

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2025

(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)	5,483,367	805,427	191,737	-
Investments (Note 3)	-	237,664	8,746	-
Securities lending collateral (Note 3)	1,809	20,189	4,046	5,405
Receivables: (Note 4)				
Accounts receivable, net	89,329	2,418	16,295	45,877
Intergovernmental receivable	193	279	-	7,677
Interest receivable	-	-	501	-
Premiums receivable	-	-	-	-
Contributions receivable, net	324,216	-	-	-
Notes receivable	-	128,940	-	-
Lease receivable	-	-	-	-
Due from other funds (Note 10)	52,879	-	-	-
Inventories	-	-	-	693
Prepaid items	-	-	-	341
Restricted cash and cash equivalents (Note 3)	-	-	-	-
Total current assets	5,951,793	1,194,917	221,325	59,993
Noncurrent Assets				
Accounts receivable (Note 4)	290,620	-	-	-
Investments (Note 3)	-	-	77,744	-
Notes receivable	-	1,423,118	-	-
Lease receivable	-	-	-	-
Prepaid items	-	-	755	8,557
Restricted/designated cash and cash equivalents (Note 3)	-	-	-	115,861
Restricted investments (Note 3)	-	-	-	516,745
Net OPEB asset	-	9	38	4
Capital assets-nondepreciable (Note 5)	-	-	-	1,182,901
Capital assets-depreciable, net (Note 5)	-	14	12,303	2,064,097
Total noncurrent assets	290,620	1,423,141	90,840	3,888,165
Total Assets	6,242,413	2,618,058	312,165	3,948,158
Deferred Outflows of Resources				
Deferred loss on refunding	-	-	-	18,985
Deferred outflows for pensions	-	2,751	9,813	1,168
Deferred outflows for OPEB	-	3,864	17,288	1,912
Total Deferred Outflows of Resources	-	6,615	27,101	22,065
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities:				
Accounts payable	77,673	1,045	69,450	27,344
Accrued payroll	-	-	58	-
Intergovernmental payable	242,224	1,334	-	2,550
Claims payable	-	-	-	-
Unemployment benefits payable	3,892	-	-	-
Obligations under securities lending	1,809	20,189	4,046	5,405
Interest payable	-	-	-	52,296
Due to fiduciary funds (Note 10)	-	-	856	-
Due to other funds (Note 10)	278	-	141,325	115,049
Due to component units (Note 18)	-	-	-	-
Unearned revenue	2,724	-	-	397
Deposits payable	-	-	-	19,957
Annuity and life income payable (Note 8)	-	-	8,746	-
Notes from direct borrowings (Note 8)	-	-	-	1,078
Lease liability (Note 8)	-	-	-	-
Subscription liability (Note 8)	-	-	8,132	-
Bonds payable (Note 8)	-	-	-	45,609
Compensated absences (Note 8)	-	138	391	59
Workers' compensation (Note 8)	-	-	88	-
Total current liabilities	328,600	22,706	233,092	269,744

Exhibit B-3

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities —
		Internal Service Funds
275,742	6,756,273	161,558
80,256	326,666	3,177
3,205	34,654	1,281
1,747	155,666	24,347
3,819	11,968	-
1,685	2,186	-
714	714	19
-	324,216	-
-	128,940	-
1,870	1,870	-
-	52,879	40,176
679	1,372	201
25,070	25,411	23,204
1,877	1,877	-
396,664	7,824,692	253,963
-	290,620	-
33,403	111,147	-
248	1,423,366	-
6,434	6,434	-
351	9,663	-
71	115,932	-
-	516,745	-
49	100	150
17,510	1,200,411	3,089
75,238	2,151,652	200,447
133,304	5,826,070	203,686
529,968	13,650,762	457,649
-	18,985	-
19,310	33,042	47,388
41,297	64,361	76,824
60,607	116,388	124,212
23,965	199,477	16,262
197	255	9,381
-	246,108	37
24,217	24,217	1,154
-	3,892	-
3,205	34,654	1,281
1	52,297	-
-	856	-
59	256,711	2,899
-	-	4,933
68,209	71,330	19,005
7,142	27,099	-
-	8,746	-
1,273	2,351	-
1,324	1,324	179
181	8,313	8,604
-	45,609	-
1,910	2,498	2,603
6	94	288
131,689	985,831	66,626

Continued

STATEMENT OF NET POSITION

PROPRIETARY FUNDS (Continued)

June 30, 2025

(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	-	-	-	125,027
Advances from other funds (Note 10)	-	-	-	35,207
Annuity and life income payable (Note 8)	-	-	77,744	-
Notes from direct borrowings (Note 8)	-	-	-	663,956
Lease liability (Note 8)	-	-	-	-
Subscription liability (Note 8)	-	-	2,637	-
Bonds payable, net (Note 8)	-	-	-	2,111,929
Compensated absences (Note 8)	-	963	2,796	527
Workers' compensation (Note 8)	-	-	-	-
Net pension liability (Note 8)	-	4,694	19,872	1,886
Net OPEB liability (Note 8)	-	8,622	41,722	3,947
Total noncurrent liabilities	-	14,279	144,771	2,942,479
Total Liabilities	328,600	36,985	377,863	3,212,223
Deferred Inflows of Resources				
Deferred gain on refunding	-	-	-	32,012
Deferred inflows for lease agreements	-	-	-	-
Deferred inflows for pensions	-	133	249	6
Deferred inflows for OPEB	-	2,218	5,851	606
Total Deferred Inflows of Resources	-	2,351	6,100	32,624
Net Position				
Net investment in capital assets	-	14	1,534	911,859
Restricted for:				
Expendable:				
Economic development	-	-	-	-
Transportation	-	-	-	82,259
Debt service	-	-	-	199,233
Other purposes	-	-	-	-
Unrestricted	5,913,813	2,585,323	(46,231)	(467,975)
Total Net Position	\$ 5,913,813	\$ 2,585,337	\$ (44,697)	\$ 725,376

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
2,692	2,692	-
-	125,027	-
-	35,207	-
-	77,744	-
14,874	678,830	-
9,303	9,303	574
319	2,956	25,360
-	2,111,929	-
8,886	13,172	20,756
29	29	1,014
27,379	53,831	80,633
54,610	108,901	170,507
<u>118,092</u>	<u>3,219,621</u>	<u>298,844</u>
<u>249,781</u>	<u>4,205,452</u>	<u>365,470</u>
-	32,012	-
7,779	7,779	-
4,782	5,170	1,564
<u>30,203</u>	<u>38,878</u>	<u>28,008</u>
<u>42,764</u>	<u>83,839</u>	<u>29,572</u>
65,378	978,785	168,819
1,382	1,382	-
-	82,259	-
-	199,233	-
3,094	3,094	-
228,176	8,213,106	18,000
<u>\$ 298,030</u>	<u>\$ 9,477,859</u>	<u>\$ 186,819</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2025

(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	\$ 908,886	\$ -	\$ -	\$ -
Federal funds	2,986	-	-	-
Sales and services	-	10,362	6,585,616	1,007
Student tuition and fees, net	-	-	-	-
Interest earnings on loans	-	12,468	-	-
Rental and lease earnings	-	-	-	-
Fees, licenses, and fines	-	-	5,303	23,174
Toll revenues	-	-	-	118,645
Insurance premiums	-	-	-	-
Miscellaneous	-	-	854	35,207
Total operating revenues	911,872	22,830	6,591,773	178,033
Operating Expenses				
Personal services	-	10,181	39,795	5,238
Supplies and materials	-	106	2,587	27,190
Services	-	7,127	462,334	21,450
Cost of goods sold	-	-	-	739
Depreciation	-	1	7,042	33,637
Lottery prizes	-	-	4,998,261	-
Claims	-	-	-	-
Unemployment benefits	425,018	-	-	-
Insurance and bonding	-	-	233	6
Other	-	947	11,157	19,446
Total operating expenses	425,018	18,362	5,521,409	107,706
Operating income (loss)	486,854	4,468	1,070,364	70,327
Nonoperating Revenues (Expenses)				
Noncapital grants	649	118,248	-	-
Noncapital gifts, net	-	-	-	-
Noncapital contributions	-	3	13	1
Lease revenue	-	-	-	-
Investment earnings (losses)	163,473	49,432	8,336	34,065
Insurance recoveries	-	-	-	161
Grants, aid, and subsidies	-	(24,790)	-	-
Gain (loss) on sale of equipment	-	-	(5)	-
Federal interest subsidy on debt	-	-	-	1,051
Interest and fees	-	-	(774)	(99,304)
Miscellaneous	(166)	710	(91)	(597)
Total nonoperating revenues (expenses)	163,956	143,603	7,479	(64,623)
Income (loss) before contributions and transfers	650,810	148,071	1,077,843	5,704
Capital contributions	-	-	-	83,505
Transfers in (Note 10)	38,907	36,170	2,187	57,697
Transfers out (Note 10)	(15,839)	-	(1,080,030)	(9,809)
Change in net position	673,878	184,241	-	137,097
Net position — July 1, as previously reported	5,239,935	2,372,681	(44,697)	588,300
Adjustments to July 1 balances	-	28,415	-	(21)
Net position — July 1, as restated (Note 23)	5,239,935	2,401,096	(44,697)	588,279
Net position — June 30	\$ 5,913,813	\$ 2,585,337	\$ (44,697)	\$ 725,376

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

Exhibit B-4

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities —
		Internal Service Funds
\$ -	\$ 908,886	\$ -
47	3,033	-
2,322	6,599,307	577,591
29	29	-
-	12,468	-
8,929	8,929	-
211,727	240,204	7,032
-	118,645	-
15,376	15,376	64,314
2,189	38,250	585
240,619	7,945,127	649,522
122,535	177,749	344,512
3,371	33,254	25,162
78,849	569,760	152,222
442	1,181	4,657
6,690	47,370	42,696
-	4,998,261	-
18,505	18,505	8,281
-	425,018	-
37,062	37,301	47,410
11,682	43,232	44,772
279,136	6,351,631	669,712
(38,517)	1,593,496	(20,190)
12	118,909	32
2,769	2,769	-
210	227	51
875	875	-
16,320	271,626	3,526
153	314	19
-	(24,790)	-
(869)	(874)	1,293
-	1,051	-
(839)	(100,917)	(1,989)
(82)	(226)	(57)
18,549	268,964	2,875
(19,968)	1,862,460	(17,315)
1,747	85,252	-
718	135,679	9,829
(1,340)	(1,107,018)	(9,842)
(18,843)	976,373	(17,328)
309,906	8,466,125	232,123
6,967	35,361	(27,976)
316,873	8,501,486	204,147
\$ 298,030	\$ 9,477,859	\$ 186,819

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2025

(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	\$ 847,567	\$ 7,944	\$ 6,329,137	\$ 178,219
Receipts from federal agencies	2,923	-	-	-
Receipts from program loan - interest	-	12,468	-	-
Receipts from program loan - principal	-	109,660	-	-
Receipts from other funds	-	-	-	-
Payments to suppliers	-	(7,421)	(176,283)	(48,051)
Payments to employees	-	(9,661)	(37,121)	(4,758)
Payments for prizes, benefits, and claims	(385,236)	-	(4,996,347)	-
Payments for program loans issued	-	(243,205)	-	-
Payments to other funds	-	-	-	-
Other receipts	278	4,695	395	37,882
Other payments	-	-	(429)	(616)
Net cash provided by (used for) operating activities	465,532	(125,520)	1,119,352	162,676
Cash Flows From Noncapital Financing Activities				
Grant receipts	649	118,248	-	-
Grants, aid, and subsidies	-	(52,573)	-	-
Noncapital contributions	-	-	-	-
Advances from other funds	-	-	-	1,334
Transfers from other funds	38,907	36,170	2,187	-
Transfers to other funds	(15,839)	-	(1,099,163)	-
Gifts	-	-	-	-
Net cash provided by (used for) noncapital financing activities	23,717	101,845	(1,096,976)	1,334
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	-	(6,758)	(240,497)
Proceeds from the sale of capital assets	-	-	-	-
Transfers from other funds	-	-	-	57,697
Transfers to other funds	-	-	-	(9,809)
Capital contributions	-	-	-	83,478
Capital gifts	-	-	-	-
Principal paid on capital debt	-	-	-	(42,516)
Interest paid on capital debt	-	-	(774)	(72,406)
Federal subsidy for interest on debt	-	-	-	1,052
Insurance recoveries	-	-	-	161
Proceeds from lease arrangements	-	-	-	-
Bond issuance costs	-	-	-	(268)
Net cash provided by (used for) capital and related financing activities	-	-	(7,532)	(223,108)
Cash Flows From Investing Activities				
Proceeds from the sales/maturities of non-State Treasurer investments	-	-	-	634,200
Purchase of non-State Treasurer investments	-	-	-	(566,034)
Purchase into State Treasurer investment pool	-	-	-	-
Redemptions from State Treasurer investment pool	-	-	-	-
Investment earnings	163,518	34,440	8,337	28,553
Net cash provided by investment activities	163,518	34,440	8,337	96,719

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

Exhibit B-5

		Governmental Activities —	
Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
\$ 262,872	\$ 7,625,739	\$ 22,185	
1,046	3,969	-	
-	12,468	-	
-	109,660	-	
-	-	631,633	
(99,606)	(331,361)	(265,373)	
(115,180)	(166,720)	(319,719)	
(16,630)	(5,398,213)	-	
-	(243,205)	-	
-	-	(28,887)	
2,621	45,871	12,226	
(23,536)	(24,581)	-	
11,587	1,633,627	52,065	
136	119,033	32	
-	(52,573)	-	
192	192	-	
-	1,334	-	
718	77,982	10,497	
(1,340)	(1,116,342)	(10,510)	
2,646	2,646	-	
2,352	(967,728)	19	
(3,835)	(251,090)	(23,571)	
177	177	6,053	
-	57,697	-	
-	(9,809)	-	
1,410	84,888	-	
24	24	(69)	
(3,354)	(45,870)	(14,123)	
(839)	(74,019)	(1,989)	
-	1,052	-	
-	161	-	
727	727	-	
-	(268)	-	
(5,690)	(236,330)	(33,699)	
34,292	668,492	-	
(37,522)	(603,556)	-	
(1)	(1)	-	
25,000	25,000	24,381	
8,944	243,792	2,541	
30,713	333,727	26,922	

