
STATE OF
NORTH CAROLINA

January 31, 2002
Monthly Financial Data

Robert L. Powell, State Controller
North Carolina Office of the State Controller

STATE OF NORTH CAROLINA



The Honorable Michael F. Easley
Governor of the State of North Carolina

March 18, 2002

We herewith submit the *Summary of Financial Condition* for the State of North Carolina for the seventh month ended January 31, 2002. The financial information within this report is designed to present the results of financial operations under the budgetary basis of accounting at a summary level.

The *Summary of Financial Condition* is intended to provide specific analysis of revenues and expenditures, and serve to point out particular areas of strength, as well as areas where unusual one-time transactions, changes in accounting, or changes in procedure may result in misleading interpretations by a casual reader.

Please contact us if you have questions or if you would like more detailed information. We are committed to providing you and the State with the most reliable and timely financial and economic information possible.

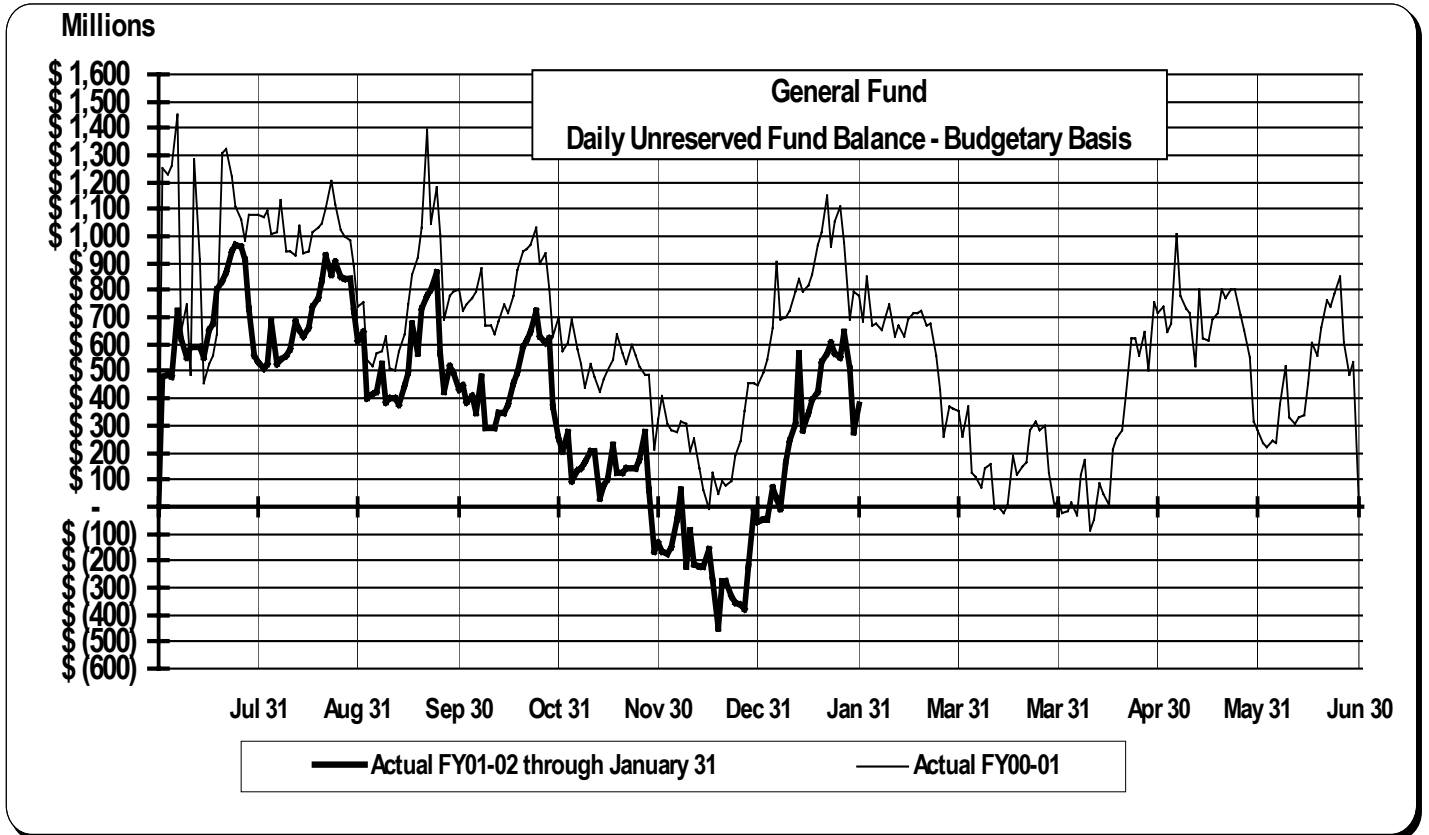
Sincerely,
Robert L. Powell
State Controller
(919) 981-5454

STATE OF NORTH CAROLINA

SUMMARY OF FINANCIAL CONDITION

January 31, 2002

Fund Balance



At January 31, 2002 and 2001, the reserved and unreserved fund balance was composed of the following (in millions):

Fund Balance:	2001-02	2000-01
Reserved:		
Savings account.....	\$ 236.2	\$ 157.5
Retirees health premiums.....	55.4	145.9
Repairs and renovations.....	—	6.7
Clean water management.....	—	1.1
North Carolina Railroad acquisition.....	22.1	32.5
North Carolina Railroad dividend.....	—	.9
Disproportionate Share.....	1.2	1.2
Disaster Relief.....	372.9	—
Total Reserved.....	687.8	345.8
Unreserved:		
Fund Balance - July 1.....	—	—
Transfer to reserves.....	(90.0)	—
Excess of revenue over (under) expenditures....	469.8	776.9
Total Unreserved.....	379.8	776.9
Total Fund Balance.....	\$ 1,067.6	\$ 1,122.7

STATE OF NORTH CAROLINA

SUMMARY OF FINANCIAL CONDITION

January 31, 2002

Revenues - Tax and Non-Tax

General Fund Actual Net Revenues

Expressed In Millions

	January				Year-To-Date Through January			
	2001-02	2000-01	Change	% Change	2001-02	2000-01	Change	% Change
Tax Revenues:								
Individual Income	\$ 975.1	\$ 973.0	\$ 2.1	0.2%	\$ 4,503.1	\$ 4,395.3	\$ 107.8	2.5%
Corporate Income	8.1	11.4	(3.3)	(28.9)%	217.0	190.8	26.2	13.7%
Sales and Use	378.8	319.0	59.8	18.7%	2,127.5	2,058.6	68.9	3.3%
Franchise	69.4	55.6	13.8	24.8%	263.5	327.2	(63.7)	(19.5)%
Insurance	3.5	1.4	2.1	150.0%	100.6	90.7	9.9	10.9%
Piped Natural Gas	5.2	10.8	(5.6)	(51.9)%	13.2	26.2	(13.0)	(49.6)%
Beverage	13.5	12.8	0.7	5.5%	102.4	99.2	3.2	3.2%
Inheritance	13.4	7.6	5.8	76.3%	62.1	71.4	(9.3)	(13.0)%
Privilege License	(11.1)	5.6	(16.7)	(298.2)%	9.9	6.9	3.0	43.5%
Tobacco Products	3.6	3.4	0.2	5.9%	24.1	24.8	(0.7)	(2.8)%
Real Estate Conveyance Excise	(0.8)	(0.8)	—	—	8.5	7.7	0.8	10.4%
Gift	0.6	0.3	0.3	100.0%	3.2	2.5	0.7	28.0%
White Goods Disposal	(0.3)	(0.6)	0.3	50.0%	1.3	0.4	0.9	225.0%
Scrap Tire Disposal	(1.0)	(2.2)	1.2	54.5%	2.4	0.8	1.6	200.0%
Other	—	0.1	(0.1)	(100.0)%	0.1	0.1	—	—
Total Tax Revenue	1,458.0	1,397.4	60.6	4.3%	7,438.9	7,302.6	136.3	1.9%
Non-Tax Revenue:								
Treasurer's Investments	9.5	11.0	(1.5)	(13.6)%	85.5	105.1	(19.6)	(18.6)%
Judicial Fees	8.9	9.4	(0.5)	(5.3)%	62.8	61.2	1.6	2.6%
Insurance	5.9	5.9	—	—	11.9	11.7	0.2	1.7%
Disproportionate Share	—	—	—	—	107.0	109.1	(2.1)	(1.9)%
Highway Fund Transfer In	3.4	—	3.4	—	10.4	6.8	3.6	52.9%
Highway Trust Fund Transfer In	—	—	—	—	171.7	170.0	1.7	1.0%
Other	13.3	14.3	(1.0)	(7.0)%	60.8	111.8	(51.0)	(45.6)%
Total Non-Tax Revenue	41.0	40.6	0.4	1.0%	510.1	575.7	(65.6)	(11.4)%
Total Tax and Non-Tax Revenue	\$ 1,499.0	\$ 1,438.0	\$ 61.0	4.2%	\$ 7,949.0	\$ 7,878.3	\$ 70.7	0.9%

Note that the table represents net tax and non-tax collections and not gross collections. When compared to the prior year through January 31, actual tax and non-tax revenues increased by \$70.7 million, or 0.9%. The net, or actual, tax and non-tax revenues through January 2002 of \$7,949.0 million were less than the projected revenues by \$445.1 million.

\$95.1 million for inventories reimbursement to local governments, not previously paid in April 2001, was repaid in July 2001 from the Governor Easley escrow fund (Executive Order #3).

Major components of tax and non-tax revenues that increased from the prior year through the end of January 2002 included:

- \$107.8 million for Individual Income Tax;
- \$68.9 million for Sales and Use Tax; and
- \$26.2 million for Corporate Tax.

STATE OF NORTH CAROLINA

SUMMARY OF FINANCIAL CONDITION

January 31, 2002

GENERAL FUND NET TAX AND NON-TAX REVENUES AND TRANSFERS IN BUDGET VS. ACTUAL

(Expressed In Millions)	Current Month				Year-To-Date			
	Projected Monthly Budget	Actual	Variance	Percent Realized	Projected Monthly Budget	Actual	Variance	Percent Realized
Tax Revenue								
Individual Income [1]	\$ 1,057.3	\$ 975.1	\$ (82.2)	92.2%	\$ 4,761.0	\$ 4,503.1	\$ (257.9)	94.6%
Corporate Income [2]	12.1	8.1	(4.0)	66.9%	254.8	217.0	(37.8)	85.2%
Sales and Use	400.3	378.8	(21.5)	94.6%	2,218.8	2,127.5	(91.3)	95.9%
Franchise	68.3	69.4	1.1	101.6%	287.2	263.5	(23.7)	91.7%
Insurance	1.0	3.5	2.5	350.0%	91.7	100.6	8.9	109.7%
Piped Natural Gas	11.2	5.2	(6.0)	46.4%	23.8	13.2	(10.6)	55.5%
Beverage	14.7	13.5	(1.2)	91.8%	102.4	102.4	—	100.0%
Inheritance	10.8	13.4	2.6	124.1%	76.2	62.1	(14.1)	81.5%
Privilege License	(13.2)	(11.1)	2.1	84.1%	9.2	9.9	0.7	107.6%
Tobacco Products	3.4	3.6	0.2	105.9%	23.8	24.1	0.3	101.3%
Real Estate Conveyance Excise	(0.8)	(0.8)	—	100.0%	8.5	8.5	—	100.0%
Gift	0.3	0.6	0.3	200.0%	2.4	3.2	0.8	133.3%
White Goods Disposal	(0.3)	(0.3)	—	100.0%	1.3	1.3	—	100.0%
Scrap Tire Disposal	(1.0)	(1.0)	—	100.0%	2.4	2.4	—	100.0%
Freight Car Lines	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	0.1	0.1	—
Total Tax Revenue	<u>1,564.1</u>	<u>1,458.0</u>	<u>(106.1)</u>	93.2%	<u>7,863.5</u>	<u>7,438.9</u>	<u>(424.6)</u>	94.6%
Non-Tax Revenue								
Treasurer's Investments	13.8	9.5	(4.3)	68.8%	90.3	85.5	(4.8)	94.7%
Judicial Fees	9.4	8.9	(0.5)	94.7%	65.8	62.8	(3.0)	95.4%
Insurance	6.9	5.9	(1.0)	85.5%	28.9	11.9	(17.0)	41.2%
Disproportionate share	—	—	—	—	107.0	107.0	—	100.0%
Highway Fund Transfer In	3.4	3.4	—	100.0%	10.4	10.4	—	100.0%
Highway Trust Fund Transfer In	—	—	—	—	171.7	171.7	—	100.0%
Other	8.0	13.3	5.3	166.3%	56.5	60.8	4.3	107.6%
Total Non-Tax Revenue	<u>41.5</u>	<u>41.0</u>	<u>(0.5)</u>	98.8%	<u>530.6</u>	<u>510.1</u>	<u>(20.5)</u>	96.1%
Total Tax and Non-Tax Revenue	<u>\$ 1,605.6</u>	<u>\$ 1,499.0</u>	<u>\$ (106.6)</u>	93.4%	<u>\$ 8,394.1</u>	<u>\$ 7,949.0</u>	<u>\$ (445.1)</u>	94.7%

[1] Individual Income Tax collections are reported net of the following transfer(s) :

	2001-02		2000-01	
	Current Month	Year-To-Date	Current Month	Year-To-Date
Individual Income Tax, Reported Net	\$ 975.1	\$ 4,503.1	\$ 973.0	\$ 4,395.3
Local Government Tax Reimbursement	—	129.0	—	129.0
Individual Income Tax, Adjusted for Transfers	<u>\$ 975.1</u>	<u>\$ 4,632.1</u>	<u>\$ 973.0</u>	<u>\$ 4,524.3</u>

[2] Corporate Income Tax collections are reported net of the following transfer(s) :

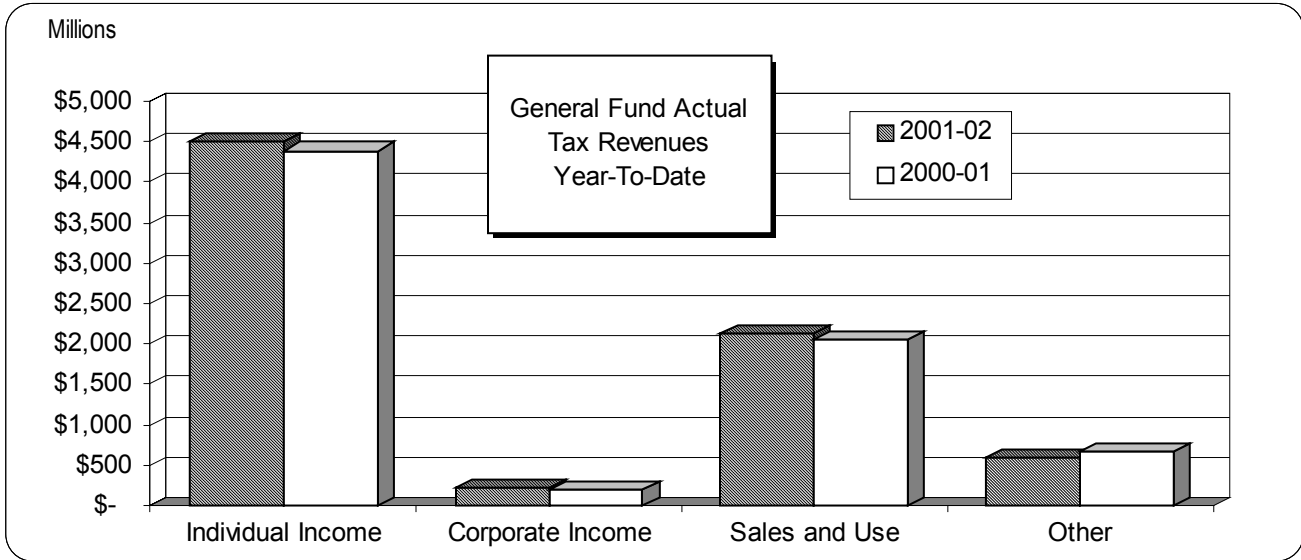
	2001-02		2000-01	
	Current Month	Year-To-Date	Current Month	Year-To-Date
Corporate Income Tax, Reported Net	\$ 8.1	\$ 217.0	\$ 11.4	\$ 190.8
Public School Building Capital Fund	—	24.0	—	35.3
Critical School Facility Needs Fund	—	5.0	—	5.0
Local Government Tax Reimbursement	—	101.5	—	101.5
Executive Order #3	—	95.1	—	—
	<u>—</u>	<u>225.6</u>	<u>—</u>	<u>141.8</u>
Corporate Income Tax, Adjusted for Transfers	<u>\$ 8.1</u>	<u>\$ 442.6</u>	<u>\$ 11.4</u>	<u>\$ 332.6</u>

SUMMARY OF FINANCIAL CONDITION

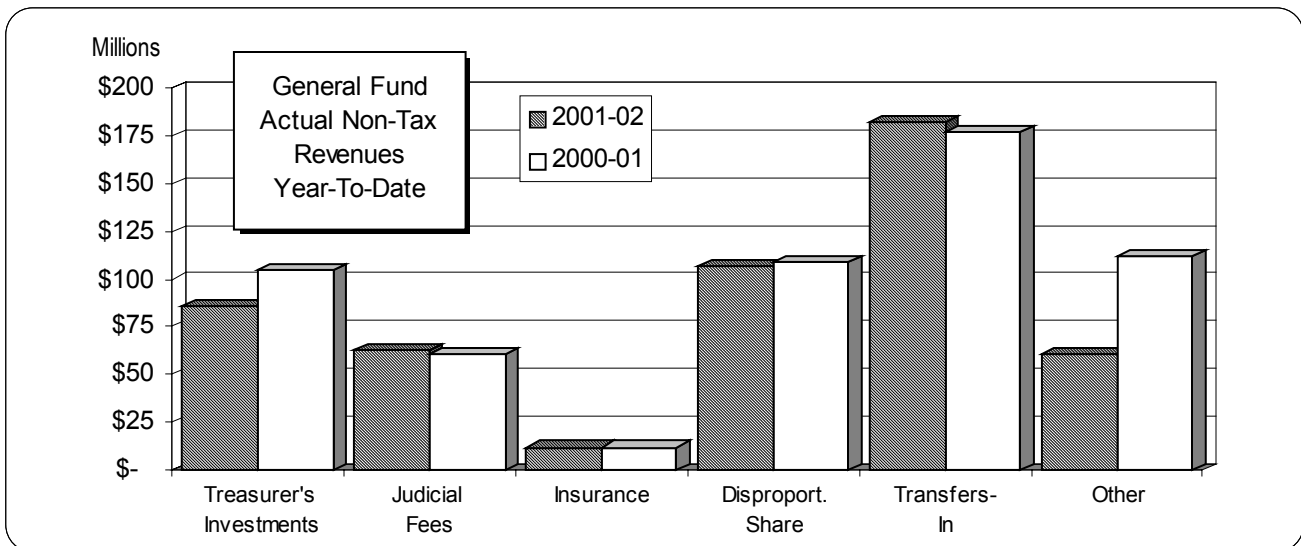
January 31, 2002

Tax revenues through January 2002 were greater than the period through January 2001 by \$136.3 million, or 1.9%. Tax revenues are presented net of refunds to taxpayers and various transfers. Comparisons of current and prior year tax revenues are difficult due to legislative changes and netting of various transfer expenditures against the tax revenue sources. