

STATEMENT OF NET POSITION PROPRIETARY FUNDS

June 30, 2023

(Dollars in Thousands)

	Business-type Activities — Enterprise Funds			
	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. State Lottery Fund	N.C. Turnpike Authority
Assets				
Current Assets				
Cash and cash equivalents (Note 3)	\$ 4,050,523	\$ 765,036	\$ 123,979	\$ -
Investments (Note 3)	-	218,380	7,671	-
Securities lending collateral (Note 3)	1,022	14,630	2,376	1,020
Receivables: (Note 4)				
Accounts receivable, net	764,350	-	28,176	58,125
Intergovernmental receivable	355	280	-	25,582
Interest receivable	19,820	2,025	226	-
Premiums receivable	-	-	-	-
Contributions receivable, net	196,344	-	-	-
Other receivable	-	-	-	-
Notes receivable	-	104,344	-	-
Lease receivable	-	-	-	-
Due from other funds (Note 10)	36,831	2,512	-	-
Inventories	-	-	-	1,075
Prepaid items	-	-	-	-
Restricted cash and cash equivalents (Note 3)	-	-	-	-
Total current assets	<u>5,069,245</u>	<u>1,107,207</u>	<u>162,428</u>	<u>85,802</u>
Noncurrent Assets				
Investments (Note 3)	-	-	66,514	-
Notes receivable	-	1,139,717	-	-
Lease receivable	-	-	-	-
Prepaid items	-	-	2,764	4,279
Restricted/designated cash and cash equivalents (Note 3)	-	-	-	50,195
Restricted investments (Note 3)	-	-	-	314,123
Capital assets-nondepreciable (Note 5)	-	-	-	1,501,247
Capital assets-depreciable, net (Note 5)	-	-	4,540	1,299,269
Total noncurrent assets	<u>-</u>	<u>1,139,717</u>	<u>73,818</u>	<u>3,169,113</u>
Total Assets	<u>5,069,245</u>	<u>2,246,924</u>	<u>236,246</u>	<u>3,254,915</u>
Deferred Outflows of Resources				
Deferred loss on refunding	-	-	-	18,171
Deferred outflows for pensions	-	3,360	11,419	1,250
Deferred outflows for OPEB	-	3,740	8,805	1,597
Total Deferred Outflows of Resources	<u>-</u>	<u>7,100</u>	<u>20,224</u>	<u>21,018</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities:				
Accounts payable	\$ 49,962	\$ 4	\$ 28,517	\$ 30,346
Accrued payroll	-	-	1,782	-
Intergovernmental payable	577,914	31,015	-	2,006
Claims payable	-	-	-	-
Unemployment benefits payable	2,170	-	-	-
Obligations under securities lending	1,022	14,630	2,376	1,020
Interest payable	-	-	-	56,476
Due to fiduciary funds (Note 10)	-	-	457	-
Due to other funds (Note 10)	959	-	130,250	111,590
Due to component units (Note 18)	-	-	-	-
Unearned revenue	2,678	-	-	91
Deposits payable	-	-	-	14,231
Annuity and life income payable (Note 8)	-	-	7,671	-
Notes from direct borrowings (Note 8)	-	-	-	227
Lease liability (Note 8)	-	-	-	-
Subscription liability (Note 8)	-	-	793	-
Bonds payable (Note 8)	-	-	-	42,002
Compensated absences (Note 8)	-	70	319	37
Workers' compensation (Note 8)	-	-	26	-
Total current liabilities	<u>634,705</u>	<u>45,719</u>	<u>172,191</u>	<u>258,026</u>