Continued

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2025

(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	652,767	10,765	23,181	37,621
Cash and cash equivalents at July 1, as previously reported	4,830,600	794,662	168,556	78,240
Adjustments to cash and cash equivalents	-	-	-	-
Cash and cash equivalents at July 1, as restated	4,830,600	794,662	168,556	78,240
Cash and cash equivalents at June 30	<u>\$ 5,483,367</u>	<u>\$ 805,427</u>	<u>\$ 191,737</u>	<u>\$ 115,861</u>

Reconciliation of Operating Income to Net Cash Provided**By Operating Activities**

Operating income (loss)	\$ 486,854	\$ 4,468	\$ 1,070,364	\$ 70,327
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	1	7,042	33,637
Management fees	-	-	-	(616)
Nonoperating miscellaneous and other income (expense)	-	2,580	(91)	(596)
Change in assets and deferred outflows:				
Receivables	142,317	(2,418)	22,396	34,427
Intergovernmental receivables	-	-	-	661
Due from other funds	(5,430)	2,115	-	-
Inventories	-	-	-	762
Prepaid items	-	-	991	-
Net OPEB asset	-	(9)	(38)	(4)
Notes receivable	-	(133,544)	-	-
Deferred outflows for pensions	-	575	(801)	276
Deferred outflows for OPEB	-	(750)	(5,067)	(319)
Change in liabilities and deferred inflows:				
Accounts payable and accrued liabilities	(158,487)	758	15,329	(2,495)
Due to other funds	278	-	-	22,513
Due to component units	-	-	-	-
Due to fiduciary funds	-	-	309	-
Compensated absences	-	36	419	59
Workers' compensation	-	-	66	-
Unearned revenue	-	-	-	306
Net pension liability	-	(22)	(374)	(182)
Net OPEB liability	-	2,077	12,148	940
Deferred inflows for pensions	-	(81)	(186)	(19)
Deferred inflows for OPEB	-	(1,306)	(2,550)	(338)
Deposits payable	-	-	(605)	3,337
Net cash provided by (used for) operations	<u>\$ 465,532</u>	<u>\$ (125,520)</u>	<u>\$ 1,119,352</u>	<u>\$ 162,676</u>

Noncash Investing, Capital, and Financing Activities

Noncash distributions from the State Treasurer				
Bond Index External Investment Pool and/or other agents	\$ -	\$ 7,353	\$ -	\$ -
Donated or transferred assets	-	-	-	-
Change in construction in progress as a result of accrual of accounts payable	-	-	-	13,525
Capital asset writeoff	-	-	-	-
Assets acquired through the assumption of a liability	-	-	8,857	2,758
Change in fair value of investments	-	5,770	-	(29,486)
Increase in receivables related to nonoperating income	-	-	-	27
Change in securities lending collateral	(3,569)	(49,433)	(11,522)	(2,035)
Decrease in net OPEB liability related to noncapital contributions	-	(3)	13	(1)

Exhibit B-5

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities —
		Internal Service Funds
38,962	763,296	45,307
236,580	6,108,638	116,251
2,148	2,148	-
238,728	6,110,786	116,251
<u>\$ 277,690</u>	<u>\$ 6,874,082</u>	<u>\$ 161,558</u>

\$ (38,517) \$ 1,593,496 \$ (20,190)

6,690	47,370	42,696
-	(616)	-
363	2,256	90
824	197,546	5,542
-	661	-
-	(3,315)	(10,538)
(80)	682	16
6,222	7,213	6,443
(49)	(100)	(150)
-	(133,544)	-
8,524	8,574	14,043
2,074	(4,062)	(10,947)
7,722	(137,173)	(2,078)
59	22,850	(263)
-	-	(3,142)
-	309	-
695	1,209	2,127
(15)	51	(580)
24,263	24,569	9,878
(3,651)	(4,229)	(7,281)
10,375	25,540	43,033
(3,107)	(3,393)	(1,392)
(12,429)	(16,623)	(15,242)
1,624	4,356	-
<u>\$ 11,587</u>	<u>\$ 1,633,627</u>	<u>\$ 52,065</u>

\$ 1,098 \$ 8,451 \$ 416

(25) (25) 69

- 13,525 -

(361) (361) 580

4,661 16,276 13,809

902 (22,814) 642

966 993 -

(6,404) (72,963) 157

(18) (9) (53)