

**STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2002

*(Dollars in Thousands)*

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
General government.....	\$ 874,208	\$ 184,982	\$ 128,677	\$ 2,544	\$ (558,005)
Primary and secondary education.....	6,802,979	14,648	720,923	—	(6,067,408)
Higher education.....	2,519,703	789	15,281	—	(2,503,633)
Health and human services.....	10,376,807	133,275	7,014,086	—	(3,229,446)
Economic development.....	469,102	21,828	244,531	—	(202,743)
Environment and natural resources.....	627,369	92,604	158,720	39,192	(336,853)
Public safety, corrections, and regulation.....	2,109,487	327,457	208,348	30,863	(1,542,819)
Transportation.....	1,530,870	524,198	282,519	638,690	(85,463)
Agriculture.....	121,729	13,178	14,169	2,795	(91,587)
Interest on long-term debt.....	148,595	—	—	—	(148,595)
Total Governmental Activities.....	<u>25,580,849</u>	<u>1,312,959</u>	<u>8,787,254</u>	<u>714,084</u>	<u>(14,766,552)</u>
<b>Business-type Activities:</b>					
Unemployment Compensation.....	1,336,718	433,364	434,439	—	(468,915)
Other business-type activities.....	25,431	27,477	4,321	1,121	7,488
Total Business-type Activities.....	<u>1,362,149</u>	<u>460,841</u>	<u>438,760</u>	<u>1,121</u>	<u>(461,427)</u>
Total Primary Government.....	<u>\$ 26,942,998</u>	<u>\$ 1,773,800</u>	<u>\$ 9,226,014</u>	<u>\$ 715,205</u>	<u>\$ (15,227,979)</u>
<b>Component Units:</b>					
Golden LEAF Foundation.....	\$ 11,366	\$ —	\$ (12,995)	\$ —	\$ (24,361)
University of North Carolina System.....	5,132,174	3,045,092	391,424	35,484	(1,660,174)
Community Colleges.....	1,155,149	183,081	345,531	54,361	(572,176)
N.C. Housing Finance Agency.....	161,449	170,778	—	—	9,329
N.C. State Education Assistance Authority.....	101,819	69,352	53,254	—	20,787
Other component units.....	197,548	39,958	10,774	11,044	(135,772)
Total Component Units.....	<u>\$ 6,759,505</u>	<u>\$ 3,508,261</u>	<u>\$ 787,988</u>	<u>\$ 100,889</u>	<u>\$ (2,362,367)</u>

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

**STATEMENT OF ACTIVITIES (continued)**

For the Fiscal Year Ended June 30, 2002

Exhibit A-2

*(Dollars in Thousands)*

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Changes in Net Assets:</b>				
Net (expense) revenue	\$ (14,766,552)	\$ (461,427)	\$ (15,227,979)	\$ (2,362,367)
General Revenues:				
Taxes				
Individual income tax.....	7,234,431	—	7,234,431	—
Corporate income tax.....	599,382	—	599,382	—
Sales and use tax.....	3,778,873	—	3,778,873	—
Gasoline tax.....	1,212,788	—	1,212,788	—
Franchise tax.....	590,992	—	590,992	—
Highway use tax.....	555,320	—	555,320	—
Insurance tax.....	347,893	—	347,893	—
Beverage tax.....	200,593	—	200,593	—
Inheritance tax.....	106,491	—	106,491	—
Other taxes.....	278,740	—	278,740	—
Tobacco settlement.....	175,836	—	175,836	—
Unrestricted investment earnings.....	139,350	—	139,350	—
State operating aid.....	—	—	—	2,473,602
State capital aid.....	—	—	—	217,306
Miscellaneous.....	57,484	—	57,484	2,384
Contributions to permanent funds.....	2,019	—	2,019	—
Contributions to term and permanent endowments.....	—	—	—	31,148
Transfers.....	47,957	(47,957)	—	—
Total general revenues and transfers.....	15,328,149	(47,957)	15,280,192	2,724,440
Change in net assets.....	561,597	(509,384)	52,213	362,073
Net assets — July 1, as restated.....	21,453,112	1,395,567	22,848,679	7,841,995
Net assets — June 30.....	\$ 22,014,709	\$ 886,183	\$ 22,900,892	\$ 8,204,068