

Summary Report of Associated Entities

Campus	Fiscal Year End	Unqualified Audit Opinion	Audit Performed By	Management Letter/Report Issues	Basis for Statement Preparation	Total Net Assets	Memorandums of Understanding
Appalachian State University							
ASU Foundation, Inc.	6/30/07	Yes	Dixon Hughes, PLLC	No	GAAP*	\$80,062,490	Yes
ASU Student Housing Corporation	6/30/06	Yes	Apple, Koccejia, & Associates, PA	No	GAAP	\$3,781,614	Yes
East Carolina University							
ECU Alumni Association, Inc.	6/30/06	Yes	McGladrey & Pullen, LLP	No	GAAP	\$660,223	Yes
ECU Educational Foundation, Inc.	6/30/06	Yes	McGladrey & Pullen, LLP	No	GAAP	\$17,564,605	Yes
ECU Foundation, Inc. and Consolidated Affiliate	6/30/06	Yes	McGladrey & Pullen, LLP	No	GAAP	\$67,235,597	Yes
The Medical Foundation of ECU, Inc.	6/30/06	Yes	McGladrey & Pullen, LLP	No	GAAP	\$28,442,269	Yes
Elizabeth City State University							
ECSU Foundation, Inc.	6/30/06	Yes	Goodman & Company, LLP	No	GAAP	\$6,131,729	Yes
ECSU National Alumni Association	12/31/05	No****	William Sylvester Robinson, CPA	Yes*****	GAAP	\$120,195	Yes
Fayetteville State University							
FSU Athletic Club	6/30/07	Yes	N-Vision Enterprises, Inc.***	No	Modified Cash**	\$15,767	Yes
FSU Development Corporation	6/30/06	Yes	Buie, Norman, & Company, PA	No	GAAP	\$831,649	Yes
FSU Foundation, Inc. and Subsidiary	6/30/06	Yes	Buie, Norman, & Company, PA	No	GAAP	\$3,085,720	Yes
FSU National Alumni Association, Inc.	6/30/06	Yes	Buie, Norman, & Company, PA	No	GAAP	\$95,031	Yes
The Fayetteville State University Housing Foundation, LLC	6/30/06	Yes	Buie, Norman, & Company, PA	No	GAAP	\$95,031	Yes

* GAAP - General Accepted Accounting Principles

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*** Dba - N-Vision Accounting & Management Services This is not a CPA firm but an Accounting firm.

**** Disclaimer-Independent Public Accounting firm was unable to form an opinion on the completeness and reliability of Management's financial statements.

***** Findings and actions taken found on page 8.

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North Carolina A & T State University							
NCA&T National Aggie Club, Inc.	6/30/06	Yes	James E. Avent, Jr., CPA	Yes ¹	GAAP	\$200,254	Yes
NCA&T University Alumni Association, Inc.	6/30/06	Yes	James E. Avent, Jr., CPA	Yes ¹	GAAP	\$2,318,759	Yes
NCA&T University Foundation, Inc.	6/30/06	Yes	Oliver W. Bowie, CPA	No	GAAP	\$7,707,703	Yes
The Victory Club Foundation, Inc.	6/30/06	Yes	Oliver W. Bowie, CPA	No	GAAP	\$988,732	Yes
North Carolina Central University							
NCCU Alumni Association, Inc.	6/30/05	Yes	David C. Hinton, CPA, PA	No	GAAP [*]	\$414,499	Yes
NCCU Educational Advancement Foundation, Inc. ("Eagle Club")	6/30/06	Yes	Ty Cox & Co., CPAs, PLLC	Yes ^{**}	GAAP	\$194,640	Yes
NCCU Foundation, Inc.	6/30/06	Yes	McGladrey & Pullen, LLP	No	GAAP	\$10,083,650	Yes
NCCU Real Estate Foundation	6/30/06	Yes	Blackman & Sloop, CPAs, PA	No	GAAP	(\$1,207,166)	Yes
North Carolina School of the Arts							
N.C. School of the Arts Foundation, Inc.	6/30/07	Yes	Butler & Burke, LLP	No	GAAP	\$27,739,781	Yes
NCSA Housing Corporation	6/30/07	Yes	Butler & Burke, LLP	No	GAAP	(\$397,783)	Yes
NCSA Program Support Corporation	6/30/07	Yes	Butler & Burke, LLP	No	GAAP	\$1,199,860	Yes
River Run Film Festival	6/30/07	Yes	Butler & Burke, LLP	No	GAAP	\$184,252	Yes
The Foreign Art Study Foundation of North Carolina, Inc.	6/30/07	Yes	Butler & Burke, LLP	No	GAAP	\$701,298	Yes
The Semans Art Fund, Inc.	6/30/07	Yes	Butler & Burke, LLP	No	GAAP	\$701,852	Yes
The Student Creative Arts Foundation of North Carolina, Inc.	6/30/07	Yes	Butler & Burke, LLP	No	GAAP	\$682,112	Yes