Exhibit B-3

	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities —
			Internal Service Funds
\$	222,098	\$ 5,161,636	\$ 141,802
	101,623	327,674	25,772
	1,934	20,982	167
	1,259	851,910	31,551
	3,254	29,471	-
	1,406	23,477	49
	1,410	1,410	540
	-	196,344	-
	-	-	207
	-	104,344	-
	625	625	-
	1,299	40,642	8,192
	454	1,529	163
	25,748	25,748	23,326
	1,755	1,755	-
	<u>362,865</u>	<u>6,787,547</u>	<u>231,769</u>
	30,661	97,175	-
	249	1,139,966	-
	4,474	4,474	-
	290	7,333	-
	71	50,266	-
	-	314,123	-
	15,298	1,516,545	3,089
	74,917	1,378,726	209,598
	<u>125,960</u>	<u>4,508,608</u>	<u>212,687</u>
	<u>488,825</u>	<u>11,296,155</u>	<u>444,456</u>
	-	18,171	-
	20,092	36,121	57,419
	<u>19,654</u>	<u>33,796</u>	<u>73,643</u>
	<u>39,746</u>	<u>88,088</u>	<u>131,062</u>
\$	13,594	\$ 122,423	\$ 18,120
	119	1,901	6,727
	2	610,937	-
	25,143	25,143	3,345
	-	2,170	-
	1,934	20,982	167
	2	56,478	-
	-	457	-
	-	242,799	9,041
	-	-	16,942
	45,384	48,153	9,744
	4,056	18,287	-
	-	7,671	-
	1,194	1,421	-
	1,562	1,562	304
	-	793	18,749
	-	42,002	-
	1,538	1,964	1,447
	-	26	234
	<u>94,528</u>	<u>1,205,169</u>	<u>84,820</u>

Continued

STATEMENT OF NET POSITION
PROPRIETARY FUNDS (Continued)

June 30, 2023

(Dollars in Thousands)

	Business-type Activities — Enterprise Funds			
	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. State Lottery Fund	N.C. Turnpike Authority
Noncurrent Liabilities				
Accounts payable	-	-	-	-
Interest payable	-	-	-	92,892
Advances from other funds (Note 10)	-	-	-	32,840
Annuity and life income payable (Note 8)	-	-	66,514	-
Notes from direct borrowings (Note 8)	-	-	-	665,735
Lease liability (Note 8)	-	-	-	-
Subscription liability (Note 8)	-	-	1,848	-
Bonds payable, net (Note 8)	-	-	-	1,875,537
Compensated absences (Note 8)	-	906	2,445	348
Workers' compensation (Note 8)	-	-	-	-
Net pension liability (Note 8)	-	4,740	18,679	1,712
Net OPEB liability (Note 8)	-	6,615	26,746	2,451
Total noncurrent liabilities	-	12,261	116,232	2,671,515
Total Liabilities	634,705	57,980	288,423	2,929,541
Deferred Inflows of Resources				
Deferred gain on refunding	-	-	-	19,579
Deferred inflow for lease agreements	-	-	-	-
Deferred inflows for pensions	-	230	255	40
Deferred inflows for OPEB	-	4,715	12,489	1,336
Total Deferred Inflows of Resources	-	4,945	12,744	20,955
Net Position				
Net investment in capital assets	-	-	1,899	531,139
Restricted for:				
Expendable:				
Economic development	-	-	-	-
Transportation	-	-	-	19,475
Debt service	-	-	-	142,613
Other purposes	-	-	-	-
Unrestricted	4,434,540	2,191,099	(46,596)	(367,790)
Total Net Position	\$ 4,434,540	\$ 2,191,099	\$ (44,697)	\$ 325,437

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B-3

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities —
		Internal Service Funds
1,531	1,531	-
-	92,892	-
-	32,840	-
-	66,514	-
17,369	683,104	-
5,150	5,150	926
-	1,848	38,800
-	1,875,537	-
7,269	10,968	18,170
33	33	1,770
26,633	51,764	77,718
38,048	73,860	110,460
<u>96,033</u>	<u>2,896,041</u>	<u>247,844</u>
<u>190,561</u>	<u>4,101,210</u>	<u>332,664</u>
-	19,579	-
5,407	5,407	-
2,858	3,383	2,839
<u>28,262</u>	<u>46,802</u>	<u>60,350</u>
<u>36,527</u>	<u>75,171</u>	<u>63,189</u>
65,093	598,131	153,980
1,129	1,129	-
-	19,475	-
-	142,613	-
3,013	3,013	-
232,248	6,443,501	25,685
<u>\$ 301,483</u>	<u>\$ 7,207,862</u>	<u>\$ 179,665</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2023

(Dollars in Thousands)

	Business-type Activities — Enterprise Funds			
	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. State Lottery Fund	N.C. Turnpike Authority
Operating Revenues				
Employer unemployment contributions	\$ 720,975	\$ -	\$ -	\$ -
Federal funds	2,204	-	-	-
Sales and services	-	5,408	4,342,536	991
Student tuition and fees, net	-	-	-	-
Interest earnings on loans	-	10,765	-	-
Rental and lease earnings	-	-	-	-
Fees, licenses, and fines	-	-	5,295	18,640
Toll revenues	-	-	-	77,442
Insurance premiums	-	-	-	-
Miscellaneous	19,283	-	309	14,699
Total operating revenues	<u>742,462</u>	<u>16,173</u>	<u>4,348,140</u>	<u>111,772</u>
Operating Expenses				
Personal services	-	6,970	27,750	3,190
Supplies and materials	-	200	1,713	43,910
Services	-	1,217	430,581	18,892
Cost of goods sold	-	-	-	608
Depreciation	-	-	1,173	29,684
Lottery prizes	-	-	2,863,660	-
Claims	-	-	-	-
Unemployment benefits	274,397	-	-	-
Insurance and bonding	-	5	308	-
Other	-	447	7,100	13,179
Total operating expenses	<u>274,397</u>	<u>8,839</u>	<u>3,332,285</u>	<u>109,463</u>
Operating income (loss)	<u>468,065</u>	<u>7,334</u>	<u>1,015,855</u>	<u>2,309</u>
Nonoperating Revenues (Expenses)				
Noncapital grants	100	115,707	-	-
Noncapital gifts, net	-	-	-	-
Noncapital contributions	-	50	203	19
Lease interest revenue	-	-	-	-
Investment earnings (losses)	68,983	12,882	2,499	10,407
Insurance recoveries	-	-	-	23
Grants, aid, and subsidies	-	(41,337)	-	-
Gain (loss) on sale of equipment	-	-	(60)	-
Federal interest subsidy on debt	-	-	-	3,878
Federal COVID-19 funds	104,770	-	-	-
Interest and fees	-	-	(38)	(115,143)
Miscellaneous	(2,530)	(676)	(109)	(124)
Total nonoperating revenues (expenses)	<u>171,323</u>	<u>86,626</u>	<u>2,495</u>	<u>(100,940)</u>
Income (loss) before contributions and transfers	639,388	93,960	1,018,350	(98,631)
Capital contributions	-	-	-	75,454
Transfers in (Note 10)	514	18,874	-	112,983
Transfers out (Note 10)	-	-	(1,018,350)	-
Change in net position	639,902	112,834	-	89,806
Net position — July 1, as restated (Note 23)	3,794,638	2,078,265	(44,697)	235,631
Net position — June 30	<u>\$ 4,434,540</u>	<u>\$ 2,191,099</u>	<u>\$ (44,697)</u>	<u>\$ 325,437</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B-4

<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities — Internal Service Funds</u>
\$ -	\$ 720,975	\$ -
98	2,302	-
1,948	4,350,883	471,941
19	19	-
-	10,765	-
8,052	8,052	-
191,557	215,492	6,056
-	77,442	-
14,035	14,035	36,987
1,783	36,074	763
<u>217,492</u>	<u>5,436,039</u>	<u>515,747</u>
99,762	137,672	262,398
5,412	51,235	20,706
60,372	511,062	132,492
420	1,028	367
7,572	38,429	28,839
-	2,863,660	-
9,201	9,201	14,850
-	274,397	-
27,994	28,307	34,881
9,576	30,302	18,836
<u>220,309</u>	<u>3,945,293</u>	<u>513,369</u>
<u>(2,817)</u>	<u>1,490,746</u>	<u>2,378</u>
1,402	117,209	-
2,439	2,439	-
475	747	838
148	148	-
(4,497)	90,274	285
1,460	1,483	11
-	(41,337)	-
(64)	(124)	2,664
-	3,878	-
-	104,770	-
(863)	(116,044)	(1,531)
1	(3,438)	(22)
<u>501</u>	<u>160,005</u>	<u>2,245</u>
(2,316)	1,650,751	4,623
110	75,564	-
1,371	133,742	2,964
(3,448)	(1,021,798)	(978)
<u>(4,283)</u>	<u>838,259</u>	<u>6,609</u>
<u>305,766</u>	<u>6,369,603</u>	<u>173,056</u>
<u>\$ 301,483</u>	<u>\$ 7,207,862</u>	<u>\$ 179,665</u>

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2023

(Dollars in Thousands)

	Business-type Activities — Enterprise Funds			
	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. State Lottery Fund	N.C. Turnpike Authority
Cash Flows From Operating Activities				
Receipts from customers	\$ 700,506	\$ 5,010	\$ 4,050,563	\$ 78,460
Receipts from federal agencies	2,205	-	-	-
Receipts from program loan - interest	-	10,765	-	-
Receipts from program loan - principal	-	86,574	-	-
Receipts from other funds	-	-	-	-
Payments to suppliers	-	(1,988)	(140,570)	(57,216)
Payments to employees	-	(7,516)	(29,201)	(3,022)
Payments for prizes, benefits, and claims	(286,607)	-	(2,864,341)	-
Payments for program loans issued	-	(142,227)	-	-
Payments to other funds	-	-	-	-
Other receipts	19,339	-	295	18,131
Other payments	(2,228)	-	(219)	(53)
Net cash provided by (used for) operating activities	<u>433,215</u>	<u>(49,382)</u>	<u>1,016,527</u>	<u>36,300</u>
Cash Flows From Noncapital Financing Activities				
Grant receipts	102	115,708	-	-
Grants, aid, and subsidies	-	(31,428)	-	-
Federal aid - COVID-19	106,157	-	-	-
Noncapital contributions	-	-	-	-
Advances from other funds	-	-	-	2,416
Transfers from other funds	514	18,874	-	-
Transfers to other funds	-	-	(1,015,933)	-
Gifts	126	-	-	-
Insurance recoveries	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>106,899</u>	<u>103,154</u>	<u>(1,015,933)</u>	<u>2,416</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	-	(483)	(246,041)
Proceeds from the sale of capital assets	-	-	-	-
Proceeds from capital debt	-	-	-	499,462
Transfers from other funds	-	-	-	112,983
Capital contributions	-	-	-	56,040
Principal paid on capital debt	-	-	(754)	(536,454)
Interest paid on capital debt	-	-	(39)	(98,387)
Federal subsidy for interest on debt	-	-	-	3,878
Insurance recoveries	-	-	-	23
Proceeds from lease arrangements	-	-	-	-
Bond issuance costs	-	-	-	(71)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,276)</u>	<u>(208,567)</u>
Cash Flows From Investing Activities				
Proceeds from the sales/maturities of non-State Treasurer investments	-	-	-	576,824
Purchase of non-State Treasurer investments	-	-	-	(403,574)
Redemptions from State Treasurer investment pool	-	-	-	-
Investment earnings	63,012	13,059	2,398	8,448
Net cash provided by investment activities	<u>63,012</u>	<u>13,059</u>	<u>2,398</u>	<u>181,698</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B-5

	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities —
			Internal Service Funds
\$	216,083	\$ 5,050,622	\$ 23,626
	-	2,205	-
	-	10,765	-
	-	86,574	-
	-	-	490,055
	(94,505)	(294,279)	(214,977)
	(99,202)	(138,941)	(255,247)
	(10,338)	(3,161,286)	-
	-	(142,227)	-
	-	-	(6,705)
	2,028	39,793	2,746
	(16,878)	(19,378)	-
	(2,812)	1,433,848	39,498
	1,403	117,213	-
	-	(31,428)	-
	-	106,157	-
	193	193	-
	-	2,416	-
	1,412	20,800	2,964
	(3,489)	(1,019,422)	(978)
	2,439	2,565	-
	1,461	1,461	-
	3,419	(800,045)	1,986
	(1,660)	(248,184)	(36,297)
	76	76	6,780
	-	499,462	-
	-	112,983	-
	110	56,150	-
	(2,745)	(539,953)	(3,031)
	(852)	(99,278)	(1,531)
	-	3,878	-
	-	23	11
	1,740	1,740	-
	-	(71)	-
	(3,331)	(213,174)	(34,068)
	31,053	607,877	-
	(36,378)	(439,952)	-
	22,000	22,000	-
	2,347	89,264	518
	19,022	279,189	518

Continued

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2023

(Dollars in Thousands)

