)	(3,212,835,735)
Eliminations	—	—	—	—	—	—	158,257	34,905	—
Total Adjusted Expenses	(443,277,041)	(879,017,092)	(70,573,355)	(129,044,280)	(306,354,622)	(219,609,246)	(1,555,244,123)	(93,736,822)	(3,212,835,735)
Adjusted Change in Net Position	<u>\$ 95,409,226</u>	<u>\$ 152,972,150</u>	<u>\$ 37,029,675</u>	<u>\$ 33,306,638</u>	<u>\$ 164,928,652</u>	<u>\$ 32,953,193</u>	<u>\$ 304,378,102</u>	<u>\$ 18,561,540</u>	<u>\$ 1,314,822,411</u>

The University of North Carolina System

Statement of Revenues, Expenses, and Changes in Net Position

For the fiscal year ended June 30, 2021

	UNC Charlotte	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total
Total Revenues	\$ 794,213,132	\$ 588,021,805	\$ 194,559,964	\$ 457,592,875	\$ 86,129,071	\$ 352,714,451	\$ 175,450,026	\$ 62,523,720	\$ 599,829,362	\$ 12,479,291,409
Eliminations	(8,157,816)	(4,846,218)	(6,152,126)	(6,904,770)	(2,915,243)	(7,550,208)	(3,791,509)	(1,202,480)	—	(145,723,470)
Total Adjusted Revenues	786,055,316	583,175,587	188,407,838	450,688,105	83,213,828	345,164,243	171,658,517	61,321,240	599,829,362	12,333,567,939
Total Expenses	(666,706,930)	(445,617,999)	(151,951,884)	(368,702,543)	(68,420,209)	(253,908,324)	(137,053,986)	(27,804,939)	(558,786,589)	(9,588,838,881)
Eliminations	12,600	(531,650)	—	—	75,000	95,160	—	—	145,734,749	145,579,021
Total Adjusted Expenses	(666,694,330)	(446,149,649)	(151,951,884)	(368,702,543)	(68,345,209)	(253,813,164)	(137,053,986)	(27,804,939)	(413,051,840)	(9,443,259,860)
Adjusted Change in Net Position	\$ 119,360,986	\$ 137,025,938	\$ 36,455,954	\$ 81,985,562	\$ 14,868,619	\$ 91,351,079	\$ 34,604,531	\$ 33,516,301	\$ 186,777,522	\$ 2,890,308,079

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill
Cash Flows From Operating Activities									
Received from customers	\$ 214,932,548	\$ 522,051,674	\$ 9,692,821	\$ 26,734,655	\$ 124,329,015	\$ 82,809,076	\$ 857,701,107	\$ 34,455,376	\$ 2,228,621,802
Payments to employees and fringe benefits	(278,006,379)	(612,527,511)	(35,872,043)	(75,938,644)	(186,780,806)	(128,310,390)	(1,003,466,446)	(60,990,741)	(1,891,775,794)
Payments to vendors and suppliers	(98,572,027)	(198,255,784)	(23,653,376)	(31,405,853)	(70,430,363)	(61,857,805)	(399,036,694)	(20,252,931)	(1,035,216,412)
Payments for scholarships and fellowships	(46,451,744)	(54,831,839)	(7,593,469)	(16,709,903)	(37,595,426)	(25,135,317)	(69,942,018)	(7,165,285)	(121,919,611)
Loans issued	—	(1,500)	—	—	—	990,145	(70,880)	—	(1,123,042)
Collection of loans	485,248	1,720,854	—	285,345	76,887	—	1,806,492	160,171	6,196,582
Interest earned on loans	56,712	303,461	—	16,678	6,383	79,333	228,775	32,039	994,478
Student deposits received	6,908,321	878,243	—	—	—	—	—	—	—
Student deposits returned	(6,679,842)	(729,039)	—	—	—	—	—	—	—
William D. Ford Direct Lending receipts	72,294,731	133,547,883	8,233,375	25,829,511	83,015,259	82,282,003	110,750,946	10,938,279	173,308,393
William D. Ford Direct									
Lending disbursements	(73,328,733)	(133,441,493)	(8,233,375)	(25,724,900)	(83,015,259)	(82,282,003)	(109,281,067)	(10,938,279)	(173,308,393)
Related activity agency receipts	5,464,311	27,482,038	—	—	—	—	50,118,885	5,403	1,236,692
Related activity agency disbursements	(4,288,583)	(27,316,562)	(415,354)	(72,937)	(111,346)	(256,080)	(49,807,314)	—	(1,023,012)
Other receipts	1,557,982	—	849,171	1,805,292	5,704,445	7,772,100	21,438,595	951,932	—
Other payments	—	—	—	—	—	—	—	—	(6,660,336)
Net Cash Used by									
Operating Activities	(205,627,455)	(341,119,575)	(56,992,250)	(95,180,756)	(164,801,211)	(123,908,938)	(589,559,619)	(52,804,036)	(820,668,653)
Cash Flows From Noncapital Financing Activities									
State appropriations	149,535,625	296,470,173	35,390,924	53,834,712	88,887,956	81,978,866	520,557,104	40,619,983	537,409,229
State aid - coronavirus relief fund	6,392,972	24,744,171	1,785,301	7,973,257	4,527,131	1,762,277	7,637,627	2,462,820	47,967,574
Student financial aid	41,956,841	53,717,694	7,207,348	17,762,708	46,600,824	20,516,881	51,538,568	9,283,005	40,913,249
Federal aid - COVID-19	33,293,036	31,071,523	6,367,716	16,802,376	50,587,607	21,774,145	26,363,450	5,451,063	28,824,394
Noncapital contributions, net	22,019,956	15,640,628	27,225,878	15,057,740	61,880,065	11,481,141	78,638,160	3,550,864	298,940,916
Payments for annuities and life income									
payable under split-interest agreements	—	—	—	—	—	—	—	—	(4,542,874)
Additions to endowments	5,069,451	1,708,529	222,890	661,436	9,310,434	—	8,332,544	—	34,471,810
Proceeds from all-risk insurance	—	—	—	—	—	—	—	—	—
Hurricane recovery payments									
to vendors and suppliers	—	—	—	—	—	—	—	—	—
Grants, aid, and subsidies	—	—	—	—	—	—	—	—	—
Refunds to grantor	—	—	—	—	—	—	—	—	—
Advances to fiduciary activity	—	—	—	—	—	—	—	—	—
Net Cash Provided by Noncapital									
Financing Activities	258,267,881	423,352,718	78,200,057	112,092,229	261,794,017	137,513,310	693,067,453	61,367,735	983,984,298

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	UNC Charlotte	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total
Cash Flows From Operating Activities										
Received from customers	\$ 299,052,107	\$ 183,367,429	\$ 37,657,594	\$ 160,476,466	\$ 23,317,388	\$ 89,578,952	\$ 40,712,867	\$ 580,372	\$ 14,646,511	\$4,950,717,760
Payments to employees and fringe benefits	(415,534,170)	(293,217,030)	(82,292,617)	(224,622,663)	(44,311,114)	(147,906,633)	(76,893,344)	(21,550,599)	(45,534,149)	(5,625,531,073)
Payments to vendors and suppliers	(135,582,466)	(90,179,181)	(44,445,028)	(82,272,092)	(16,972,696)	(70,304,708)	(36,977,848)	(4,455,004)	(39,044,136)	(2,458,914,404)
Payments for scholarships and fellowships	(72,114,513)	(41,361,847)	(16,825,822)	(42,185,426)	(1,730,315)	(24,538,254)	(17,041,461)	—	—	(603,142,250)
Loans issued	(20,899)	(105,568)	(95,776)	(61,077)	—	(423,595)	—	—	—	(912,192)
Collection of loans	655,253	485,251	95,776	497,876	—	813,374	44,357	—	—	13,323,466
Interest earned on loans	165,707	102,749	43,857	34,330	—	107,395	—	—	—	2,171,897
Student deposits received	1,176,420	—	—	—	—	240,933	49,572	—	—	9,253,489
Student deposits returned	(1,242,200)	—	(64,757)	—	—	(268,324)	(138,128)	—	—	(9,122,290)
William D. Ford Direct Lending receipts	120,911,030	81,932,450	41,249,464	69,784,278	6,967,591	53,179,380	33,171,629	—	—	1,107,396,202
William D. Ford Direct Lending disbursements	(120,972,258)	(81,932,450)	(41,249,464)	(69,784,278)	(6,967,591)	(53,179,380)	(33,171,629)	—	—	(1,106,810,552)
Related activity agency receipts	17,511,936	3,543,105	—	27,398,372	768	2,500,468	333,251	—	—	135,595,229
Related activity agency disbursements	(17,599,444)	—	(603,916)	(27,371,875)	—	(2,498,334)	—	—	—	(131,364,757)
Other receipts	3,917,776	2,806,008	3,310,780	—	—	1,859,233	—	15,683	31,883	52,020,880
Other payments	—	—	—	(1,490,464)	—	—	—	—	—	(8,150,800)
Net Cash Used by Operating Activities	(319,675,721)	(234,559,084)	(103,219,909)	(189,596,553)	(39,695,969)	(150,839,493)	(89,910,734)	(25,409,548)	(69,899,891)	(3,673,469,395)
Cash Flows From Noncapital Financing Activities										
State appropriations	255,438,158	171,637,734	76,889,958	148,882,748	32,240,043	126,771,970	61,156,612	26,509,675	355,797,293	3,060,008,763
State aid - coronavirus relief fund	17,563,548	5,155,610	9,250,272	6,679,340	1,643,866	3,552,641	4,015,998	1,202,481	58,694,423	213,011,309
Student financial aid	76,740,499	61,745,517	19,282,465	26,743,028	1,711,669	22,395,731	23,001,665	—	—	521,117,692
Federal aid - COVID-19	48,487,073	22,485,230	11,528,276	45,336,283	1,275,320	10,626,440	13,220,939	—	—	373,494,871
Noncapital contributions, net	5,061,890	5,375,600	6,074,638	7,381,218	4,912,346	8,409,959	10,327,911	1,415,580	98,528,462	681,922,952
Payments for annuities and life income payable under split-interest agreements	—	—	—	—	—	(41,036)	—	—	—	(4,583,910)
Additions to endowments	25,231	8,184,127	738,378	7,294,673	2,701,790	1,079,768	264,564	—	2,931	80,068,556
Proceeds from all-risk insurance	—	—	—	7,956,433	—	—	—	—	—	7,956,433
Hurricane recovery payments to vendors and suppliers	—	—	—	(3,790,522)	—	—	—	—	—	(3,790,522)
Grants, aid, and subsidies	—	—	—	—	—	—	—	—	(469,492,538)	(469,492,538)
Refunds to grantor	—	—	—	—	—	—	—	—	(390,461)	(390,461)
Advances to fiduciary activity	—	—	—	—	—	—	—	—	(1,008,939)	(1,008,939)
Net Cash Provided by Noncapital Financing Activities	403,316,399	274,583,818	123,763,987	246,483,201	44,485,034	172,795,473	111,987,689	29,127,736	42,131,171	4,458,314,206

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill
Cash Flows from Capital Financing and Related Financing Activities									
Proceeds from capital debt	79,300,000	19,243,468	19,750,000	—	—	—	285,558,218	—	224,076,248
Capital appropriations	3,031,676	15,605,028	8,279,235	7,267,444	4,679,838	3,137,725	7,740,538	—	—
Capital contributions	3,323,958	45,128,073	9,120,227	7,793,341	37,279,923	1,460,858	104,262,474	10,006,591	32,868,657
Proceeds from sale of capital assets	—	—	317,228	—	—	—	447,803	—	—
Proceeds from insurance on capital assets	—	—	273,594	—	—	—	531,938	—	—
Acquisition and construction									
of capital assets	(90,838,996)	(67,345,148)	(17,927,496)	(11,908,801)	(45,184,429)	(33,968,607)	(155,550,121)	(10,437,513)	(140,522,510)
Principal paid on capital debt and leases	(16,499,031)	(34,106,545)	(10,727,408)	(1,907,043)	(2,880,473)	(5,737,676)	(75,194,249)	(3,012,415)	(179,728,088)
Interest and fees paid									
on capital debt and leases	(10,888,108)	(14,828,073)	(1,073,375)	(2,675,274)	(4,347,917)	(3,992,209)	(18,317,419)	(3,254,333)	(49,844,620)
Federal interest subsidy on debt received	—	194,578	—	—	—	—	—	—	2,143,405
Payment to bond escrow agent	—	—	—	—	—	—	(192,982,644)	—	(8,410,000)
Net Cash Provided (Used) by Capital Financing and Related Financing Activities	(32,570,501)	(36,108,619)	8,012,005	(1,430,333)	(10,453,058)	(39,099,909)	(43,503,462)	(6,697,670)	(119,416,908)
Cash Flows From Investing Activities									
Proceeds from sales									
and maturities of investments	3,694,441	3,831,941	26,371,295	198,929	245,371	—	24,905,363	757,806	573,229,006
Investment income	1,030,629	4,134,805	2,942,339	49,142	603,201	1,131,006	4,531,903	729,205	921,509
Investment in joint ventures	—	175,555	—	—	—	—	—	—	—
Purchase of investments and related fees	(2,835,374)	(5,107,299)	(39,521,500)	(350,049)	(44,380,987)	(156,509)	(52,321,105)	(95,839)	(406,110,819)
Net Cash Provided (Used) by Investing Activities	1,889,696	3,035,002	(10,207,866)	(101,978)	(43,532,415)	974,497	(22,883,839)	1,391,172	168,039,696
Net Increase (Decrease) in Cash and Cash Equivalents	21,959,621	49,159,526	19,011,946	15,379,162	43,007,333	(24,521,040)	37,120,533	3,257,201	211,938,433
Cash and cash equivalents - July 1, as restated	209,930,462	318,843,962	21,434,116	20,629,857	104,623,612	74,157,061	496,696,561	18,260,359	920,016,932
Cash and Cash Equivalents - June 30	\$ 231,890,083	\$ 368,003,488	\$ 40,446,062	\$ 36,009,019	\$ 147,630,945	\$ 49,636,021	\$ 533,817,094	\$ 21,517,560	\$ 1,131,955,365

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	UNC Charlotte	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total
Cash Flows from Capital Financing and Related Financing Activities										
Proceeds from capital debt	—	—	—	—	—	86,178,749	—	—	—	714,106,683
Capital appropriations	9,192,721	8,179,044	20,994,690	7,835,934	1,846,953	25,073,427	3,217,701	—	955,162	127,037,116
Capital contributions	35,039,869	21,937,177	775,096	9,467,677	3,891,318	24,319,362	3,771,452	33,182,889	5,597,530	389,226,472
Proceeds from sale of capital assets	—	34,494	234,289	281,222	—	67,926	—	—	75,787	1,458,749
Proceeds from insurance on capital assets	10,214	—	—	—	—	—	—	—	—	815,746
Acquisition and construction										
of capital assets	(56,693,566)	(24,278,391)	(33,803,288)	(34,933,694)	(25,274,414)	(68,996,805)	(6,905,491)	(39,614,441)	(4,713,559)	(868,897,270)
Principal paid on capital debt and leases	(20,232,925)	(13,685,037)	(3,843,072)	(10,699,424)	(624,842)	(7,118,736)	(3,742,621)	(131,067)	(90,937)	(389,961,589)
Interest and fees paid										
on capital debt and leases	(23,933,810)	(13,615,464)	(2,130,508)	(8,515,647)	(1,197,058)	(8,198,991)	(4,468,281)	(91,181)	(4,144)	(171,376,412)
Federal interest subsidy on debt received	690,384	—	—	—	—	—	—	—	—	3,028,367
Payment to bond escrow agent	—	—	—	—	—	—	—	—	—	(201,392,644)
Net Cash Provided (Used) by Capital Financing and Related Financing Activities	(55,927,113)	(21,428,177)	(17,772,793)	(36,563,932)	(21,358,043)	51,324,932	(8,127,240)	(6,653,800)	1,819,839	(395,954,782)
Cash Flows From Investing Activities										
Proceeds from sales										
and maturities of investments	4,675,129	17,284,296	6,101,201	472,765	905,001	4,831,450	5,005,021	—	3,661,000	676,170,015
Investment income	1,447,155	2,089,668	145,421	2,357,342	202,894	2,543,059	128,267	(1)	458,430	25,445,974
Investment in joint ventures	—	—	—	—	—	—	—	—	—	175,555
Purchase of investments and related fees	(383,996)	(8,982,912)	(2,190,400)	(291,146)	(2,545,903)	(3,276,205)	(4,948,041)	—	(90,000)	(573,588,084)
Net Cash Provided (Used) by Investing Activities	5,738,288	10,391,052	4,056,222	2,538,961	(1,438,008)	4,098,304	185,247	(1)	4,029,430	128,203,460
Net Increase (Decrease) in Cash and Cash Equivalents	33,451,853	28,987,609	6,827,507	22,861,677	(18,006,986)	77,379,216	14,134,962	(2,935,613)	(21,919,451)	517,093,489
Cash and cash equivalents - July 1, as restated	365,290,878	140,802,290	39,792,449	165,722,600	80,592,299	187,333,233	33,436,329	5,580,647	167,627,061	3,370,770,708
Cash and Cash Equivalents - June 30	\$ 398,742,731	\$ 169,789,899	\$ 46,619,956	\$ 188,584,277	\$ 62,585,313	\$ 264,712,449	\$ 47,571,291	\$ 2,645,034	\$ 145,707,610	\$ 3,887,864,197

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill
Reconciliation of Net Operating Loss									
to Net Cash Used by Operating Activities									
Operating loss	\$ (218,947,736)	\$ (343,392,784)	\$ (59,005,097)	\$ (97,850,238)	\$ (171,334,474)	\$ (127,116,204)	\$ (658,277,390)	\$ (55,203,984)	\$ (816,214,298)
Adjustments to reconcile operating income (loss) to provided (used) by operating activities:									
Depreciation/ amortization expense	24,429,628	36,738,693	4,493,032	5,024,800	14,658,462	9,898,836	114,947,438	6,704,747	159,181,030
Allowance, write-offs, and amortizations	78,263	(57,584)	(743,752)	(1,115,058)	(39,912)	(1,459,655)	—	650,538	23,101,682
Nonoperating other income	—	107,295	—	—	1,189,745	3,444,377	3,712,344	—	—
Nonoperating other expenses	(2,072,915)	—	—	—	—	—	—	(385,433)	(11,776,882)
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:									
Receivables, net	(106,633)	(2,070,450)	740,023	158,539	281,779	(514,260)	(6,548,905)	(135,405)	(95,113,684)
Due from primary government	—	—	—	—	—	—	(3,174,156)	—	(2,636,894)
Due from University component units	—	(2,133)	—	—	(35,265)	—	—	—	—
Due from State of NC component units	—	—	—	—	—	—	—	—	(8,135,326)
Inventories	183,591	1,698,315	(9,777)	(93,691)	71,023	(547,467)	644,692	(105,559)	(159,943)
Notes receivable, net	485,248	1,719,354	—	285,345	108,857	990,146	1,751,821	160,171	5,293,259
Prepaid items	—	1,063,391	—	(294,529)	—	—	—	—	—
Beneficial interest in assets held by others	—	—	—	—	—	—	—	—	—
Net other postemployment benefits asset	(69,374)	(139,783)	(7,705)	(6,545)	(44,792)	(24,325)	(254,607)	(12,693)	(501,798)
Other assets	(1,220,304)	—	44,300	—	—	—	—	(436,058)	1,345,271
Deferred outflows related to asset retirement obligations	—	—	—	—	—	—	(173,078)	—	—
Deferred outflows related to pensions	(2,875,840)	(3,860,851)	(609,451)	(203,753)	(2,009,541)	(1,559,745)	(9,557,897)	(370,141)	(13,070,526)
Deferred outflows related to other postemployment benefits	7,870,729	18,455,496	(654,680)	3,431,116	1,924,549	2,053,723	27,797,710	1,716,392	37,529,754
Accounts payable and accrued liabilities	363,591	1,588,477	700,385	1,375,512	(682,805)	59,140	124,602	(90,744)	39,458,522
Due to primary government	—	113,681	—	—	—	(20,297)	386,600	—	—
Due to State of NC component units	—	—	—	—	—	—	(464,380)	—	—
Funds held for others	1,404,207	94,216	(415,354)	177,548	(111,346)	(256,080)	(451,867)	5,403	213,680
Unearned revenue	4,652,981	3,090,501	—	1,214,432	(631,336)	693,353	6,873,165	504,254	(5,582,376)
US government grants refundable	—	—	—	—	—	(37,703)	—	—	—
Pollution remediation	—	—	—	—	—	—	(108,571)	—	—
Compensated absences	(559,545)	239,705	52,498	143,679	1,196,365	53,505	(394,456)	(128,246)	7,599,065
Workers' compensation	71,561	64,561	(521,217)	(291,663)	(547,435)	25,619	(619,332)	752	(1,196,931)
Net pension liability	12,488,521	20,023,813	1,671,650	1,882,856	7,424,251	5,333,174	39,649,195	1,700,717	50,338,524
Net other postemployment benefits liability	(35,909,186)	(86,144,908)	(3,127,774)	(16,076,081)	(18,583,886)	(18,412,478)	(127,246,945)	(10,630,133)	(222,334,449)
Deposits payable	38,831	149,204	—	—	—	—	2,056,208	4,409	3,350,372
Asset retirement obligation	—	—	—	—	—	—	492,275	—	—

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	UNC Charlotte	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities										
Operating loss	\$ (341,424,681)	\$ (248,402,636)	\$ (108,880,771)	\$ (198,105,904)	\$ (43,866,716)	\$ (153,054,801)	\$ (92,695,505)	\$ (27,248,646)	\$ (73,199,570)	\$ (3,834,221,435)
Adjustments to reconcile operating income (loss) to provided (used) by operating activities:										
Depreciation/ amortization expense	35,169,232	24,614,292	7,357,875	16,741,545	4,154,727	10,035,619	9,461,148	1,544,279	4,922,101	490,077,484
Allowance, write-offs, and amortizations	1,325,366	161,815	(171,970)	(1,491,474)	1,500	(401,319)	—	—	—	19,838,440
Nonoperating other income	926,357	—	209,100	—	391,671	—	—	—	—	9,980,889
Nonoperating other expenses	—	(250,945)	—	128,640	—	(650,584)	—	(15,007)	—	(15,023,126)
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:										
Receivables, net	(2,992,982)	(2,886,929)	135,170	287,820	41,285	(1,471,973)	(286,284)	(3,519)	(141,331)	(110,627,739)
Due from primary government	—	—	—	—	—	—	—	—	—	(5,811,050)
Due from University component units	—	—	—	—	—	—	—	—	—	(37,398)
Due from State of NC component units	—	—	—	—	—	—	—	—	—	(8,135,326)
Inventories	(81,464)	(9,420)	12,229	(59,806)	6,410	(259,420)	14,085	(5,826)	(18,191)	1,279,781
Notes receivable, net	622,215	628,926	—	436,799	—	841,425	44,357	—	—	13,367,923
Prepaid items	260,710	—	—	21,084	(6,946)	(4,523)	—	(361)	461,638	1,500,464
Beneficial interest in assets held by others	—	—	—	—	—	—	—	—	(31,624)	(31,624)
Net other postemployment benefits asset	(101,584)	(72,554)	(23,262)	(55,799)	(10,178)	(39,040)	(11,718)	(7,709)	(21,391)	(1,404,857)
Other assets	—	—	—	—	—	—	—	—	—	(266,791)
Deferred outflows related to asset retirement obligations	—	—	—	—	—	—	—	—	—	(173,078)
Deferred outflows related to pensions	(3,356,782)	(2,170,411)	(1,731,854)	(1,457,549)	(583,214)	(2,451,587)	(463,889)	(527,518)	(1,324,633)	(48,185,182)
Deferred outflows related to other postemployment benefits	13,028,381	3,890,717	(1,282,914)	10,051,600	1,924,113	4,738,561	1,909,763	318,550	(1,275,789)	133,427,771
Accounts payable and accrued liabilities	(315,980)	(2,171,674)	3,473,878	(283,388)	182,502	2,154,143	183,054	475,973	1,157,291	47,752,479
Due to primary government	—	—	—	—	—	(14,236)	—	—	—	465,748
Due to State of NC component units	—	—	—	—	—	—	—	—	—	(464,380)
Funds held for others	(62,445)	3,567,203	(603,917)	26,497	768	(25,454)	333,251	15,683	—	3,911,993
Unearned revenue	1,681,424	2,844,527	—	609,670	—	850,067	802,169	111,741	(161,766)	17,552,806
US government grants refundable	—	—	—	—	—	—	—	—	—	(37,703)
Pollution remediation	—	—	—	—	—	—	—	—	—	(108,571)
Compensated absences	488,297	(442,063)	(80,500)	404,535	259,022	(1,747,642)	343,848	190,657	493,143	8,111,867
Workers' compensation	(644,306)	320,145	(153,075)	83,422	(185,528)	175,751	(20,701)	37,249	242,590	(3,158,538)
Net pension liability	13,733,880	9,136,824	4,646,831	6,686,598	1,866,996	6,633,427	1,778,960	1,330,790	2,143,134	188,470,141
Net other postemployment benefits liability	(50,562,545)	(29,499,402)	(7,679,528)	(28,115,264)	(5,671,227)	(18,733,652)	(15,684,605)	(2,481,525)	(4,497,728)	(701,391,316)
Deposits payable	(35,299)	128,700	(64,757)	(5,333)	—	17,999	(88,556)	—	—	5,551,778
Asset retirement obligation	—	—	—	—	—	—	—	—	—	492,275

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill
Deferred inflows for irrevocable split-interest agreements	—	—	—	—	—	—	—	—	—
Deferred inflows for pensions	(139,795)	1,049,490	(99,231)	6,471,109	(87,854)	(71,892)	(469,260)	(57,574)	71,324
Deferred inflows related to other postemployment benefits	4,655,955	8,352,726	499,900	585,866	2,452,404	3,559,295	19,745,175	3,304,551	28,571,971
Deferred inflows under service concession arrangements	(449,233)	—	—	—	—	—	—	—	—
Net Cash Used by Operating Activities	<u>\$ (205,627,455)</u>	<u>\$ (341,119,575)</u>	<u>\$ (56,992,250)</u>	<u>\$ (95,180,756)</u>	<u>\$ (164,801,211)</u>	<u>\$ (123,908,938)</u>	<u>\$ (589,559,619)</u>	<u>\$ (52,804,036)</u>	<u>\$ (820,668,653)</u>

Reconciliation of Cash and Cash Equivalents

Current Assets:

Cash and cash equivalents	\$ 119,843,698	\$ 270,387,776	\$ 16,933,593	\$ 13,728,345	\$ 111,927,702	\$ 18,144,266	\$ 192,959,747	\$ 17,792,974	\$ 655,414,144
Restricted cash and cash equivalents	36,471,104	50,464,306	7,427,284	9,599,509	24,123,685	14,223,077	177,157,763	2,126,479	354,140,375

Noncurrent Assets:

Restricted cash and cash equivalents	75,575,281	47,151,406	16,085,185	12,681,165	11,579,558	17,268,678	163,699,584	1,598,107	122,400,846
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Total Cash and Cash Equivalents -

June 30	<u>\$ 231,890,083</u>	<u>\$ 368,003,488</u>	<u>\$ 40,446,062</u>	<u>\$ 36,009,019</u>	<u>\$ 147,630,945</u>	<u>\$ 49,636,021</u>	<u>\$ 533,817,094</u>	<u>\$ 21,517,560</u>	<u>\$ 1,131,955,365</u>
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The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	UNC Charlotte	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total
Deferred inflows for irrevocable split-interest agreements	—	1,471	—	—	—	—	—	—	31,624	33,095
Deferred inflows for pensions	(152,774)	(132,847)	(39,696)	(87,451)	(18,338)	(65,267)	238,231	(16,541)	(183,601)	6,208,033
Deferred inflows related to other postemployment benefits	12,819,259	6,185,177	1,657,252	4,587,205	1,817,184	2,633,013	4,231,658	872,182	1,504,212	108,034,985
Deferred inflows under service concession arrangements	—	—	—	—	—	—	—	—	—	(449,233)
Net Cash Used by Operating Activities	<u>\$ (319,675,721)</u>	<u>\$ (234,559,084)</u>	<u>\$ (103,219,909)</u>	<u>\$ (189,596,553)</u>	<u>\$ (39,695,969)</u>	<u>\$ (150,839,493)</u>	<u>\$ (89,910,734)</u>	<u>\$ (25,409,548)</u>	<u>\$ (69,899,891)</u>	<u>\$ (3,673,469,395)</u>
Reconciliation of Cash and Cash Equivalents										
Current Assets:										
Cash and cash equivalents	\$ 321,400,232	\$ 125,978,402	\$ 18,364,907	\$ 125,123,887	\$ 23,203,501	\$ 129,208,624	\$ 29,451,673	\$ 1,464,875	\$ 14,523,440	\$ 2,205,851,786
Restricted cash and cash equivalents	40,576,833	27,770,901	16,968,434	38,075,807	16,064,386	34,664,051	6,556,439	407,893	126,742,754	983,561,080
Noncurrent Assets:										
Restricted cash and cash equivalents	36,765,666	16,040,596	11,286,615	25,384,583	23,317,426	100,839,774	11,563,179	772,266	4,441,416	698,451,331
Total Cash and Cash Equivalents - June 30	<u>\$ 398,742,731</u>	<u>\$ 169,789,899</u>	<u>\$ 46,619,956</u>	<u>\$ 188,584,277</u>	<u>\$ 62,585,313</u>	<u>\$ 264,712,449</u>	<u>\$ 47,571,291</u>	<u>\$ 2,645,034</u>	<u>\$ 145,707,610</u>	<u>\$ 3,887,864,197</u>

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T State University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC-Chapel Hill
Noncash Investing, Capital, and Financing Activities									
Assets acquired through the assumption of a liability	\$ 4,256,019	\$ —	\$ —	\$ —	\$ 3,458,529	\$ —	\$ 436,604	\$ 254,900	\$ —
Assets acquired through a gift	4,300	474,148	—	—	—	—	2,386,837	1,254,787	46,002,354
Assets acquired through a service concession arrangement	44,140,211	—	—	—	—	67,165,817	—	—	—
Change in fair value of investments	53,313,195	15,930,428	2,330,434	8,453,159	34,673,365	16,151,787	147,104,154	5,785,013	1,099,266,572
Reinvested distributions	(2,282,102)	—	—	—	1,251,073	—	—	—	—
Gain on investment in joint ventures	—	176,826	—	—	—	—	—	—	—
Loss on disposal of capital assets	(1,233,364)	(1,249,242)	—	(714,281)	(428,316)	1,150,136	(3,450,044)	—	(13,721,976)
Bond issuance cost withheld	—	(137,452)	—	—	226,663	—	—	—	—
Funds escrowed to defease debt	—	49,757,380	—	18,498,719	10,343,337	—	—	—	—
Amortization of bond premiums/ discounts and deferred loss on refunding	(1,006,349)	(900,104)	(83,439)	5,308	(169,383)	320,784	(18,942,961)	335,416	476,674
Change in receivables related to nonoperating income	3,514,234	—	—	—	1,740,732	—	1,654,196	88,799	—
Change in payables related to nonoperating income	—	—	—	101,964	—	—	—	—	—
Change in receivables related to noncapital contributions	—	—	—	—	—	—	—	—	—
Payments made on behalf of the University	(234,591)	—	—	—	—	—	—	—	—
UNC Management Company investment management fees	(624,348)	—	—	—	—	—	—	—	—
Decrease in net other postemployment benefit liability related to noncapital contributions	(4,932,066)	(11,531,382)	(547,461)	(1,285,440)	(2,807,546)	(2,060,802)	(18,550,749)	(1,144,841)	(33,071,756)

The University of North Carolina System

Statement of Cash Flows

For the fiscal year ended June 30, 2021

	UNC Charlotte	UNC Greensboro	UNC Pembroke	UNC Wilmington	UNC School of the Arts	Western Carolina University	Winston-Salem State University	North Carolina School of Science and Mathematics	UNC System Office	Total
Noncash Investing, Capital, and Financing Activities										
Assets acquired through the assumption of a liability	\$ 91,993,366	\$ 123,918	\$ 2,775,140	\$ 228,413	\$ 7,338,529	\$ 15,658,903	\$ 1,138,533	\$ 159,886	\$ —	\$ 127,822,740
Assets acquired through a gift	821,628	385,731	36,056	97,581	—	326,283	—	—	—	51,789,705
Assets acquired through a service concession arrangement	—	—	—	69,325,164	—	—	—	—	—	180,631,192
Change in fair value of investments	26,754,563	89,136,555	7,735,689	39,854,239	11,175,486	35,619,245	14,140,075	—	36,447,924	1,643,871,883
Reinvested distributions	—	—	—	64,173	—	1,630,223	—	—	—	663,367
Gain on investment in joint ventures	—	—	—	—	—	—	—	—	—	176,826
Loss on disposal of capital assets	(1,221,992)	(216,453)	(113,716)	(93,405)	(19,703)	(2,017,691)	—	(4,504)	(794,385)	(24,128,936)
Bond issuance cost withheld	—	108,000	—	—	—	288,204	—	—	—	485,415
Funds escrowed to defease debt	85,060,000	15,779,000	—	—	3,518,000	13,555,000	—	—	—	196,511,436
Amortization of bond premiums/ discounts and deferred loss on refunding	(5,283,163)	(4,261,690)	(156,555)	(961,024)	(100,690)	(1,018,065)	(302,294)	—	—	(32,047,535)
Change in receivables related to nonoperating income	4,591,412	261,658	1,522,270	—	—	122,736	235,021	650,185	1,205,226	15,586,469
Change in payables related to nonoperating income	—	—	—	—	—	—	—	—	—	101,964
Change in receivables related to noncapital contributions	—	—	—	—	—	—	—	(1,277,166)	—	(1,277,166)
Payments made on behalf of the University	—	—	—	—	—	—	—	—	—	(234,591)
UNC Management Company investment management fees	—	—	—	—	—	—	—	—	—	(624,348)
Decrease in net other postemployment benefit liability related to noncapital contributions	7,355,975	(4,855,470)	(1,499,031)	(3,897,766)	(732,852)	(2,760,328)	(1,326,592)	(374,962)	62,611	(83,960,458)

The University of North Carolina System

Reconciliation of the Statement of Net Position for Individual UNC System Institutions and UNC System Office to the Consolidated Statement

June 30, 2021

	Total of UNC System Institutions and UNC System Office	Eliminations	Consolidated UNC System Institutions and UNC System Office
Assets			
Current Assets:			
Cash and cash equivalents	\$ 2,205,851,786	\$ —	\$ 2,205,851,786
Restricted cash and cash equivalents	983,561,080	—	983,561,080
Short-term investments	413,002,284	—	413,002,284
Restricted short-term investments	165,477,868	—	165,477,868
Receivables, net	547,144,801	—	547,144,801
Due from State of NC component units	161,433,563	—	161,433,563
Due from University component units	6,586,039	—	6,586,039
Due from primary government	44,433,639	—	44,433,639
Due from other UNC institutions	1,150,969	—	1,150,969
Due from UNC System Office fiduciary fund	1,008,939	—	1,008,939
Notes receivable, net	11,879,240	—	11,879,240
Advances to outside entities	205,691	—	205,691
Inventories	54,822,373	—	54,822,373
Prepaid items	17,172,014	—	17,172,014
Other assets	30,234,153	—	30,234,153
<i>Total Current Assets</i>	<i>4,643,964,439</i>	<i>—</i>	<i>4,643,964,439</i>
Noncurrent Assets:			
Restricted cash and cash equivalents	698,451,331	—	698,451,331
Receivables, net	97,253,328	—	97,253,328
Endowment investments	5,271,713,240	—	5,271,713,240
Restricted investments	29,368,181	—	29,368,181
Other investments	241,594,642	—	241,594,642
Investment in joint venture	17,783,933	—	17,783,933
Cash surrender value of life insurance policies	43,675	—	43,675
Notes receivable, net	47,820,640	—	47,820,640
Prepaid items	380,314	—	380,314
Beneficial interest in assets held by others	3,466,621	—	3,466,621
Net other postemployment benefits asset	10,530,716	—	10,530,716
Other noncurrent assets	728,942	—	728,942
Capital assets, nondepreciable	1,619,630,619	—	1,619,630,619
Capital assets, depreciable	11,547,552,284	—	11,547,552,284
<i>Total Noncurrent Assets</i>	<i>19,586,318,466</i>	<i>—</i>	<i>19,586,318,466</i>
Total Assets	24,230,282,905	—	24,230,282,905
Deferred Outflows of Resources			
Accumulated decrease in fair value of hedging derivatives	118,979,851	—	118,979,851
Deferred loss on refunding	51,872,618	—	51,872,618
Deferred outflows related to asset retirement obligations	13,406,266	—	13,406,266
Deferred outflows related to pensions	559,757,322	—	559,757,322
Deferred outflows related to other postemployment benefits	993,005,740	—	993,005,740
Total Deferred Outflows of Resources	1,737,021,797	—	1,737,021,797

The University of North Carolina System

Reconciliation of the Statement of Net Position for Individual UNC System Institutions and UNC System Office to the Consolidated Statement

June 30, 2021

	Total of UNC System Institutions and UNC System Office	Eliminations	Consolidated UNC System Institutions and UNC System Office
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	407,063,576	144,449	407,208,025
Due to State of NC component units	17,911,418	—	17,911,418
Due to primary government	18,976,287	—	18,976,287
Due to University component units	12,433,614	—	12,433,614
Interest payable	29,676,464	—	29,676,464
Deposits payable	21,106,532	—	21,106,532
U.S. government grants refundable	573,881	—	573,881
Funds held for others	2,471,603	—	2,471,603
Unearned revenue	309,485,595	—	309,485,595
Long-term liabilities - current portion	286,916,032	—	286,916,032
<i>Total Current Liabilities</i>	<i>1,106,615,002</i>	<i>144,449</i>	<i>1,106,759,451</i>
Noncurrent Liabilities:			
Accounts payable and accrued liabilities	33,956,248	—	33,956,248
Hedging derivatives liability	118,979,851	—	118,979,851
Unearned revenue	91,484,770	—	91,484,770
Deposits payable	6,076,767	—	6,076,767
Funds held for others	17,728,577	—	17,728,577
U.S. government grants refundable	46,908,597	—	46,908,597
Long-term liabilities - noncurrent portion	12,252,458,528	—	12,252,458,528
<i>Total Noncurrent Liabilities</i>	<i>12,567,593,338</i>	<i>—</i>	<i>12,567,593,338</i>
Total Liabilities	13,674,208,340	144,449	13,674,352,789
Deferred Inflows of Resources			
Deferred gain on refunding	3,646,531	—	3,646,531
Deferred inflows related to pensions	4,723,963	—	4,723,963
Deferred inflows related to other postemployment benefits	2,963,855,817	—	2,963,855,817
Deferred inflows for irrevocable split-interest agreements	23,807,649	—	23,807,649
Deferred inflows for trusts held by others	3,304,415	—	3,304,415
Deferred inflows under service concession arrangement	184,620,031	—	184,620,031
Deferred inflows related to endowments	356,305	—	356,305
Deferred state aid	74,840,000	—	74,840,000
Total Deferred Inflows of Resources	3,259,154,711	—	3,259,154,711
Net Position			
Net investment in capital assets	8,443,356,616	—	8,443,356,616
Nonexpendable:			
Restricted nonexpendable	1,803,303,948	—	1,803,303,948
Expendable:			
Restricted expendable	4,100,195,886	—	4,100,195,886
Unrestricted net position	(5,312,914,799)	(144,449)	(5,313,059,248)
Total Net Position	\$ 9,033,941,651	\$ (144,449)	\$ 9,033,797,202

The University of North Carolina System

Reconciliation of the Statement of Revenues, Expenses, and Changes in Net Position for Individual UNC System Institutions and UNC System Office to the Consolidated Statement

For the fiscal year ended June 30, 2021

	UNC System Institutions and UNC System Office	Eliminations	Consolidated UNC System Institutions and UNC System Office
Operating Revenues			
Student tuition & fees, net	\$ 1,737,359,039	\$ 258,895	\$ 1,737,617,934
Patient services, net	778,337,215	—	778,337,215
Federal appropriations	33,733,580	—	33,733,580
Federal grants and contracts	1,100,168,307	(92,314)	1,100,075,993
State and local grants and contracts	102,346,545	(3,067,932)	99,278,613
Nongovernmental grants and contracts	303,912,058	(234,792)	303,677,266
Sales and services, net	963,812,153	(3,399,863)	960,412,290
Interest earnings on loans	1,965,815	—	1,965,815
Other operating revenues, net	62,973,467	(100,000)	62,873,467
<i>Total Operating Revenues</i>	<u>5,084,608,179</u>	<u>(6,636,006)</u>	<u>5,077,972,173</u>
Operating Expenses			
Salaries and benefits	5,354,307,536	—	5,354,307,536
Supplies and services	2,279,176,354	(217,665)	2,278,958,689
Scholarships and fellowships	603,079,333	531,650	603,610,983
Utilities	192,188,907	—	192,188,907
Depreciation/ amortization	490,077,484	—	490,077,484
<i>Total Operating Expenses</i>	<u>8,918,829,614</u>	<u>313,985</u>	<u>8,919,143,599</u>
Operating Loss	<u>(3,834,221,435)</u>	<u>(6,949,991)</u>	<u>(3,841,171,426)</u>
Nonoperating Revenues/ (Expenses)			
State appropriations	3,050,008,763	—	3,050,008,763
State aid - coronavirus relief fund	250,878,591	(55,573,855)	195,304,736
Student financial aid	528,681,996	(1,472,842)	527,209,154
Federal aid - COVID-19	374,078,133	(590,377)	373,487,756
Noncapital contributions, net	855,540,851	(70,242,467)	785,298,384
Interest and fees on debt	(162,767,350)	—	(162,767,350)
Investment income (loss)	1,683,541,129	—	1,683,541,129
Grants, aid and subsidies	(469,492,538)	145,734,749	(323,757,789)
Federal interest subsidy on debt	2,717,149	—	2,717,149
Loss on disposal of capital assets	(718,598)	—	(718,598)
Hurricane Florence disaster costs	(3,384,095)	—	(3,384,095)
Other nonoperating revenues	4,048,885	(3,365,923)	682,962
Other nonoperating expenses	(33,646,686)	158,257	(33,488,429)
<i>Total Nonoperating Revenues/ (Expenses)</i>	<u>6,079,486,230</u>	<u>14,647,542</u>	<u>6,094,133,772</u>
Income Before Transfers and Other Items	<u>2,245,264,795</u>	<u>7,697,551</u>	<u>2,252,962,346</u>
Capital appropriations	127,037,116	—	127,037,116
Capital contributions	438,053,706	—	438,053,706
Additions to endowments	80,096,911	(7,842,000)	72,254,911
Change in Net Position	<u>2,890,452,528</u>	<u>(144,449)</u>	<u>2,890,308,079</u>
Net position - July 1, as restated	6,143,489,123	—	6,143,489,123
Net Position - June 30	<u>\$ 9,033,941,651</u>	<u>\$ (144,449)</u>	<u>\$ 9,033,797,202</u>

The University of North Carolina System

Reconciliation of the Statement of Cash Flows for Individual UNC System Institutions and UNC System Office to the Consolidated Statement

For the fiscal year ended June 30, 2021

	Total of UNC System Institutions and UNC System Office	Eliminations	Consolidated UNC System Institutions and UNC System Office
Cash Flows From Operating Activities			
Received from customers	\$ 4,950,717,760	\$ —	\$ 4,950,717,760
Payments to employees and fringe benefits	(5,625,531,073)	—	(5,625,531,073)
Payments to vendors and suppliers	(2,458,914,404)	—	(2,458,914,404)
Payments for scholarships and fellowships	(603,142,250)	—	(603,142,250)
Loans issued	(912,192)	—	(912,192)
Collection of loans	13,323,466	—	13,323,466
Interest earned on loans	2,171,897	—	2,171,897
Student deposits received	9,253,489	—	9,253,489
Student deposits returned	(9,122,290)	—	(9,122,290)
William D. Ford Direct Lending receipts	1,107,396,202	—	1,107,396,202
William D. Ford Direct Lending disbursements	(1,106,810,552)	—	(1,106,810,552)
Related activity agency receipts	135,595,229	—	135,595,229
Related activity agency disbursements	(131,364,757)	—	(131,364,757)
Other receipts	52,020,880	—	52,020,880
Other payments	(8,150,800)	—	(8,150,800)
Net Cash Used by Operating Activities	(3,673,469,395)	—	(3,673,469,395)
Cash Flows From Noncapital Financing Activities			
State appropriations	3,060,008,763	—	3,060,008,763
State aid - coronavirus relief fund	213,011,309	—	213,011,309
Student financial aid	521,117,692	—	521,117,692
Federal aid - COVID-19	373,494,871	—	373,494,871
Noncapital contributions, net	681,922,952	—	681,922,952
Payments for annuities and life income payable under split-interest agreements	(4,583,910)	—	(4,583,910)
Additions to endowments	80,068,556	—	80,068,556
Proceeds from all-risk insurance	7,956,433	—	7,956,433
Hurricane recovery payments to vendors and suppliers	(3,790,522)	—	(3,790,522)
Grants, aid, and subsidies	(469,492,538)	—	(469,492,538)
Refunds to grantor	(390,461)	—	(390,461)
Advances to fiduciary activity	(1,008,939)	—	(1,008,939)
Net Cash Provided by Noncapital Financing Activities	4,458,314,206	—	4,458,314,206
Cash Flows from Capital Financing and Related Financing Activities			
Proceeds from capital debt	714,106,683	—	714,106,683
Capital appropriations	127,037,116	—	127,037,116
Capital contributions	389,226,472	—	389,226,472
Proceeds from sale of capital assets	1,458,749	—	1,458,749
Proceeds from insurance on capital assets	815,746	—	815,746
Acquisition and construction of capital assets	(868,897,270)	—	(868,897,270)
Principal paid on capital debt and leases	(389,961,589)	—	(389,961,589)
Interest and fees paid on capital debt and leases	(171,376,412)	—	(171,376,412)
Federal interest subsidy on debt received	3,028,367	—	3,028,367
Payment to bond escrow agent	(201,392,644)	—	(201,392,644)
Net Cash Used by Capital Financing and Related Financing Activities	(395,954,782)	—	(395,954,782)

Reconciliation of the Statement of Cash Flows for

Individual UNC System Institutions and UNC System Office to the Consolidated Statement

For the fiscal year ended June 30, 2021

	Total of UNC System Institutions and UNC System Office	Eliminations	Consolidated UNC System Institutions and UNC System Office
Cash Flows From Investing Activities			
Proceeds from sales and maturities of investments	676,170,015	—	676,170,015
Investment income	25,445,974	—	25,445,974
Investment in joint ventures	175,555	—	175,555
Purchase of investments and related fees	(573,588,084)	—	(573,588,084)
Net Cash Provided by Investing Activities	128,203,460	—	128,203,460
Net Increase in Cash and Cash Equivalents	517,093,489	—	517,093,489
Cash and cash equivalents - July 1, as restated	3,370,770,708	—	3,370,770,708
Cash and Cash Equivalents - June 30	\$ 3,887,864,197	\$ —	\$ 3,887,864,197

The University of North Carolina System

Reconciliation of the Statement of Cash Flows for Individual UNC System Institutions and UNC System Office to the Consolidated Statement

For the fiscal year ended June 30, 2021

	Total of UNC System Institutions and UNC System Office	Eliminations	Consolidated UNC System Institutions and UNC System Office
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities			
Operating loss	\$ (3,834,221,435)	\$ —	\$ (3,834,221,435)
Adjustments to reconcile operating income (loss) to provided (used) by operating activities:			
Depreciation/ amortization expense	490,077,484	—	490,077,484
Allowance, write-offs, and amortizations	19,838,440	—	19,838,440
Nonoperating other income	9,980,889	—	9,980,889
Nonoperating other expenses	(15,023,126)	—	(15,023,126)
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Receivables, net	(110,627,739)	—	(110,627,739)
Due from primary government	(5,811,050)	—	(5,811,050)
Due from University component units	(37,398)	—	(37,398)
Due from State of NC component units	(8,135,326)	—	(8,135,326)
Inventories	1,279,781	—	1,279,781
Notes receivable, net	13,367,923	—	13,367,923
Prepaid items	1,500,464	—	1,500,464
Beneficial interest in assets held by others	(31,624)	—	(31,624)
Net other postemployment benefits asset	(1,404,857)	—	(1,404,857)
Other assets	(266,791)	—	(266,791)
Deferred outflows related to asset retirement obligations	(173,078)	—	(173,078)
Deferred outflows related to pensions	(48,185,182)	—	(48,185,182)
Deferred outflows related to other postemployment benefits	133,427,771	—	133,427,771
Accounts payable and accrued liabilities	47,752,479	—	47,752,479
Due to primary government	465,748	—	465,748
Due to State of NC component units	(464,380)	—	(464,380)
Funds held for others	3,911,993	—	3,911,993
Unearned revenue	17,552,806	—	17,552,806
US government grants refundable	(37,703)	—	(37,703)
Pollution remediation	(108,571)	—	(108,571)
Compensated absences	8,111,867	—	8,111,867
Workers' compensation	(3,158,538)	—	(3,158,538)
Net pension liability	188,470,141	—	188,470,141
Net other postemployment benefits liability	(701,391,316)	—	(701,391,316)
Deposits payable	5,551,778	—	5,551,778
Asset retirement obligation	492,275	—	492,275
Deferred inflows for irrevocable split-interest agreements	33,095	—	33,095
Deferred inflows for pensions	6,208,033	—	6,208,033
Deferred inflows related to other postemployment benefits	108,034,985	—	108,034,985
Deferred inflows under service concession arrangements	(449,233)	—	(449,233)
Net Cash Used by Operating Activities	\$ (3,673,469,395)	\$ —	\$ (3,673,469,395)

The University of North Carolina System

Reconciliation of the Statement of Cash Flows for Individual UNC System Institutions and UNC System Office to the Consolidated Statement

For the fiscal year ended June 30, 2021

	Total of UNC System Institutions and UNC System Office	Eliminations	Consolidated UNC System Institutions and UNC System Office
Reconciliation of Cash and Cash Equivalents			
Current Assets:			
Cash and cash equivalents	\$ 2,205,851,786	\$ —	\$ 2,205,851,786
Restricted cash and cash equivalents	983,561,080	—	983,561,080
Noncurrent Assets:			
Restricted cash and cash equivalents	698,451,331	—	698,451,331
Total Cash and Cash Equivalents – June 30	\$ 3,887,864,197	\$ —	\$ 3,887,864,197
Noncash Investing, Capital, and Financing Activities			
Assets acquired through the assumption of a liability	\$ 127,822,740	\$ —	\$ 127,822,740
Assets acquired through a gift	51,789,705	—	51,789,705
Assets acquired through a service concession arrangement	180,631,192	—	180,631,192
Change in fair value of investments	1,643,871,883	—	1,643,871,883
Reinvested distributions	663,367	—	663,367
Gain on investment in joint ventures	176,826	—	176,826
Loss on disposal of capital assets	(24,128,936)	—	(24,128,936)
Bond issuance cost withheld	485,415	—	485,415
Funds escrowed to defease debt	196,511,436	—	196,511,436
Amortization of bond premiums/ discounts and deferred loss on refunding	(32,047,535)	—	(32,047,535)
Change in receivables related to nonoperating income	15,586,469	—	15,586,469
Change in payables related to nonoperating income	101,964	—	101,964
Change in receivables related to noncapital contributions	(1,277,166)	—	(1,277,166)
Payments made on behalf of the University	(234,591)	—	(234,591)
UNC Management Company investment management fees	(624,348)	—	(624,348)
Decrease in net other postemployment benefits liability related to noncapital contributions	(83,960,458)	—	(83,960,458)

Caption Variances

Certain captions vary from institution to institution. Certain common captions have been combined for presentation in the consolidated financial statements. All receivable captions have been combined and are presented as Receivables, net. Also, several universities use various captions for prepaid items. All references to prepaid assets, prepaid expense, prepaid insurance, and prepaid bond insurance are shown under the caption prepaid items. The following is a list of other captions that are presented with a different title in the consolidated University statements.

UNC Hospitals at Chapel Hill

Net patient service revenue

Contracted services

UNC System Consolidation

Patent services, net

Services

Glossary¹

Instruction - A functional expense category that includes expenses of the colleges, schools, departments, and other instructional divisions of the institution and expenses for departmental research and public service that are not separately budgeted. Includes general academic instruction, occupational and vocational instruction, community education, preparatory and adult basic education, and regular, special, and extension sessions. Also includes expenses for both credit and non-credit activities. Excludes expenses for academic administration where the primary function is administration (e.g., academic deans).

Research - A functional expense category that includes expenses for activities specifically organized to produce research outcomes and commissioned by an agency either external to the institution or separately budgeted by an organizational unit within the institution. The category includes institutes and research centers, and individual and project research. This function does not include nonresearch sponsored programs (e.g., training programs).

Public service - A functional expense category that includes expenses for activities established primarily to provide noninstructional services beneficial to individuals and groups external to the institution. Examples are conferences, institutes, general advisory service, reference bureaus, and similar services provided to particular sectors of the community. This function includes expenses for community services, cooperative extension services, and public broadcasting services.

Academic support - A functional expense category that includes expenses of activities and services that support the institution's primary missions of instruction, research, and public service. It includes the retention, preservation, and display of educational materials (for example, libraries, museums, and galleries); organized activities that provide support services to the academic functions of the institution (such as a demonstration school associated with a college of education or veterinary and dental clinics if their primary purpose is to support the instructional program); media such as audiovisual services; academic administration (including academic deans but not department chairpersons); and formally organized and separately budgeted academic personnel development and course and curriculum development expenses.

Student services - A functional expense category that includes expenses for admissions, registrar activities, and activities whose primary purpose is to contribute to students' emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instructional program. Examples include student activities, cultural events, student newspapers, intramural athletics, student organizations, supplemental instruction outside the normal administration, and student records. Intercollegiate athletics and student health services may also be included except when operated as self-supporting auxiliary enterprises.

¹ These definitions are based on those used by the Integrated Postsecondary Education Data System (IPEDS).

Glossary (cont.)

Institutional support - A functional expense category that includes expenses for the day-to-day operational support of the institution. Includes expenses for general administrative services, central executive-level activities concerned with management and long-range planning, legal and fiscal operations, space management, employee personnel and records, logistical services such as purchasing and printing, and public relations and development.

Operation and maintenance of plant - A functional expense category that includes expenses for operations established to provide service and maintenance related to campus grounds and facilities used for educational and general purposes. Specific expenses include utilities, fire protection, property insurance, and similar items. This function does include amounts charged to auxiliary enterprises, hospitals, and independent operations.

Student financial aid - Outright grants-in-aid, trainee stipends, tuition and fee waivers, and prizes awarded to students by the institution, including Pell grants. Awards to undergraduate students are most commonly referred to as "scholarships" and those to graduate students as "fellowships." These awards do not require the performance of services while a student (such as teaching) or subsequently as a result of the scholarship or fellowship. The term does not include loans to students (subject to repayment), College Work-Study Program (CWS), or awards granted to a parent of a student because of the parent's faculty or staff status. Also not included are awards to students where the selection of the student recipient is not made by the institution.

Auxiliary enterprises - Expenses for essentially self-supporting operations of the institution that exist to furnish a service to students, faculty, or staff, and that charge a fee that is directly related to, although not necessarily equal to, the cost of the service. Examples are residence halls, food services, student health services, intercollegiate athletics (only if essentially self-supporting), college unions, college stores, faculty and staff parking, and faculty housing.

Depreciation - The allocation or distribution of the cost of capital assets, less any salvage value, to expenses over the estimated useful life of the asset in a systematic and rational manner. Depreciation for the year is the amount of the allocation or distribution for the year involved.

Independent operations - Expenses associated with operations that are independent of or unrelated to the primary missions of the institution (i.e., instruction, research, public service), although they may contribute indirectly to the enhancement of these programs. This category is generally limited to expenses of a major federally funded research and development center. Expenses of operations owned and managed as investments of the institution's endowment funds are excluded.

Hospital services - Expenses associated with a hospital operated by the postsecondary institution (but not as a component unit) and reported as a part of the institution. This classification includes nursing expenses, other professional services, general services, administrative services, and fiscal services.

AGENDA ITEM

A-4. 2022-23 Non-Appropriated Capital Improvement Projects.....Katherine Lynn

Situation: Non-appropriated capital projects are financed by the institution and require legislative approval for the issuance of debt. For 2022-23, three institutions are requesting approval for three capital improvement projects, requiring total debt authority of \$105 million.

With Board approval, these projects will be forwarded to the General Assembly for authorization during the 2022-23 legislative session.

Background: On an annual basis, the Board considers institution proposals for projects funded from non-appropriated sources requiring the issuance of long-term debt and associated changes to student debt service fees.

If approved, a detailed financial plan will be reviewed in consultation with financial advisors and bond counsel before bonds are issued and construction contracts are awarded. The Board will receive a subsequent request for approval of the issuance of bonds for these projects.

Assessment: The projects comply with G.S. 143C (State Budget Act).

Action: This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

2022-23 Non-Appropriated Capital Improvement Projects

ISSUE OVERVIEW

Non-appropriated capital projects are financed by the university and include the construction, repair, or renovation of facilities such as residence halls, dining facilities, research buildings, athletic facilities, and student health buildings. Legislative approval is required for the issuance of debt; these “self-liquidating” capital projects are approved by the legislature after the passage of the Appropriations Act. These projects, if approved by the Board, are submitted for legislative action. Legislative approval is not required for non-appropriated capital projects that do not require debt issuance.

Project	Total	Cash/GO Bond/Other	Debt	Source of Funds
Appalachian State University				
Holmes Convocation Center Parking Deck	\$20,000,000	-	\$20,000,000	Parking receipts
<i>ASU Subtotal</i>	<i>\$20,000,000</i>	<i>-</i>	<i>\$20,000,000</i>	
Elizabeth City State University				
New Residence Hall	\$40,000,000	\$35,000,000	\$5,000,000	Housing receipts
<i>ECSU Subtotal</i>	<i>\$40,000,000</i>	<i>\$35,000,000</i>	<i>\$5,000,000</i>	
North Carolina State University				
Integrated Science (S.T.E.M.) Building	\$160,000,000	\$80,000,000	\$80,000,000	F&A/Donations and gifts
<i>NCSU Subtotal</i>	<i>\$160,000,000</i>	<i>\$80,000,000</i>	<i>\$80,000,000</i>	
Grand Total	\$220,000,000	\$115,000,000	\$105,000,000	

ADDITIONAL DETAIL

Appalachian State University

Project: Holmes Convocation Center Parking Deck

Total Cost: \$20,000,000

Debt Issuance: \$20,000,000

Description: This project includes the construction of a new 600-space parking deck to support the Holmes Convocation Center. The scope includes the demolition of 110 existing surface parking spaces; relocation of the main underground electrical feeds to the campus; improvements to the intersections at Rivers Street, Hill Street, Faculty Street, and Blowing Rock Road for both vehicular and pedestrian traffic; construction of a 600-space multi-level parking deck; and the potential construction of a new pedestrian bridge or plaza from the parking deck to the Holmes Convocation Center.

Funding: The funding source for this project is parking receipts, including an eight percent projected increase in fees for FY23 and a 40 percent projected increase in fees for FY24.

Elizabeth City State University

Project: New Residence Hall

Total Cost: \$40,000,000

Debt Issuance: \$5,000,000

Description: This project includes the construction of a new 400-bed residence hall, replacing 200 existing beds in University Towers residence hall and adding 200 new beds.

Funding: The funding source for this project is housing receipts.

North Carolina State University

Project: Integrated Sciences (S.T.E.M.) Building

Total Cost: \$160,000,000

Debt issuance: \$80,000,000

Description: The 2021 Appropriations Act (S.L. 2021-180) requires North Carolina State University to commit to providing funding of at least \$80,000,000 from non-State sources by June 30, 2022 for the new Integrated Sciences (S.T.E.M.) Building. The Integrative Sciences Building will further the mission of NC State University by providing much-needed science, technology, engineering, and mathematics (S.T.E.M) teaching and research space. The building will provide hands-on, interdisciplinary, and interactive teaching and research experiences to improve understanding of S.T.E.M. sciences (including chemistry, biochemistry, biological sciences, biotechnology, and physics) and will include critical core S.T.E.M. research facilities. The building will be located in the heart of North Campus and will be approximately 145,000 gross square feet (GSF) comprised of classrooms, teaching labs, research labs, research core facilities, collaboration/study space, and office space.

Funding: The funding source for this project is facilities and administrative (F&A) receipts and donations and gifts.

RECOMMENDATION

It is recommended that the Board of Governors approve the submittal of the non-appropriated capital projects for legislative approval of debt issuance.

AGENDA ITEM

A-5. Additional 2021-22 State Capital and Infrastructure Fund (SCIF) R&R Allocations Katherine Lynn

Situation:	The 2021 Appropriations Act (S.L. 2021-180) authorized repairs and renovations (R&R) projects totaling \$978,877,433 and appropriated \$250 million for each fiscal year of the biennium. While the Act includes the specific projects to be funded from the R&R funding, the Board of Governors determines the allocation of the R&R funds to the institutions.
Background:	The Board of Governors approved the allocation of \$174,467,000 of 2021-22 R&R funds at the December 15, 2021 meeting, leaving an unallocated balance of \$75,533,000. It is recommended that the remaining balance be allocated to the specific projects for the constituent institutions and affiliated entities indicated on Attachment A.
Assessment:	It is recommended that Board approve the allocation of the remaining 2021-22 R&R funds in the amount of \$75,533,000.
Action:	This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Additional 2021-22 State Capital and Infrastructure Fund (SCIF) Repairs and Renovations Allocations

ISSUE OVERVIEW

The 2021 Appropriations Act (S.L. 2021-180) authorized \$250M for each fiscal year of the biennium specifically for the capital repairs and renovations (R&R) projects approved by the Board of Governors on February 18, 2021. On December 15, 2021, the Board approved the initial allocation of \$174,476,000 of 2021-22 SCIF Repairs and Renovations funds for the following:

Design Authorization (10 percent) for repair, renovation, and rehabilitation projects and comprehensive renovation and modernization projects	\$ 72,967,000
Repairs and renovations for Dabney Hall and Polk Hall (NCSU) as required by Section 40.1.(c2)	\$ 40,000,000
Completion of Lyons Science Building (FSU)	\$ 1,500,000
Maintenance repairs and renovation projects	<u>\$ 60,000,000</u>
TOTAL	\$174,467,000

It is recommended that the remaining balance of \$75,533,000 be allocated to the constituent institutions and affiliated entities as indicated on Attachment A.

RECOMMENDATION

It is recommended that the Board of Governors approve the allocation of the remaining 2021-22 R&R funds in the amount of \$75,533,000.

