



REQUIRED SUPPLEMENTARY INFORMATION BUDGET

Required supplementary information for budget provides information on budget versus actual revenues, expenditures and changes in fund balance and related note disclosures for budgetary reporting.

The following schedules are included in the Required Supplementary Information for Budget:

Schedule of Revenues, Expenditures and Changes in Fund Balance: Budget and Actual (Budgetary Basis—Non-GAAP):
General Fund

Notes to Required Supplementary Information: Budgetary Reporting

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS — NON-GAAP)
GENERAL FUND

For the Fiscal Year Ended June 30, 2023

(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Individual income	\$ 15,470,900	\$ 15,470,900	\$ 16,803,249	\$ 1,332,349
Corporate income	1,155,500	1,155,500	1,635,813	480,313
Sales and use	10,183,400	10,183,400	11,658,758	1,475,358
Franchise	690,900	690,900	849,371	158,471
Insurance	1,033,500	1,033,500	1,148,118	114,618
Beverage	552,500	552,500	588,456	35,956
Tobacco products	270,200	270,200	286,267	16,067
Other	202,900	202,900	208,524	5,624
Non-Tax:				
Fees, licenses and fines	222,800	222,800	207,016	(15,784)
Investment income	60,900	60,900	480,198	419,298
Disproportionate share receipts	161,500	161,500	161,540	40
Other	360,291	360,291	334,956	(25,335)
Tobacco settlement	144,600	144,600	156,628	12,028
Departmental:				
Federal funds	21,298,248	20,868,909	18,516,073	(2,352,836)
Federal COVID-19 funds	-	4,795,127	4,281,156	(513,971)
Local funds	824,204	946,065	883,348	(62,717)
Inter-agency grants and allocations	35,039	353,974	524,503	170,529
Intra-governmental transactions	9,312,121	18,433,928	13,781,450	(4,652,478)
Sales and services	226,560	262,721	180,475	(82,246)
Rental and lease of property	17,669	22,732	19,798	(2,934)
Fees, licenses and fines	1,781,910	964,734	1,040,242	75,508
Contributions, gifts and grants	424,025	1,004,302	1,029,393	25,091
Miscellaneous	511,244	251,526	99,962	(151,564)
Total Revenues	64,940,911	78,413,909	74,875,294	(3,538,615)
Expenditures				
Current:				
General government	4,042,110	12,518,108	9,463,084	3,055,024
Primary and secondary education	14,469,245	17,133,911	15,851,870	1,282,041
Higher education	6,604,872	7,179,698	6,847,111	332,587
Health and human services	28,580,798	32,672,284	30,467,542	2,204,742
Environment and natural resources	1,189,756	3,121,258	937,159	2,184,099
Economic development	828,880	1,562,803	1,201,060	361,743
Public safety, corrections, and regulation	4,853,484	7,369,485	6,341,856	1,027,629
Agriculture	266,640	448,767	387,132	61,635
Debt Service	649,271	1,049,690	655,433	394,257
Total Expenditures	61,485,056	83,056,004	72,152,247	10,903,757
Excess (deficiency) of revenues over expenditures	3,455,855	(4,642,095)	2,723,047	7,365,142
Total Fund Balance at July 1	21,996,793	21,996,793	21,996,793	-
Total Fund Balance at June 30	\$ 25,452,648	\$ 17,354,698	\$ 24,719,840	\$ 7,365,142
Fund balance reserved:				
Statutory			\$ 9,046,935	
Non-reverting purposes			10,823,677	
Fund balance unreserved			4,849,228	
Total Fund Balance at June 30			\$ 24,719,840	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY REPORTING

A. General Fund Budgetary Process

The State of North Carolina operates on a biennial budget cycle with separate annual departmental certified budgets adopted by the General Assembly on the cash basis of accounting for the General Fund.

The accompanying budgetary comparison schedule discloses the annual original budget and final budget for the General Fund. Actual amounts in the schedule are presented on the budgetary basis. Since the budgetary basis differs from generally accepted accounting principles (GAAP), a reconciliation between the budgetary basis and the GAAP basis is presented in section C below.

On July 20, 2006, the General Assembly passed Session Law 2006-203, the State Budget Act, to replace the Executive Budget Act. This legislation was effective July 1, 2007 and affected budget development and management by simplifying, reorganizing, updating the current budget statutes, and making changes to conform the statutes to the state constitutional provisions governing appropriations. The legislation provided that agency budgets be classified in accordance with generally accepted accounting principles as interpreted by the State Controller.

The legal level of budgetary control is essentially at the object level. However, departments and institutions may make changes at their discretion within the budget of each purpose between and among objects for supplies and materials, current obligations and services, fixed charges and other expenses, and capital outlay. Also, Chapter 116, Article 1, Part 2A of the General Statutes authorized the 16 universities within the University of North Carolina System and the North Carolina School of Science and Mathematics to apply for special responsibility status, which sets the legal level of budgetary control at the institution's budget code level. A budget code is a convention used in the State's accounting system to distinguish the type of fund and the responsible department or institution. Budget codes are also used to segregate certain purposes within departments or institutions. Institutions with special responsibility status must still have certain budget revisions, primarily those associated with unanticipated revenues, approved by the Office of State Budget and Management (OSBM). Additionally, universities must maintain programs and services in accordance with the guidelines established by the Board of Governors of the consolidated University of North Carolina System. All 16 universities and the North Carolina School of Science and Mathematics have applied for and received special responsibility status.

Generally, unexpended appropriations at the end of the fiscal year lapse and are reappropriated in the next fiscal year. However, in certain circumstances, the OSBM will allow a department to carry forward appropriations for specifically identified expenditures that will be paid in the next fiscal year. This is accomplished by the department requesting the carryforward amount through OSBM and making required entries to the North Carolina Accounting System (NCAS) in the current year expensing the funds from the agency budget codes. The Office of State Controller (OSC) then transfers the funds to the Carryforward Reserve Fund. The funds are held by OSC pending approval from OSBM to return the funds to the agencies. Upon OSBM approval, the funds are transferred back to the agency budget codes. The agency then makes an entry to NCAS recording the revenue in the subsequent fiscal year.

A detailed listing of appropriation and departmental budget information is available for public inspection in the separately published "Budgetary Compliance Report" prepared by the Office of the State Controller, 3514 Bush Street, Raleigh, NC 27609 and through the Office of State Budget and Management, 116 W. Jones Street, Raleigh, NC 27603.

B. Special Fund Budgetary Process

The major special revenue funds, which are the Highway Fund and Highway Trust Fund, do not have annual appropriated budgets.

C. Reconciliation of Budget/GAAP Reporting Differences

The *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis – Non-GAAP) – General Fund*, presents comparisons of the legally adopted budget (which is more fully described in section A, above) with actual data on a budgetary basis. Accounting principles applied to develop data on a budgetary basis differ significantly from those principles used to present financial statements in conformity with generally accepted accounting principles (GAAP). The following describes the major differences between budgetary financial data and GAAP financial data.

Basis differences. Budgetary funds are accounted for on the cash basis of accounting, while under GAAP the governmental funds use the modified accrual basis. Accrued revenues and expenditures are recognized in the GAAP financial statements.

Timing differences. A significant variance between budgetary practices and GAAP is any time-restricted appropriations. Section 11.26 of Session Law 2014-100 restricts the use of funds appropriated to the UNC-Need Based Financial Aid Forward Funding Reserve in the current fiscal year to the subsequent fiscal year. Section 11A.3.(f) of Session Law 2016-94 restricts the use of funds appropriated to the Opportunity Scholarship Grant Fund Reserve in the current fiscal year to the subsequent fiscal year. This time-restriction prevented the

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revenue/expense from being recognized on GAAP basis, which resulted in the recognition of a deferred inflow of resources (deferred state aid) by the recipient and a deferred outflow of resources (forward funded state aid) by the provider. So while the cash is paid to the recipient in the current fiscal year, it will not be recognized as an expense (by the provider) or revenue (by the recipient) until the subsequent fiscal year.

The following table presents a reconciliation of resulting basis and timing differences in the fund balances (budgetary basis) at June 30, 2023 to the fund balances on a modified accrual basis (GAAP). Amounts are expressed in thousands.

	<u>General Fund</u>
Fund balance (budgetary basis)	
June 30, 2023.....	\$ 24,719,840
<u>Reconciling Adjustments</u>	
Basis Differences	
Accrued revenues	
Taxes receivable.....	2,824,762
Less tax refunds payable.....	(1,159,275)
Accounts receivable and other receivables.....	535,361
Federal funds, net.....	3,055,582
Unearned revenue.....	(4,060,291)
Total accrued revenues.....	<u>1,196,139</u>
Accrued expenditures	
Medical claims payable.....	(2,781,955)
Accounts payable, accrued liabilities, and other payables.....	(1,172,210)
Total accrued expenditures.....	<u>(3,954,165)</u>
Other Adjustments	
Notes receivable.....	12,666
Inventories.....	101,239
Advances to outside entities.....	5,303
Lease receivable.....	6,945
Timing Differences	
Forward funded state aid.....	<u>277,633</u>
Fund balance (GAAP basis)	
June 30, 2023.....	<u>\$ 22,365,600</u>

D. Budgetary Reserves

The North Carolina General Assembly has established several accounts in the General Fund as reserved fund balances for budgetary purposes. Funds that are transferred to these accounts from the unreserved credit balance of the General Fund can be used only for their intended purposes and on a budgetary basis are not available for appropriation.

Savings Reserve (General Statute 143C-4-2). The Savings Reserve is established as a reserve in the General Fund and is a component of the unappropriated General Fund balance. In accordance with Session Law 2017-5, in each fiscal year, funds reserved to the Savings Reserve shall be available for expenditure in an aggregate amount that does not exceed seven and one-half percent (7.5%) of the prior fiscal year's General Fund operating budget appropriations. Funds reserved to the Savings Reserve shall be available for expenditure only upon an act of appropriation by the General Assembly. Each Current Operations Appropriations Act enacted by the General Assembly shall include a transfer to the Savings Reserve of fifteen percent (15%) of each fiscal year's estimated growth in State tax revenues that are deposited in the General Fund. The Office of State Budget and Management and the Fiscal Research Division of the General Assembly shall jointly develop and annually produce an evaluation of the adequacy of the Savings Reserve based on the volatility of North Carolina's General Fund tax structure, which shall take into consideration relevant statistical and economic literature. After completing the evaluation, these entities may revise the methodology as needed to estimate the target for the Savings Reserve balance, which shall be calculated so as to be sufficient to cover two years of need for nine out of 10 scenarios involving a decline in General Fund revenue from one fiscal year to the next fiscal year. The recommended balance shall be expressed as a percentage of the prior year General Fund operating budget appropriations, excluding departmental receipts. At the beginning of fiscal year 2022-23, the balance of the Savings Reserve was \$3.116 billion. Session Law 2022-74 authorized the transfer of \$1.634 billion from the Unreserved Fund Balance to the Savings Reserve. In

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addition, one thousand dollars was transferred from the Office of State Budget and Management to the Savings Reserve. At the end of fiscal year 2022-23, the balance of this reserve was \$4.75 billion.