^{*} GAAP - General Accepted Accounting Principles

^{**} Findings and actions taken found on page 8.

¹ See attachment 2.

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North Carolina State University							
N.C. Agricultural Foundation, Inc.	6/30/06	Yes	Williams, Overman, Pierce, LLP	No	Modified Cash**	\$56,840,592	Yes
N.C. State Engineering Foundation, Inc.	6/30/06	Yes	Williams, Overman, Pierce, LLP	No	Modified Cash	\$47,160,395	Yes
N.C. State Forestry Foundation, Inc.	6/30/06	Yes	Williams, Overman, Pierce, LLP	No	Modified Cash	\$12,737,188	Yes
N.C. State Investment Fund, Inc.	6/30/06	Yes	Williams, Overman, Pierce, LLP	No	GAAP*	\$296,910,803	Yes
N.C. State University Alumni Association	6/30/06	Yes	Batchelor, Tillery, & Roberts, LLP	No	GAAP	\$44,397,012	Yes
N.C. State Alumni Club, Inc.	12/1/06	Yes	Batchelor, Tillery, & Roberts, LLP	No	GAAP	\$342,714	Yes
N.C. State University Foundation, Inc.	6/30/06	Yes	Williams, Overman, Pierce, LLP	No	GAAP	\$73,456,582	Yes
N.C. State University Physical & Mathematical Sciences Foundation, Inc.	6/30/06	Yes	Williams, Overman, Pierce, LLP	No	Modified Cash	\$15,478,088	Yes
N.C. Textile Foundation, Inc.	6/30/06	Yes	McGladrey & Pullen	Yes***	Modified Cash	\$27,507,114	Yes
N.C. Tobacco Foundation, Inc.	6/30/06	Yes	Williams, Overman, Pierce, LLP	No	Modified Cash	\$3,791,150	Yes
N.C. Veterinary Medical Foundation, Inc.	6/30/06	Yes	Williams, Overman, Pierce, LLP	No	Modified Cash	\$18,683,800	Yes
NCSU Student Aid Association, Inc.	6/30/06	Yes	Koonce, Wooten, & Haywood, LLP	No	GAAP	\$71,075,459	Yes
North Carolina State University Club	12/31/06	Yes	Batchelor, Tillery, & Roberts, LLP	No	GAAP	\$1,086,165	Yes
Pulp and Paper Foundation, Inc.	6/30/06	Yes	Williams, Overman, Pierce, LLP	No	Modified Cash	\$9,769,517	Yes
The University of North Carolina at Asheville							
The University Botanical Gardens at Asheville, Inc.	12/31/06	Yes	Crawley, Lee, & Company, PA	No	GAAP*	\$932,165	Yes
UNC Asheville Foundation, Inc.	6/30/07	Yes	Burleson Earley & Keel, PLLC	No	GAAP	\$22,106,825	Yes

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*** Findings and actions taken found on page 8.

Summary Report of Associated Entities

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The University of North Carolina at Chapel Hill							
Carolina for Kibera, Inc.	12/31/06	Yes	Chung CPA, PA	Yes***	GAAP	\$314,698	Yes
Law Alumni Association of UNC, Inc. and UNC Law Foundation, Inc.	6/30/06	Yes	McGladrey & Pullen, LLP	Yes***	Modified Cash**	\$22,174,480	Yes
Morehead Scholarship Foundation	6/30/06	Yes	Batchelor, Tillery & Roberts, LLP	No	GAAP	\$9,522,091	Yes
The Dental Foundation of N.C., Inc.	6/30/06	Yes	Koonce, Wooten, & Haywood, LLP	Yes***	GAAP	\$28,749,667	Yes
The Educational Foundation, Inc.	6/30/06	Yes	Deloitte & Touche LLP	No	GAAP	\$34,932,213	Yes
The Kenan Flagler Business School Foundation	6/30/06	Yes	Bernard, Robinson, & Company, LLP	No	GAAP	\$68,442,505	Yes
The Medical Foundation of N.C., Inc.	6/30/06	Yes	Stancil & Company	Yes***	GAAP	\$200,814,685	Yes
The Pharmacy Foundation of N.C., Inc.	6/30/06	Yes	Koonce, Wooten, & Haywood, LLP	No	GAAP*	\$40,514,109	Yes
The School of Education Foundation, Inc.	6/30/06	Yes	Blackman & Sloop, CPAs, PA	Yes***	GAAP	\$1,733,088	Yes
The School of Government Foundation, Inc.	6/30/06	Yes	Blackman & Sloop, CPAs, PA	No	GAAP	\$8,623,645	Yes
The School of Journalism & Mass Communications Foundation of North Carolina, Inc.	12/31/05	Yes	Blackman & Sloop, CPAs, PA	No	GAAP	\$14,946,912	Yes
The School of Social Work Foundation, Inc.	6/30/06	Yes	Blackman & Sloop, CPAs, PA	Yes***	GAAP	\$6,908,007	Yes
The University of North Carolina at Chapel Hill Arts & Sciences Foundation, Inc.	6/30/06	Yes	Blackman & Sloop, CPAs, PA	No	GAAP	\$134,442,602	Yes
The University of North Carolina at Chapel Hill Foundation Investment Fund	6/30/06	Yes	KPMG, LLP	No	GAAP	\$1,478,988,508	Yes
The University of North Carolina at Chapel Hill Foundation, Inc.	6/30/06	Yes	KPMG, LLP	No	GAAP	\$205,886,619	Yes
The University of North Carolina at Chapel Hill School of Nursing Foundation, Inc.	6/30/06	Yes	Blackman & Sloop, CPAs, PA	Yes***	GAAP	\$6,193,711	Yes

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The University of North Carolina at Chapel Hill (cont'd)							
UNC Management Company, Inc.	6/30/06	Yes	KPMG, LLP	Yes***	GAAP	\$3,920,918	Yes
The University of North Carolina at Chapel Hill Public Health Foundation, Inc.	6/30/06	Yes	Blackman & Stoop, CPAs, PA	No	GAAP	\$18,812,322	Yes
The University of North Carolina at Charlotte							
The Athletic Foundation of The University of North Carolina at Charlotte	6/30/07	Yes	Greer & Walker, LLP	No	GAAP*	\$15,576,211	Yes
The Ben Craig Center	6/30/07	Yes	Greer & Walker, LLP	No	GAAP	\$962,395	Yes
The Foundation of the University of North Carolina at Charlotte, Inc.	6/30/07	Yes	Greer & Walker, LLP	No	GAAP	\$99,936,274	Yes
The University of North Carolina at Charlotte Facilities Development Corporation, Inc.	6/30/07	Yes	Greer & Walker, LLP	No	GAAP	\$541,358	Yes
The University of North Carolina at Charlotte Investment Foundation, Inc.	6/30/07	Yes	Greer & Walker, LLP	No	GAAP	\$0	Yes
University of North Carolina at Greensboro							
Capital Facilities Foundation, Inc.	6/30/07	Yes	McGladrey & Pullen	No	GAAP	\$172,799	Yes
Serve, Inc.	11/30/06	Yes	Bernard, Robinson, & Company, LLP	No	GAAP	\$633,321	Yes
The Alumni Association of the University of North Carolina at Greensboro, Inc.	6/30/06	Yes	Bernard, Robinson, & Company, LLP	No	Modified Cash**	\$2,610,847	Yes
The UNC Excellence Foundation	6/30/07	Yes	McGladrey & Pullen	No	GAAP	\$85,552,342	Yes
The UNC Human Environmental Sciences Foundation, Inc.	6/30/07	Yes	McGladrey & Pullen	No	GAAP	\$7,865,416	Yes
The Weatherspoon Art Foundation	6/30/06	Yes	Internal Audit ¹	No	N/A	\$19,756,305	Yes
The Weatherspoon Art Museum Association	6/30/07	Yes	McGladrey & Pullen	No	GAAP	\$437,005	Yes
UNCG Investment Fund, Inc.	6/30/07	Yes	McGladrey & Pullen	No	GAAP	\$183,751,626	Yes

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¹ Internal audit reviewed the value and internal controls over the art work owned by the foundation. This foundation's only assets are the works of art. The art values are based on cost if purchased or fair value at the time of donation, if donated.

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The University of North Carolina at Pembroke							
The UNCP University Foundation, LLC	6/30/07	Yes	Reznick Group	No	GAAP*	(\$1,722,704)	Yes
UNCP Foundation, Inc.	6/30/07	Yes	Nelson, Price & Associates, PA	No	GAAP	\$3,989,432	Yes
UNCP Student Housing, LLC	6/30/07	Yes	Nelson, Price & Associates, PA	No	GAAP	\$712,317	Yes
The University of North Carolina at Wilmington							
Cameron Foundation	6/30/06	Yes	Internal Audit	No	GAAP	\$487,469	Yes
Donald R. Watson Foundation, Inc.	6/30/06	Yes	Michael Durham, CPA	No	GAAP	1,605,999	Yes
Friends of UNCW	6/30/06	Yes	Internal Audit	No	GAAP	\$4,669	Yes
The Foundation of UNCW, Inc.	6/30/06	Yes	McGladey & Pullen, LLP	No	GAAP	\$3,282,896	Yes
The UNCW Alumni Association	6/30/06	Yes	McGladey & Pullen, LLP	No	GAAP	\$533,545	Yes
The UNCW Student Aid Association	6/30/06	Yes	McGladey & Pullen, LLP	No	GAAP	\$1,400,932	Yes
UNCW Corporation	6/30/06	Yes	McGladey & Pullen, LLP	No	GAAP	(\$2,505)	Yes
Western Carolina University							
Western Carolina University Foundation	6/30/06	Yes	Burleson, Earley, & Keel, PLLC	No	GAAP	\$15,097,068	Yes
Western Carolina University Research and Development Corporation	6/30/06	Yes	Burleson, Earley, & Keel, PLLC	No	GAAP	\$325,486	Yes

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Winston-Salem State University							
Simon Green Atkins Community Development Corporation	6/30/06	Yes	Preston, Sims, & Darden, PA	No	GAAP*	\$82,678	Yes
Winston-Salem State University Foundation, Inc. and Subsidiary	6/30/06	Yes	Butler & Burke, LLP	No	GAAP	\$12,237,644	Yes
Winston-Salem State University National Alumni Association, Inc.	6/30/06	Yes	Butler & Burke, LLP	No	GAAP	\$157,820	Yes
The University of North Carolina-General Administration							
Development Foundation for N.C. Center for Advancement of Teaching	6/30/06	Yes	Dixon Hughes, PLLC	No	GAAP	\$1,273,944	Yes
The Highlands Biological Foundation, Inc.	5/31/06	Yes	Curtis J. Matthews, CPA PC	No	GAAP	\$786,981	Yes
The James B. Hunt, Jr. Institute for Educational Leadership and Policy Foundation, Inc.	6/30/06	Yes	Dixon Hughes, PLLC	No	GAAP	\$1,642,653	Yes
The North Carolina Arboretum Society	6/30/06	Yes	Gabler Molis & Company, PA	No	GAAP	\$981,795	Yes
The North Carolina Public Television Foundation, Inc.	6/30/07	Yes	McGladrey & Pullen, LLP	Yes	GAAP	\$850,741	Yes
The University of North Carolina Foundation, Inc.	6/30/06	Yes	Koonce, Wooten, & Haywood, LLP	No	GAAP	\$65,260	Yes

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Summary Report of Associated Entities

Item 2

Campus	Findings	Corrective Actions
Elizabeth City State University: National Alumni Association of Elizabeth City State University	(1) Cash receipts were inadequate to ensure or determine a complete deposit of all receipts (2) Cash disbursement process did not ensure that funds were expended solely for NAA purposes and in a manner that ensures compliance with regulatory reporting requirements (3) Accounting functions were not performed by persons familiar with generally accepted accounting principles	(1) An audit committee of the board of directors has been appointed and delegated the ongoing responsibilities of fiscal policy development, which revised and adopted cash receipts and cash disbursement policies (2) Cease use of debit card for routine purchases and replaced it with a low limit credit card, which is subject to monthly reconciliation (3) Seeking recovery of all indentified questioned costs from the responsibility party (4) All accounting will be performed by persons trained in GAAP (5) The accountant will provide quarterly financial reports to the Audit Committee - Monthly bank reconciliations will be prepared by staff and independently reviewed by the Chairman of the Alumni Board of Directors
North Carolina A & T State University: NCA&T Alumni Association, Inc.	See attachment 2.	See attachment 2.
NCA&T National Aggie Club, Inc.	See attachment 2.	See attachment 2.
North Carolina Central University: North Carolina Central University Educational Advancement Foundation, Inc. ("Eagle Club")	(1) Vouchers were paid without proper authorization. (2) Pre-numbered vouchers in a sequential order were not used (3) Lack of proper documentation to support all expenditures prior to payment (4) Lack of proper documentation to support all receipts.	Per NCCU Eagle Club Foundation members, these issues have been corrected or in the process of being corrected
North Carolina State University: N.C. Textile Foundation, Inc.	(1) Journal entries prepared by the outsourced accountant were not being reviewed or approved by management	Responses of corrective actions have not been submitted yet
The University of North Carolina at Chapel Hill: Carolina for Kibera, Inc.	(1) The lack of segregation of duties of the disbursement of funds (2) Approval and cancellation of invoices - no policy requiring documentation (3) Formal expense reimbursement policy - does not exist (4) Procedures surrounding approval and payment of grants - should be improved (5) Sales tax refunds for amounts paid - forms should be filed	Per the CFK Board of Directors, procedures have been revised
Law Alumni Association of UNC, Inc. and UNC Law Foundation, Inc.	(1) Associated Entity is in the process of providing information on any audit findings	Responses of corrective actions have not been submitted yet
The Dental Foundation of North Carolina, Inc.	(1) Reconciliations-Investments, pledges and cash accounts were not properly or timely reconciled due to the Foundation was without a permanent, full-time bookkeeper at the end of FY 2006 and beginning of FY 2007	Responses of corrective actions have not been submitted yet
The Medical Foundation of North Carolina, Inc.	(1) The lack of segregation of duties of the disbursement of funds	Per the Auditor, the management is currently revising its procedures
The University of North Carolina at Chapel Hill School of Education Foundation, Inc.	(1) Monitoring of Restricted Funds and Approval of Invoices - no methodology existed for tracking (2) Approval of Invoices - several invoices were not approved by Foundation staff and supporting documents were not properly reviewed, (3) Accounting Policies and Procedures - no formal documentation (4) Investment Policy - a formal Investment policy to enhance the use of available cash to be	Per the memo from the School of Education procedures have been adopted
The University of North Carolina at Chapel Hill School of Nursing Foundation, Inc.	(1) (i.e. gift transmittal reports should be reconciled to the UNC Development reports	(Per the memo from the School of Nursing, corrective action to change business procedures has been taken)
The School of Social Work Foundation, Inc.	(1) Supporting documentation for several University generated expenses three (3) were not included in the Foundation Files.	(The Foundation was later able to locate the three (3) missing invoices and they were provided to the Auditor before the audit was completed)