Attachment A

2021-2022 CAPITAL BUDGET R&R ALLOCATION (Updated Apr 6, 2022)

IMMEDIATE REPAIR, RENOVATION & REHABILITATION/COMPREHENSIVE RENOVATION & MODERNIZATION PROJECTS

	<u>Proposed Project Cost</u>	<u>FY2021-2022 Allocation</u>	<u>Additional FY2021-2022 Allocation</u>
<u>Appalachian State University</u>			
Wey Hall Envelope & Roof Repair	\$5,000,000	\$500,000	
Wey Hall Partial Renovation—Building Systems	\$10,000,000	\$1,000,000	
Duncan Hall Renovation	\$20,000,000	\$2,000,000	
Total	\$35,000,000	\$3,500,000	\$0
<u>East Carolina University</u>			
Brody High-Rise Code Compliance, Phase 2	\$6,000,000	\$600,000	\$5,400,000
Main Campus-College Hill Drive Steam, Phase 3	\$2,500,000	\$250,000	\$2,250,000
Whichard Building Comprehensive Renovation	\$10,000,000	\$1,000,000	
Speight Building Roof, Window, & Envelope Replacement	\$4,000,000	\$400,000	
Chilled Water Extension to Whichard & Graham	\$6,475,000	\$647,500	\$5,827,500
Main Campus-Relocate Steam & Condensate, Phase 1	\$5,000,000	\$500,000	\$4,500,000
Health Science Building Envelope Infiltration Repairs	\$5,000,000	\$500,000	\$4,500,000
Howell Science Building South	\$30,000,000	\$3,000,000	
Total	\$68,975,000	\$6,897,500	\$22,477,500
<u>Elizabeth City State University</u>			
Repair Campus Main Switch	\$700,000	\$70,000	\$630,000
Repair Campus Pump Station	\$650,000	\$65,000	\$585,000
Infrastructure Upgrades—Water & Electrical, Phase 1	\$12,000,000	\$1,200,000	
Emergency Generator Power—Operations	\$4,900,000	\$490,000	\$4,410,000
Emergency Generator Power—Residence Halls	\$2,100,000	\$210,000	\$1,890,000
Campus-Wide Lockdown System	\$2,000,000	\$200,000	
Building Demolition (4 Buildings)	\$1,500,000	\$150,000	
Butler Residence Hall Renovations	\$2,500,000	\$250,000	
Infrastructure Upgrades—Water & Electrical, Phase 2	\$27,000,000	\$2,700,000	
Total	\$53,350,000	\$5,335,000	\$7,515,000
<u>Fayetteville State University</u>			
Lyons Science Renovation	\$1,500,000	\$1,500,000	
Butler Renovation—(HVAC, Bldg. Envelope, Fire Alarm)	\$3,450,000	\$345,000	\$3,105,000
A.B. Rosenthal Building—Targeted Renovation	\$10,000,000	\$1,000,000	
Campus-Wide Utility Infrastructure	\$9,950,000	\$995,000	
H.T. Chick—Targeted Renovation	\$9,500,000	\$950,000	
Total	\$34,400,000	\$4,790,000	\$3,105,000
<u>North Carolina Agricultural & Technical State University</u>			
Carver Hall—Comprehensive Modernization, Phase 1	\$9,700,000	\$970,000	
Price Hall—Renovation, Phase 1	\$8,000,000	\$800,000	
Marteena Hall Renovation	\$9,100,000	\$910,000	
Carver Hall—Comprehensive Modernization, Phase 2	\$10,400,000	\$1,040,000	
Price Hall Renovation, Phase 2	\$8,500,000	\$850,000	
Total	\$45,700,000	\$4,570,000	\$0
<u>North Carolina Central University</u>			
Lee Biology Renovation	\$8,100,000	\$810,000	
Taylor Education Building Renovation	\$13,750,000	\$1,375,000	
Total	\$21,850,000	\$2,185,000	\$0
<u>North Carolina School of Science and Mathematics</u>			
Campus-Wide HVAC Renovations	\$2,000,000	\$200,000	
Chiller Replacement	\$3,000,000	\$300,000	
Building Envelope Repairs	\$5,850,000	\$585,000	
Academic Commons & Dining Hall Renovation	\$12,400,000	\$1,240,000	
Total	\$23,250,000	\$2,325,000	\$0
<u>North Carolina State University</u>			
Page Hall—Building Envelope Repairs & Plumbing Upgrades	\$4,000,000	\$400,000	
Scott Hall—HVAC Renovation	\$5,000,000	\$500,000	
Mann Hall—HVAC & Plumbing Renovation	\$10,000,000	\$1,000,000	
Kilgore Hall—HVAC Renovation	\$10,000,000	\$1,000,000	
North & Central Campus—Domestic Water Line Replacement	\$4,303,000	\$430,300	\$3,872,700
Poe Hall—Fire Protection Systems	\$3,500,000	\$350,000	
Thomas Hall—HVAC Renovation	\$4,000,000	\$400,000	
111 Lampe Drive Renovation*	\$42,000,000	-	\$4,200,000
NCSU Dabney Hall*	\$60,000,000	\$30,000,000	
NCSU Polk Hall*	\$10,000,000	\$10,000,000	
Total	\$152,803,000	\$44,080,300	\$8,072,700
<u>University of North Carolina at Asheville</u>			
Campus Safety Improvements, Access Control, Cameras	\$2,300,000	\$230,000	\$2,070,000
Campus Roadway Repairs	\$4,400,000	\$440,000	\$3,960,000
Lipinsky Renovation	\$10,000,000	\$1,000,000	
Total	\$16,700,000	\$1,670,000	\$6,030,000

	<u>Proposed</u> <u>Project Cost</u>	<u>FY2021-2022 Allocation</u>	<u>Additional FY2021-2022</u> <u>Allocation</u>
<u>University of North Carolina at Chapel Hill</u>			
Wilson Library—Means of Egress	\$9,300,000	\$930,000	
Swain Hall—Targeted Renovation	\$5,800,000	\$580,000	
Phillips Hall—1958 Central HVAC System	\$6,000,000	\$600,000	
Hamilton Hall—Central HVAC System	\$8,800,000	\$880,000	
Wilson Library—1953 Central HVAC System AHU 1 & 2	\$7,000,000	\$700,000	
Wilson Library—1953 Central HVAC System AHU 3	\$4,000,000	\$400,000	
Total	\$40,900,000	\$4,090,000	\$0
<u>University of North Carolina at Charlotte</u>			
Atkins Library Tower—ADA & Elev.	\$10,000,000	\$1,000,000	
Smith—Replace HVAC & Controls, Envelope, Replace Roof	\$5,950,000	\$595,000	
Atkins Library Tower—Fire & Smoke Systems	\$3,840,000	\$384,000	
Woodward—Controls & Lab HVAC Modernization	\$2,700,000	\$270,000	\$2,430,000
Friday—HVAC, Controls & Electrical Upgrade	\$9,700,000	\$970,000	
Cameron—Second Floor Renovation	\$19,100,000	\$1,910,000	
Burson—Renovation	\$25,900,000	\$2,590,000	
Total	\$77,190,000	\$7,719,000	\$2,430,000
<u>The University of North Carolina at Greensboro</u>			
Coleman—Fire Alarm Replacement	\$2,440,000	\$244,000	\$2,196,000
Steam Distribution Replacement, Phase IV-B	\$1,550,000	\$155,000	\$1,395,000
Campus Chiller Water Infrastructure & Equip. Improvements	\$10,400,000	\$1,040,000	
Jackson Library—Renovation/Addition	\$81,000,000	\$8,100,000	
Total	\$95,390,000	\$9,539,000	\$3,591,000
<u>The University of North Carolina at Pembroke</u>			
Jacobs Hall—Demolition/Site Restoration	\$1,250,000	\$125,000	\$1,125,000
Campus Roof Replacements	\$1,500,000	\$150,000	\$1,350,000
Campus Safety & Regional Emergency Response Center	\$4,480,000	\$448,000	
Business Administration Renovation	\$12,500,000	\$1,250,000	
Total	\$19,730,000	\$1,973,000	\$2,475,000
<u>UNC School of the Arts</u>			
Stevens Center—Roof, Water Intrusion, Bldg. Envelope	\$4,800,000	\$480,000	
Gray Building—Roof, Bldg. Envelope, HVAC, Fire Suppression	\$3,350,000	\$335,000	\$3,015,000
Performance Place/Workplace/WPV—Roof Replacements	\$2,435,000	\$243,500	\$2,191,500
Stevens Center Renovation, Phase 1	\$25,000,000	\$2,500,000	
Total	\$35,585,000	\$3,558,500	\$5,206,500
<u>University of North Carolina Wilmington</u>			
Coastal Marine Studies—Plumbing, Mech., Elec. Renovation	\$9,930,000	\$993,000	
Randall Library Renovation & Expansion	\$56,000,000	\$5,600,000	\$2,825,000
Total	\$65,930,000	\$6,593,000	\$2,825,000
<u>Western Carolina University</u>			
Killian Building—HVAC Upgrades/Window Replacement	\$3,570,000	\$357,000	\$3,213,000
Reid Building—Roof Replacement	\$2,520,000	\$252,000	\$2,268,000
Moore Building—Abatement, Demo. & Struct. Improvements	\$7,100,000	\$710,000	
Moore Building—Infrastructure & Accessibility	\$4,200,000	\$420,000	
Moore Building Renovation	\$15,000,000	\$1,500,000	
Total	\$32,390,000	\$3,239,000	\$5,481,000
<u>Winston-Salem State University</u>			
Hauser Hall Renovations—Restore the Core	\$9,500,000	\$950,000	
Hauser Hall—Renovation, Phase 2	\$7,500,000	\$750,000	
Total	\$17,000,000	\$1,700,000	\$0
<u>PBS North Carolina</u>			
Tower Lighting/FAA Markers/Tower Elev. Repair	\$2,200,000	\$220,000	\$1,980,000
Bryan Center—Replace HVAC Air Handler & Controls	\$2,707,000	\$270,700	\$2,436,300
Bryan Center—Chiller & Cooling Tower Replacement	\$1,120,000	\$112,000	\$1,008,000
Total	\$6,027,000	\$602,700	\$5,424,300
<u>North Carolina Arboretum</u>			
Infrastructure Restoration & Road Projects	\$1,000,000	\$100,000	\$900,000
Total	\$1,000,000	\$100,000	\$900,000
GRAND TOTAL	\$843,170,000	\$114,467,000	\$75,533,000

* Funds are allocated for the repairs and renovations at Dabney Hall and Polk Hall in accordance with Section 40.1.(c2).



AGENDA ITEM

- A-6. Capital Improvement Projects – East Carolina University, North Carolina A&T State University, North Carolina State University, UNC Greensboro, Western Carolina University, and Winston-Salem State University..... Katherine Lynn

Situation:	North Carolina State University and The University of North Carolina at Greensboro have requested new authorizations for six capital improvement projects, and East Carolina University, North Carolina A&T State University, North Carolina State University, Western Carolina University, and Winston-Salem State University have requested increased authorization for six capital improvement projects.
Background:	The Board of Governors may authorize capital construction projects at UNC System institutions using available funds.
Assessment:	East Carolina University, North Carolina A&T State University, North Carolina State University, The University of North Carolina at Greensboro, Western Carolina University, and Winston-Salem State University are requesting projects that meet the statutory requirements, and it is recommended that the Board of Governors approve the projects and the method of funding. It is further recommended that these projects be reported to the North Carolina Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.
Action:	This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Capital Improvement Projects – East Carolina University, N.C. A&T State University, NC State, UNC Greensboro, Western Carolina University, and Winston-Salem State University

ISSUE OVERVIEW

UNC System institutions are required to request authority from the Board of Governors to proceed with non-appropriated projects using available funds (non-general funds). Non-appropriated capital projects are funded by the institution and include the construction, repair, or renovation of facilities such as residence halls, dining facilities, research buildings, athletic facilities, and student health buildings.

Six UNC System institutions have requested twelve capital improvement projects: six new projects and six projects for increased authorization.

