

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2011

(Dollars in Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General government.....	\$ 1,123,257	\$ 195,286	\$ 47,587	\$ 10,562	\$ (869,822)
Primary and secondary education.....	10,006,402	17,431	2,031,220	—	(7,957,751)
Higher education.....	4,308,475	111,862	164,990	—	(4,031,623)
Health and human services.....	16,837,927	295,465	12,348,448	—	(4,194,014)
Economic development.....	744,796	32,205	479,772	10	(232,809)
Environment and natural resources.....	608,903	155,298	92,233	32,998	(328,374)
Public safety, corrections, and regulation.....	2,796,375	542,304	177,664	11,678	(2,064,729)
Transportation.....	2,177,142	709,064	265,758	1,143,301	(59,019)
Agriculture.....	114,474	19,203	24,586	—	(70,685)
Interest on long-term debt.....	307,917	—	—	—	(307,917)
Total Governmental Activities.....	<u>39,025,668</u>	<u>2,078,118</u>	<u>15,632,258</u>	<u>1,198,549</u>	<u>(20,116,743)</u>
Business-type Activities:					
Unemployment Compensation.....	4,420,762	1,294,104	2,870,847	—	(255,811)
N.C. State Lottery.....	1,028,536	1,464,639	1,192	—	437,295
EPA Revolving Loan.....	42,897	20,388	104,456	—	81,947
N.C. Turnpike Authority.....	4,940	—	15,212	11,630	21,902
Regulatory programs.....	78,653	80,008	1,165	—	2,520
Insurance programs.....	36,885	16,046	4,514	—	(16,325)
North Carolina State Fair.....	13,595	14,915	343	—	1,663
Other business-type activities.....	9,148	8,745	385	57	39
Total Business-type Activities.....	<u>5,635,416</u>	<u>2,898,845</u>	<u>2,998,114</u>	<u>11,687</u>	<u>273,230</u>
Total Primary Government.....	<u>\$ 44,661,084</u>	<u>\$ 4,976,963</u>	<u>\$ 18,630,372</u>	<u>\$ 1,210,236</u>	<u>\$ (19,843,513)</u>
Component Units:					
The Golden LEAF, Inc.	\$ 45,527	\$ 9	\$ 121,885	\$ —	\$ 76,367
University of North Carolina System.....	9,150,137	5,533,287	1,749,622	370,858	(1,496,370)
Community Colleges.....	2,194,155	305,403	912,318	265,557	(710,877)
N.C. Housing Finance Agency.....	429,975	388,623	46,392	—	5,040
State Education Assistance Authority.....	328,220	108,193	217,247	—	(2,780)
State Health Plan.....	2,613,075	2,680,783	106,323	—	174,031
Other component units.....	335,780	99,031	157,884	46,436	(32,429)
Total Component Units.....	<u>\$ 15,096,869</u>	<u>\$ 9,115,329</u>	<u>\$ 3,311,671</u>	<u>\$ 682,851</u>	<u>\$ (1,987,018)</u>

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

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2011

Exhibit A-2

(Dollars in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in Net Assets:				
Net (expense) revenue	\$ (20,116,743)	\$ 273,230	\$ (19,843,513)	\$ (1,987,018)
General Revenues:				
Taxes:				
Individual income tax.....	10,020,535	—	10,020,535	—
Corporate income tax.....	1,132,931	—	1,132,931	—
Sales and use tax.....	6,172,377	—	6,172,377	—
Gasoline tax.....	1,675,476	—	1,675,476	—
Franchise tax.....	794,091	—	794,091	—
Highway use tax.....	469,811	—	469,811	—
Insurance tax.....	501,032	—	501,032	—
Beverage tax.....	311,809	—	311,809	—
Inheritance tax.....	24,184	—	24,184	—
Tobacco products tax.....	291,699	—	291,699	—
Other taxes.....	301,217	—	301,217	—
Tobacco settlement.....	131,318	—	131,318	—
Unrestricted investment earnings.....	32,980	—	32,980	—
State aid.....	—	—	—	3,603,872
Miscellaneous.....	45,014	3	45,017	5,758
Contributions to permanent funds.....	3,188	—	3,188	—
Contributions to endowments.....	—	—	—	118,302
Transfers.....	371,422	(371,422)	—	—
Total general revenues, contributions, and transfers.....	22,279,084	(371,419)	21,907,665	3,727,932
Change in net assets.....	2,162,341	(98,189)	2,064,152	1,740,914
Net assets — July 1, as restated (Note 24).....	32,202,970	(372,068)	31,830,902	17,380,826
Net assets — June 30.....	\$ 34,365,311	\$ (470,257)	\$ 33,895,054	\$ 19,121,740