Disaster Relief Reserve (Session Law 2005-1). During fiscal year 2004-05, \$248.17 million was transferred to the Disaster Relief Reserve. This \$248.17 million was funded from required agency, university, and community college transfers, a Savings Reserve Account transfer, and transfers of funds from the unreserved credit balance. At the beginning of fiscal year 2022-23, the balance was \$20.642 million. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$945.199 million from the Unreserved Fund Balance to the Disaster Relief Reserve for the fiscal year. During the fiscal year, \$217.349 million was transferred out of the reserve. In addition, \$125 million was transferred from the Office of State Budget and Management to the Disaster Relief Reserve to return unused Covid-19 Pandemic funds. At the end of the fiscal year 2022-23, the balance of this reserve was \$873.492 million.

Medicaid Contingency Reserve (Session Law 2014-100). The Medicaid Contingency Reserve was established in accordance with Session Law 2014-100, Section 12H.38.(a) as a reserve in the General Fund. The Medicaid Contingency Reserve shall be used only for budget shortfalls in the Medicaid Program. At the beginning of fiscal year 2022-23, the balance was \$175.373 million. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$151.14 million from the Unreserved Fund Balance to the Medicaid Contingency Reserve. At the end of fiscal year 2022-23, the balance of this reserve was \$326.513 million.

Medicaid Transformation Reserve Fund (Session Law 2015-241). The Medicaid Transformation Reserve Fund was established in the Office of State Budget and Management as a non-reverting reserve in the General Fund. It was established in accordance with Session Law 2015-241, Section 12H.29. The purpose of the Medicaid Transformation Fund is to provide funds for converting from a fee-for-services payment system to a capitated payment system. At the beginning of fiscal year 2022-23, the balance was \$21.498 million. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$246 million from the Unreserved Fund Balance to the Medicaid Transformation Reserve. Session Law 2021-180 authorized the transfer of \$40.856 million from the reserve to the Department of Health and Human Services during the fiscal year. In addition, Session Law 2022-74 authorized the transfer of \$71 million from the reserve to the Department of Health and Human Services during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was \$155.642 million.

Carryforward Reserve (Session Law 2014-100). In accordance with Session Law 2014-100, Section 6.7, the General Assembly required the Office of State Budget and Management and the Office of the State Controller, in consultation with the Fiscal Research Division, to review current budgeting practices in the General Fund. After review, the Office of State Budget and Management and the Office of the State Controller, in consultation with the Fiscal Research Division, established stronger internal controls over the carryforward process. In fiscal year 2022-23 this process included all State agencies with the exception of higher education. Carryforward funds were transferred from the agencies' General Fund appropriations and placed in the Carryforward Reserve. At the end of fiscal year 2022-23, the balance of this reserve was \$662.613 million.

Unfunded Liability Solvency Reserve (Session Law 2018-30). The Unfunded Liability Solvency Reserve was established in accordance with Session Law 2018-30 as a reserve in the General Fund. The funds in the Reserve shall be used only for transfers to the Health Benefit Fund or the Retirement System for the purpose of reducing the unfunded liabilities of those two funds. At the beginning of fiscal year 2022-23, the balance was \$40 million. In accordance with General Statute 143C-4-10(c)(3)c, funds in the amount of \$584 thousand were transferred to the reserve from the Department of State Treasurer. Funds in the amount of \$40.584 million were transferred out of the reserve to the Health Benefit Fund and Retirement System during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was zero.

Hurricane Florence Disaster Recovery Reserve (Session Law 2018-136). The Hurricane Florence Disaster Recovery Reserve was established in accordance with Session Law 2018-136 as a reserve in the General Fund. The purpose is to maintain funds reserved for disaster recovery in relation to Hurricane Florence. At the beginning of fiscal year 2022-23, the balance was \$73.003 million. Funds in the amount of \$13.143 million were transferred out of the reserve during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was \$59.86 million.

State Fiscal Recovery Reserve (Session Law 2021-25). The State Fiscal Recovery Reserve or American Recovery Plan Act Reserve was established in accordance with Session Law 2021-25 as a reserve in the General Fund. The purpose is to maintain federal funds received from the American Rescue Plan Act of 2021, P.L. 117-2, which provides additional relief to address the continued impact of COVID-19. Interest earned in the amount of \$103.077 million were received during the fiscal year. No funds were transferred out of the reserve during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was \$103.077 million.

Information Technology Reserve (Session Law 2021-180). The Information Technology Reserve was established in accordance with Session Law 2021-180 as a reserve in the General Fund. The purpose is to make funds available for information technology project expenditures. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$184 million from the Unreserved Fund Balance to the Information Technology Reserve for the fiscal year. Funds in the amount of \$75.057 million were transferred out of the reserve during the fiscal year to various agencies per Session Law 2022-74. At the end of fiscal year 2022-23, the balance of this reserve was \$108.943 million.

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State Capital and Infrastructure Fund (SCIF) Reserve (General Statute 143C-4-3.1). The State Capital and Infrastructure Fund (SCIF) Reserve was established in accordance with General Statute 143C-4-3.1 as a reserve in the General Fund. The purpose is to reserve an unappropriated balance to transfer funds to the State Capital and Infrastructure Fund upon appropriation by the General Assembly. The Fund was established to address the ongoing capital and infrastructure needs of the State. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$3.182 billion from the Unreserved Fund Balance to the SCIF Reserve for the fiscal year. Funds in the amount of \$3.182 billion were transferred out of the reserve to the Office of State Budget and Management State Capital and Infrastructure Fund during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was zero.

Wilmington Harbor Enhancements Reserve (Session Law 2021-180). The Wilmington Harbor Enhancements Reserve was established in accordance with Session Law 2021-180 as a reserve in the General Fund. The purpose is to make funds available for expenditures associated with the Wilmington Harbor Enhancement project. At the beginning of fiscal year 2022-23, the balance of the Wilmington Harbor Enhancements Reserve was \$283.8 million. No funds were transferred out of the reserve during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was \$283.8 million.

Economic Development Project Reserve (Session Law 2021-180). The Economic Development Project Reserve was established in accordance with Session Law 2021-180 as a reserve in the General Fund. The purpose is to make funds available for expenditures associated with economic development projects meeting or exceeding high-yield project metrics. At the beginning of fiscal year 2022-23, the balance of the Economic Development Project Reserve was \$203 million. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$876 million from the Unreserved Fund Balance to the Economic Development Project Reserve for the fiscal year. Funds in the amount of \$477.1 million were transferred out of the reserve to the Department of Commerce during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was \$601.9 million.

Opioid Abatement Reserve (Session Law 2021-180). The Opioid Abatement Reserve was established in accordance with Session Law 2021-180 as a reserve in the General Fund. The purpose is to maintain funds received by the State as a beneficiary of the final consent judgment resolving the case, *State of North Carolina, ex. Rel. Joshua H. Stein, Plaintiff v. McKinsey and Company, Inc.*, and any other funds received by the State as a result of the settlement. At the beginning of fiscal year 2022-23, the balance of the Opioid Abatement Reserve was \$4.366 million. In accordance with Session Law 2022-74, funds in the amount of \$11.992 million were transferred to or deposited into the reserve as a result of the settlement during the fiscal year. Funds in the amount of \$15.593 million were transferred out of the reserve to the Opioid Abatement Fund at the Department of Health and Human Services during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was \$765 thousand.

Public School Contingency Reserve (Session Law 2022-74). The Public School Contingency Reserve was established in accordance with Session Law 2022-74 as a reserve in the General Fund. The purpose of the reserve is to make funds available to the Department of Public Instruction to provide sufficient State net General Fund appropriations and necessary budget authority. At the beginning of fiscal year 2022-23, the balance of the Public School Contingency Reserve was \$151.524 million. Funds in the amount of \$151.524 million were reverted to the General Fund during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was zero.

World University Games Reserve (Session Law 2022-74). The World University Games Reserve was established in accordance with Session Law 2022-74 as a reserve in the General Fund. The purpose of the reserve is to make funds available to support the State of North Carolina as a host of the 2027 World University Games. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$25 million from the Unreserved Fund Balance to the World University Games Reserve for the fiscal year. No funds were transferred out of the reserve during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was \$25 million.

Housing Reserve (Session Law 2022-74). The Housing Reserve was established in accordance with Session Law 2022-74 as a reserve in the General Fund. The purpose of the reserve is to make funds available upon appropriation for the Workforce Housing Loan Program and the Dare County Affordable Housing Project. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$205 million from the Unreserved Fund Balance to the Housing Reserve for the fiscal year. Funds in the amount of \$170 million were transferred out of the reserve to the Housing Finance Agency during the fiscal year. Funds in the amount of \$35 million were transferred out of the reserve to the Office of State Budget and Management during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was zero.

Local Project Reserve (Session Law 2022-74). The Local Project Reserve was established in accordance with Session Law 2022-74 as a reserve in the General Fund. The purpose of the reserve is to make funds available for local project expenditures. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$80.115 million from the Unreserved Fund Balance to the Local Project Reserve for the fiscal year. Funds in the amount of \$80.115 million were transferred out of the reserve to various agencies and component units of the State during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was zero.

Federal Infrastructure Match Reserve (Session Law 2022-74). The Federal Infrastructure Match Reserve was established in accordance with Session Law 2022-74 as a reserve in the General Fund. The purpose of the reserve is to make funds available State agencies and departments to use for State match requirements when procuring federal aid made available under the federal Infrastructure Investment and

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Jobs Act. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$106 million from the Unreserved Fund Balance to the Federal Infrastructure Match Reserve for the fiscal year. Funds in the amount of \$10.141 million were transferred out of the reserve to the Department of Environmental Quality during the fiscal year. Funds in the amount of \$530 thousand were transferred out of the reserve to the Department of Information Technology during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was \$95.329 million.

Retiree Supplement Reserve (Session Law 2022-74). The Retiree Supplement Reserve was established in accordance with Session Law 2022-74 as a reserve in the General Fund. The purpose of the reserve is to make funds available to provide a one percent (1%) retiree supplement. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$35.955 million from the Unreserved Fund Balance to the Local Project Reserve for the fiscal year. Funds in the amount of \$35.955 million were transferred out of the reserve during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was zero.

Public School Needs-Based Capital Reserve (Session Law 2022-74). The Public School Needs-Based Capital Reserve was established in accordance with Session Law 2022-74 as a reserve in the General Fund. The purpose of the reserve is to make funds available to the Department of Public Instruction. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$100 million from the Unreserved Fund Balance to the Public School Needs-Based Capital Reserve for the fiscal year. Funds in the amount of \$100 million were transferred out of the reserve to the Department of Public Instruction during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was zero.

Clean Water and Drinking Water Reserve (Session Law 2022-74). The Clean Water and Drinking Water Reserve was established in accordance with Session Law 2022-74 as a reserve in the General Fund. The purpose of the reserve is to make funds available to the Department of Environmental Quality to use for clean water and drinking water projects. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer \$325.98 million from the Unreserved Fund Balance to the Clean Water Drinking Water Reserve for the fiscal year. Funds in the amount of \$325.98 million were transferred out of the reserve to the Department of Environmental Quality during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was zero.

Stabilization and Inflation Reserve (Session Law 2022-74). The Stabilization and Inflation Reserve was established in accordance with Session Law 2022-74 as a reserve in the General Fund. The purpose of the reserve is to make, only upon an act of appropriation by the General Assembly, funds available to be used for costs associated with inflation and other measures necessary to stabilize the State economy. In accordance with Session Law 2022-74, the Office of State Controller was authorized to transfer one billion dollars from the Unreserved Fund Balance to the Stabilization and Inflation Reserve for the fiscal year. No funds were transferred out of the reserve during the fiscal year. At the end of fiscal year 2022-23, the balance of this reserve was one billion dollars.