I. NEW PROJECTS

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
North Carolina State University					
1.	Don Ellis Building Renovations	\$2,549,000	\$49,000	\$2,500,000	Carry-forward
2.	Energy Savings Improvements - Carter Finley Complex	\$1,800,000	\$0	\$1,800,000	Athletic Receipts
3.	Facilities Services Relocation - Centennial Campus	\$1,750,000	\$0	\$1,750,000	F&A (89%)/Centennial Campus Funds (11%)
4.	Tri-Towers Residential Fire Alarm System Replacement	\$800,000	\$0	\$800,000	Housing Receipts
5.	Utility Plant Capacity Expansion - Yarbrough Chiller Plant	\$1,470,939	\$0	\$1,470,939	F&A (61%)/Trust Funds (39%)
<i>NC State Subtotal</i>		<i>\$8,369,939</i>	<i>\$49,000</i>	<i>\$8,320,939</i>	
The University of North Carolina at Greensboro					
6.	Taylor Theatre Infrastructure Renovation	\$10,504,664	\$125,554	\$10,379,110	Carry-forward (78%)/Student Fees (22%)
<i>UNCG Subtotal</i>		<i>\$10,504,664</i>	<i>\$125,554</i>	<i>\$10,379,110</i>	
Grand Total		\$18,874,603	\$174,554	\$18,700,049	

II. INCREASED AUTHORIZATION

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
East Carolina University					
7.	Mendenhall Renovation Phase 2	\$17,653,624	\$17,653,624	\$0	Carry-forward (87%)/Trust Funds (13%) (Fund Source Change)
<i>ECU Subtotal</i>		<i>\$17,653,624</i>	<i>\$17,653,624</i>	<i>\$0</i>	

II. INCREASED AUTHORIZATION cont.

North Carolina A&T State University					
8.	New Community and Urban Food Complex	\$9,200,000	\$5,600,000	\$3,600,000	Grant
NC A&T Subtotal		\$9,200,000	\$5,600,000	\$3,600,000	
North Carolina State University					
9.	Lake Wheeler Main Distribution Frame	\$1,150,000	\$800,000	\$350,000	Trust Funds
10.	Structural Repairs - Mann Hall	\$7,000,000	\$5,000,000	\$2,000,000	Carry-forward
NC State Subtotal		\$8,150,000	\$5,800,000	\$2,350,000	
Western Carolina University					
11.	Ramsey Activities Center (RAC) - Basketball Locker Room Renovation	\$1,500,000	\$742,000	\$758,000	Athletic Receipts
WCU Subtotal		\$1,500,000	\$742,000	\$758,000	
Winston-Salem State University					
12.	Boiler #1 Patricia D. Norris Building	\$1,500,000	\$1,351,850	\$148,150	Carry-forward
WSSU Subtotal		\$1,500,000	\$1,351,850	\$148,150	
Grand Total		\$38,003,624	\$31,147,474	\$6,856,150	

RECOMMENDATION

All projects and associated funding sources are in compliance with G.S. 143C-8-12 (State Budget Act).

It is recommended that these projects be authorized and reported to the NC Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.

III. REPORTING

There are no Chancellor-authorized Repairs and Renovations projects less than \$600,000 to report.

AGENDA ITEM

A-7. Disposition of Property by Demolition – Fayetteville State University Katherine Lynn

Situation: Fayetteville State University Board of Trustees requests authorization for disposition of property by demolition of Bryant Hall and Vance Hall.

Background: Bryant Hall and Vance Hall are former residence halls constructed in 1966, and approximately 40,500 gross square footage (GSF) and 55,917 GSF respectively. Both buildings have been vacated and are unsafe to occupy. The demolition of Vance Hall is required for the construction of the new 400-bed residence hall. Bryant Hall is on the proposed site for the new student health and wellness center. Due to their condition, both buildings are currently insured at a reduced rate to cover debris removal only.

The FSU Board of Trustees approved the demolition of Bryant Hall and Vance Hall on February 17, 2022.

Assessment: The demolition of Bryant Hall and Vance Hall is required to support future development in accordance with the campus master plan.

Action: This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Disposition of Property by Demolition – Fayetteville State University

ISSUE OVERVIEW

UNC System institutions are required to request authority from the Board of Governors to proceed with certain acquisitions and dispositions of real property.

Fayetteville State University Board of Trustees request authorization to demolish two former residence hall buildings, Bryant and Vance Halls.

Bryant Hall is a three-story, 40,500 gross square foot (GSF) residence hall constructed in 1966. The building has been vacant since 2017 when the third level pedestrian bridge was condemned, essentially eliminating the only code compliant egress path between the two building wings. The current insurance value of the building is \$9,761,816. The site is the proposed location for the new student health and wellness center.

Vance Hall is a three-story, 55,917 gross square foot (GSF) residence hall constructed in 1966. The building has been vacant since 2012. The building envelope has been severely compromised and there are roof and structural issues on the egress stairwells. The building is currently insured only for debris removal but has an estimated replacement value of \$13,139,334. The demolition of Vance Hall is required to support construction of the new 400-bed residence hall.

The FSU Board of Trustees approved the demolition of both building on February 17, 2022. The cost of demolition will be paid from state appropriations.

RECOMMENDATION

It is recommended that the Board of Governors approve this request. This item requires approval by the Council of State.

**STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
DISPOSITION OF REAL PROPERTY**

Institution or Agency: **Fayetteville State University**

Date: **March 10, 2022**

The Department of Administration is requested, as provided by GS §146-28 et seq., to dispose of the real property herein described by *purchase, lease, rental, or other (specify)*. **Demolition**

This disposition is recommended for the following reasons:

Building is unsafe to occupy, and land needed for new construction

Description of Property: *(Attach additional pages if needed.)*

**Bryant Hall is a 40,500 SF residence hall on FSU campus that is no longer in use.
Complex/Asset Number 1-26-7-15**

Estimated value: **Insurance Replacement Value \$9,761,816**

Where deed is filed, if known: **Cumberland County**

If deed is in the name of agency other than applicant, state the name:

N/A

Rental income, if applicable, and suggested terms:

N/A

Funds from the disposal of this property are recommended for the following use:

N/A

(Complete if Agency has a Governing Board.)

Action recommending the above request was taken by the Governing Board of **Fayetteville State University** and is recorded in the minutes thereof on 2/17/22.

Signature:
Title:


Jon Parsons
AVC for Facilities Management

**STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
DISPOSITION OF REAL PROPERTY**

Institution or Agency: **Fayetteville State University**

Date: **March 10, 2022**

The Department of Administration is requested, as provided by GS §146-28 et seq., to dispose of the real property herein described by *purchase, lease, rental, or other (specify)*. **Demolition**

This disposition is recommended for the following reasons:

Building is unsafe to occupy, and land needed for new construction

Description of Property: *(Attach additional pages if needed.)*

**Vance Hall is a 55,917 SF residence hall on FSU campus that is no longer in use.
Complex/Asset Number 1-26-7-22**

Estimated value: **Insured for Debris Removal Only \$352,893**

Where deed is filed, if known: **Cumberland County**

If deed is in the name of agency other than applicant, state the name:

N/A

Rental income, if applicable, and suggested terms:

N/A

Funds from the disposal of this property are recommended for the following use:


N/A

(Complete if Agency has a Governing Board.)

Action recommending the above request was taken by the Governing Board of **Fayetteville State University** and is recorded in the minutes thereof on **2/17/22**.

Signature:

Title:


Jon Parsons
AVC for Facilities Management



Campus Map showing locations of Bryant Hall and Vance Hall

AGENDA ITEM

A-8. Disposition of Property by Lease – NC State University..... Katherine Lynn

Situation: The North Carolina State University Board of Trustees is requesting approval for disposition by lease of 14+/- acres for the purpose of expanding the Lonnie Poole Golf Course.

Background: The North Carolina State University Board of Trustees is requesting approval to lease approximately 14 acres to the NC State University Centennial Development, LLC for the purpose of expanding the existing golf course. The current lease includes 195 acres on Centennial Campus and the lease amendment will increase the total leased area to approximately 209 acres. The additional land will be used to accommodate a new short-game facility and club house for the NC State golf team. The exact acreage and location of the lease boundaries will be determined by final survey. The existing lease will be amended to include the additional property. The existing lease term, which ends April 30, 2106, and current lease rate of \$1 will not be affected by the amendment.

The NC State Board of Trustees approved the amendment on February 18, 2022.

Assessment: The disposition of property by lease is recommended to support the expansion of the Lonnie Poole Golf Course.

Action: This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Disposition of Property by Lease – North Carolina State University

ISSUE OVERVIEW

The North Carolina State University Board of Trustees is requesting approval for disposition by lease of approximately 14 acres to the NC State University Centennial Development, LLC for the purpose of expanding the existing golf course. In 2007, NC State University entered into a 99-year lease with the NC State University Centennial Development, LLC for the disposition of approximately 195 acres for the Lonnie Poole golf course. The proposed lease amendment will increase the total leased area to approximately 209 acres and will accommodate a new short-game facility and club house for the NC State golf team. The new facilities will require the redesign of a portion of the existing golf course. The exact metes and bounds of the additional leased acreage will be determined by final survey. The additional property will be added to the existing lease by amendment and the lease term will end April 30, 2106, coterminous with the existing lease. The additional acreage will not affect the current lease rate of \$1.

The NC State Board of Trustees approved the lease amendment on February 18, 2022.

RECOMMENDATION

It is recommended that the Board of Governors approve this request.

Form PO-2
Rev. 10/01
Original and one copy to State Property Office

**STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
DISPOSITION OF REAL PROPERTY**

Institution or Agency: North Carolina State University

Date: February 18, 2022

The Department of Administration is requested, as provided by GS 146-28 to dispose of the real property herein described by ~~(sale)~~, ~~(lease)~~, ~~(rental)~~, or ~~(land exchange)~~:

This disposition is recommended for the following reasons:

NC State University Centennial Development, LLC is requesting additional acreage be added to the current lease for Lonnie Poole Golf Course to allow for the addition of a short-game facility and club house for use by the NC State Golf Team. The new facilities will also require the redesign of the second hole of the existing golf course.

Description of Property: *(Attach additional pages if needed.)*

NC State University Centennial Development, LLC currently leases 195 acres on Centennial Campus for operation of the Lonnie Poole Golf Course. The proposal is for an amendment to the lease to add an additional +/- 14 acres, bringing the total leased area to approximately 209 acres, as generally depicted on the attached map. Exact acreage and location of lease boundaries to be determined by final survey following facility design.

Estimated value: \$3,200,000.00

Where deed is filed, if known: Wake County Register of Deeds

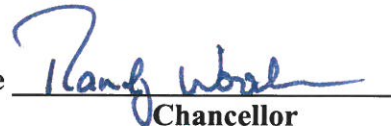
If deed is in the name of agency other than applicant, state the name: N/A

Rental income, if applicable, and suggested terms: N/A

Funds from the disposal of this property are recommended for the following use: N/A

Action recommending this transaction was taken by the Board of Trustees at its meeting held on February 18, 2022.

Signature


Chancellor

**DISPOSITION
OF REAL PROPERTY**

LEASE

GRANTOR State of North Carolina on behalf of North Carolina State University

GRANTEE NC State University Centennial Development, LLC

LOCATION Centennial Campus

SIZE +/- 14 acres

RATE \$1

TERM Cotermious with existing lease which will terminate April 30, 2106

USE The subject property will be added to the existing lease agreement for operation of the Lonnie Poole Golf Course. This addition will allow for the addition of a short-game facility and club house for use by the NC State Golf Team. The new facilities will also require the redesign of the second hole of the existing golf course.

TRANSMITTAL OF REQUEST FOR ACQUISITION/DISPOSITION OF REAL PROPERTY

Form

Number: PO-2

Preparation

Date: 2/18/2022

Request: Assent to addition of approximately 14 acres of property on Centennial Campus to the existing lease with NC State University Centennial Development, LLC for Lonnie Poole golf course to bring the total leased area to 209+/- acres.

Institution NORTH CAROLINA STATE UNIVERSITY

RECOMMENDED BY CHANCELLOR, NCSU


(Chancellor's Signature)

RECOMMENDED BY COMMITTEE ON
BUILDINGS AND PROPERTY

DocuSigned by:



(Chairman's Signature)

RECOMMENDED BY BOARD OF TRUSTEES
NCSU

DocuSigned by:

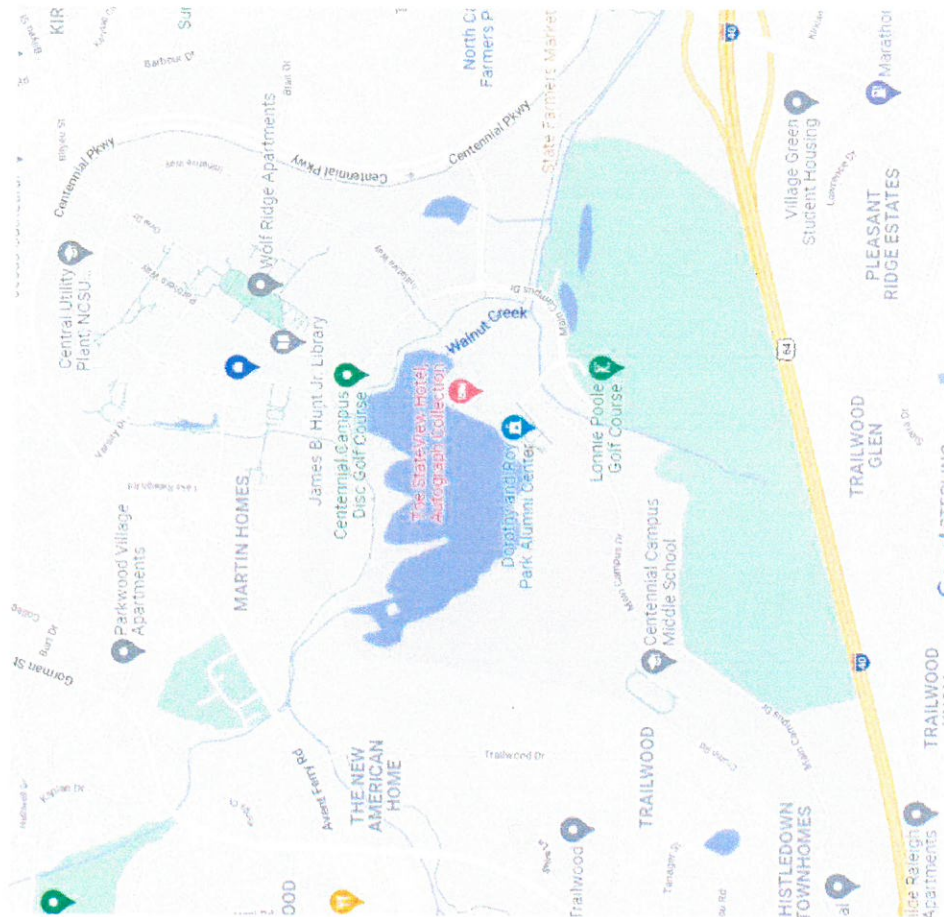
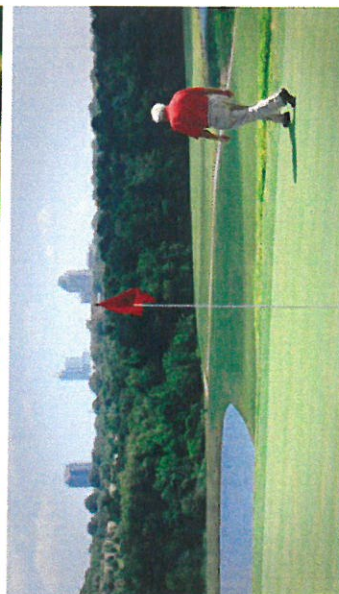


(Chairman's Signature)

RECOMMENDED BY BOARD OF GOVERNORS

(Secretary's Signature)

A red flag with the white letters 'ZD' is flying on a white pole. The background shows a lush green golf course with a white building and trees in the distance under a blue sky.



NC STATE UNIVERSITY

Amendment to Lonnie Poole Golf Course Lease Agreement Background Information

- The State of North Carolina leases land to NC State University Centennial Development, LLC (an affiliated entity of NCSU) for operation of Lonnie Poole Golf Course
 - 195 acres
 - Lease through April 30, 2106
- NC State University Centennial Development, LLC is working with NCSU Athletics on a project to develop enhanced practice facilities for the NCSU Golf Team, including a short game facility and a player clubhouse, which requires additional land
- NCSU golf practice facilities are currently split between Lonnie Poole Golf Course (driving range/simulation) and NCSU University Club (short-course facility and clubhouse)
 - Impacts from the I-440 widening project have significantly impacted the NCSU University Club land and resulted in negative impacts to the short-course and practice facilities located there
 - Complete loss of tree buffer between the clubhouse and the (planned, under construction) exit ramp from I-440 to Hillsborough Street
 - Significant increase in noise and impacts from adjacent traffic



Lonnie Poole Golf Course – View to Downtown Raleigh



Historic View of UClub Practice Facilities from I-440 (2019)

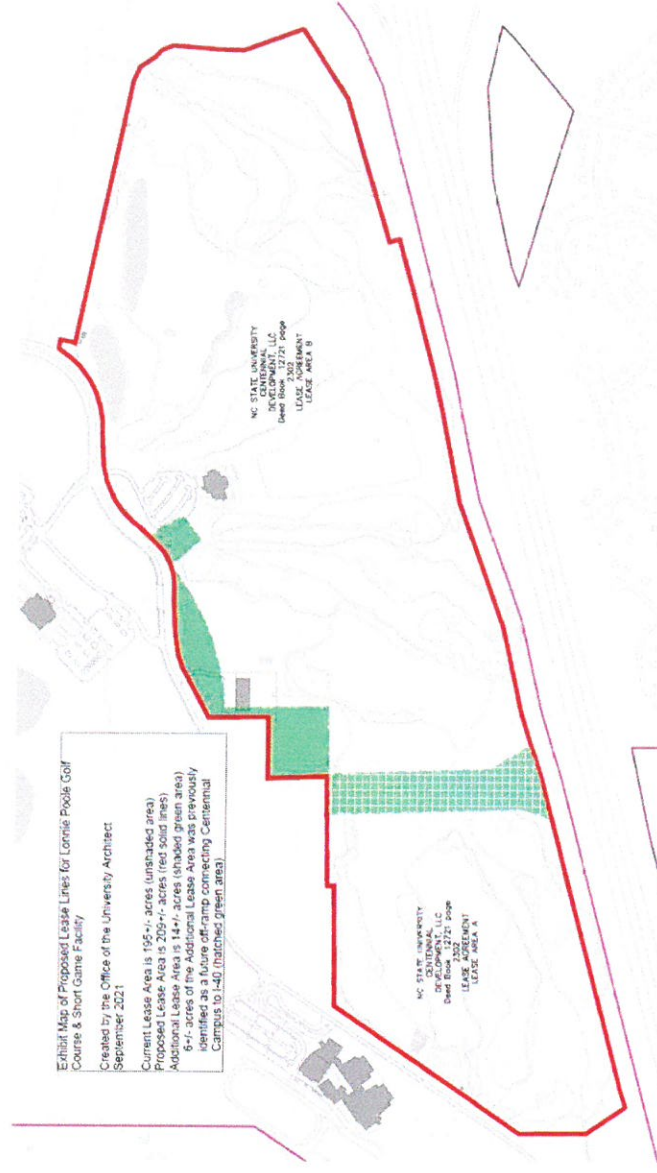


Present-Day View of UClub Practice Facilities from I-440; clearing has occurred and roadway off-ramp to widen toward facility, currently under construction (2021)

NC STATE UNIVERSITY

Amendment to Lonnie Poole Golf Course Lease Agreement Proposed Lease Amendment

- Proposed amendment adds approximately 14 acres to the existing lease, bringing the total to approximately 209 acres
 - ~6 acres previously earmarked for a contemplated new I-40 interchange (no longer planned)
 - ~8 acres of additional land on the northern boundaries of the course, adjacent to the existing operation, south of Main Campus Drive
- Additional land will accommodate a golf practice facility, a relocation/redesign of Hole 2 on the golf course and other minor modifications to reflect current conditions/operations
- No change to other terms of the existing Lease



AGENDA ITEM

A-9. Acquisition of Property by Lease – University of North Carolina at Chapel Hill Katherine Lynn

Situation: The Board of Trustees of the University of North Carolina at Chapel Hill requests approval to acquire by lease additional space at 136 East Rosemary Street, Chapel Hill, NC.

Background: The University of North Carolina at Chapel Hill is requesting approval for acquisition by lease of approximately 24,500 gross square feet (GSF) of office space. The office space will be used to support a new innovation hub to be operated by the University's Office of Innovate Carolina. The additional office space will provide an opportunity to co-locate the university's innovation and entrepreneurship programming and services with startups and established companies. The proposed lease is a 10-year term, beginning January 1, 2023, or upon completion of tenant improvements. The rent for year one includes an offset of five months' rent. The rent for year two is approximately \$1 million and the rent escalation for each additional year is 3 percent.

The University of North Carolina at Chapel Hill Board of Trustees approved the lease on March 25, 2022.

Assessment: The lease of new office space is required for the development of an innovation hub to support the University's Office of Innovate Carolina.

Action: This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Acquisition of Property by Lease – University of North Carolina at Chapel Hill

ISSUE OVERVIEW

The University of North Carolina at Chapel Hill Board of Trustees is requesting approval of a 10-year lease for approximately 24,500 square feet of office space to support development of a new innovation hub. The co-working space will be operated by the University's Office of Innovate Carolina and will support the university's innovation and entrepreneurship programs. Space will be available by sublease to private companies seeking to commercialize university intellectual property and to other early stage and small companies seeking to support and grow their businesses. The lease exceeds the university's delegated authority and requires approval from the Board of Governors.

In 2020, the UNC-Chapel Hill Board of Trustees adopted a strategic plan, Carolina Next, to support commercialization and entrepreneurship activity. The strategic plan's objectives included launching "place-based innovation hubs as a nexus between the university and communities for establishing new partnerships, developing next generation talent, and providing support for start-ups and growing enterprises." The proposed lease directly supports university's strategic objective.

UNC-Chapel Hill Property Acquisition – Lease

LESSOR: Grubb Properties d/b/a Franklin Office Chapel Hill, LLC
LESSEE: State of North Carolina, UNC-Chapel Hill
LOCATION: 136 E. Rosemary Street, Chapel Hill, NC
DESCRIPTION: 24,562 square feet on the ground and 1st floor
LEASE TERM: 10 years, estimated to begin January 1, 2023 or upon completion of tenant improvements
LEASE EXPIRATION: December 2032 or ten years from lease execution
LEASE AMOUNT: Approximately \$1 million annually beginning year two, including 3 percent escalation per year; year one includes five months of free rent

	<u>Annual</u>	<u>Monthly</u>	<u>Per SF</u>
Year 1	\$565,949.42	\$80,849.92	\$39.50
Year 2	\$999,304.97	\$83,275.41	\$40.69
Year 3	\$1,029,284.12	\$85,773.68	\$41.91
Year 4	\$1,060,162.64	\$88,346.89	\$43.17
Year 5	\$1,091,967.52	\$90,997.29	\$44.47
Year 6	\$1,124,726.55	\$93,727.21	\$45.80
Year 7	\$1,158,468.34	\$96,539.03	\$47.17
Year 8	\$1,193,222.39	\$99,435.20	\$48.59
Year 9	\$1,229,019.07	\$102,418.26	\$50.05
Year 10	\$1,265,889.64	\$105,490.80	\$51.55

The UNC-Chapel Hill Board of Trustees approved the lease at its meeting on March 25, 2022.

RECOMMENDATION

It is recommended that the Board of Governors approve this request.

STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION

***ACQUISITION OF REAL PROPERTY**

Institution or Agency: UNC-CH

Date: March 25, 2022

The Department of Administration is requested, as provided by GS §146-22 et seq., to acquire the real property herein described by *purchase, lease, rental, or other (specify)*. Lease

This Property is needed for the following reasons and purposes: *(Attach additional pages if needed)*

Acquire 24,562 square feet of rentable office space from Grubb Properties d/b/a Franklin Office Chapel Hill, LLC at 136 East Rosemary Street, Chapel Hill. This space will be occupied by the Innovation Hub to be operated by the University's Office of Innovate Carolina. This newly developed co-working space will co-locate the University's innovation and entrepreneurship programming and services with co-working space that startups and established companies can lease to work closely with Carolina's students, faculty and researchers and to provide opportunities for the commercialization of University intellectual property. The space is located within walking distance to campus and is ADA accessible.

Name and Address of Present Owner: Franklin Office Chapel Hill, LC
117 Edinburgh S Dr #110,
Cary, NC 27511

Description of Property: *(Attach additional pages if needed.)*

24,562 Square feet of fully upfitted co-working and office space on the ground and 1st floor of 136 E. Rosemary Street, Chapel Hill, NC 27514

Estimated value: _____ Rental price *(if applicable)*: see attached

Funds for the acquisition of this property are available in our budget under Code: _____, Item: _____,
Other: University Reserves

In the event the above described real property is not acquired, is there other real property available, owned by the State or otherwise, that you believe would, if acquired, fulfill the requirements of your agency? If so, give details.

NA

Action recommending the above request was taken by the Governing Board of The UNC-CH Board of Trustees and is recorded in the minutes thereof on March 24, 2022.

Signature: 
Title: Chancellor, UNC-CH

General Terms:

Term:	10 years
Free Rent:	5 months (\$404,249)
Options:	none
Tenant Improvement Allowance:	\$110 per rentable square feet (\$2,701,820)
SF:	24,562 rentable sf.
Rate:	\$970,199/annually or \$39.50 psf
Operating Expenses:	Included in the base year of the rent
Occupancy:	Approximately 9 months from signed lease

Rent Schedule:

<u>Period Begins</u>	<u>Period Ends</u>	<u>Period Amt</u>	<u>Per Month</u>	<u>PSF</u>
1/1/2023	12/31/2023	\$565,949.42	\$80,849.92	\$39.50
1/1/2024	12/31/2024	\$999,304.97	\$83,275.41	\$40.69
1/1/2025	12/31/2025	\$1,029,284.12	\$85,773.68	\$41.91
1/1/2026	12/31/2026	\$1,060,162.64	\$88,346.89	\$43.17
1/1/2027	12/31/2027	\$1,091,967.52	\$90,997.29	\$44.47
1/1/2028	12/31/2028	\$1,124,726.55	\$93,727.21	\$45.80
1/1/2029	12/31/2029	\$1,158,468.34	\$96,539.03	\$47.17
1/1/2030	12/31/2030	\$1,193,222.39	\$99,435.20	\$48.59
1/1/2031	12/31/2031	\$1,229,019.07	\$102,418.26	\$50.05
1/1/2032	12/31/2032	\$1,265,889.64	\$105,490.80	\$51.55