	Business-type Activities — Enterprise Funds			
	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. State Lottery Fund	N.C. Turnpike Authority
Net increase (decrease) in cash and cash equivalents	603,126	66,831	1,716	11,847
Cash and cash equivalents at July 1, as restated	3,447,397	698,205	122,263	38,348
Cash and cash equivalents at June 30	<u>\$ 4,050,523</u>	<u>\$ 765,036</u>	<u>\$ 123,979</u>	<u>\$ 50,195</u>

Reconciliation of Operating Income to Net Cash Provided

By Operating Activities

Operating income (loss)	\$ 468,065	\$ 7,334	\$ 1,015,855	\$ 2,309
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	-	1,173	29,684
Lease revenue (amortized deferred inflow for leases)	-	-	-	-
Management fees	-	-	-	(53)
Nonoperating miscellaneous and other income (expense)	(2,470)	-	(219)	(124)
Change in assets and deferred outflows:				
Receivables	65,006	-	(3,424)	(17,100)
Intergovernmental receivables	-	-	-	(2,492)
Due from other funds	(8,356)	(397)	-	1,128
Inventories	-	-	-	(160)
Prepaid items	-	-	1,160	-
Net OPEB asset	-	4	17	1
Notes receivable	-	(55,654)	-	-
Deferred outflows for pensions	-	(1,107)	(4,883)	(443)
Deferred outflows for OPEB	-	509	(704)	219
Change in liabilities and deferred inflows:				
Accounts payable and accrued liabilities	(89,328)	(119)	3,102	2,822
Due to other funds	298	-	-	16,709
Due to component units	-	-	-	-
Due to fiduciary funds	-	-	16	-
Compensated absences	-	(23)	304	57
Workers' compensation	-	-	13	-
Unearned revenue	-	-	-	(150)
Net pension liability	-	3,307	13,072	1,200
Net OPEB liability	-	(1,467)	(5,586)	(482)
Deferred inflows for pensions	-	(1,908)	(6,830)	(629)
Deferred inflows for OPEB	-	139	3,461	243
Deposits payable	-	-	-	3,561
Net cash provided by (used for) operations	<u>\$ 433,215</u>	<u>\$ (49,382)</u>	<u>\$ 1,016,527</u>	<u>\$ 36,300</u>

Noncash Investing, Capital, and Financing Activities

Noncash distributions from the State Treasurer				
Bond Index External Investment Pool and/or other agents	\$ -	\$ (25,224)	\$ -	\$ -
Change in construction in progress as a result of accrual of accounts payable	-	-	-	22,916
Capital asset writeoff	-	-	60	-
Assets acquired through the assumption of a liability	-	-	3,395	149
Change in fair value of investments	-	22,704	-	(4,289)
Increase in receivables related to nonoperating income	5,911	1,666	211	19,414
Change in securities lending collateral	(873)	(8,969)	(1,833)	(4,171)
Decrease in net OPEB liability related to noncapital contributions	-	(50)	203	(19)

Exhibit B-5

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities — Internal Service Funds
16,298	699,818	7,934
207,626	4,513,839	133,868
<u>\$ 223,924</u>	<u>\$ 5,213,657</u>	<u>\$ 141,802</u>

\$ (2,817) \$ 1,490,746 \$ 2,378

7,572	38,429	28,839
(1,210)	(1,210)	-
-	(53)	-
124	(2,689)	4
(245)	44,237	18,772
-	(2,492)	-
(1,299)	(8,924)	(1,897)
4	(156)	68
(5,212)	(4,052)	(5,809)
24	46	74
-	(55,654)	-
(8,599)	(15,032)	(18,842)
(2,198)	(2,174)	12,830
(3)	(83,526)	1,851
(2)	17,005	931
-	-	(9,168)
-	16	-
143	481	1,143
1	14	277
2,917	2,767	(2,317)
17,763	35,342	52,613
(5,721)	(13,256)	(28,525)
(8,987)	(18,354)	(29,439)
2,159	6,002	15,715
2,774	6,335	-
<u>\$ (2,812)</u>	<u>\$ 1,433,848</u>	<u>\$ 39,498</u>

\$ 1,369 \$ (23,855) \$ 508

-	22,916	-
27	87	307
100	3,644	-
(1,586)	16,829	(805)
607	27,809	39
(1,122)	(16,968)	(547)
(283)	(149)	(838)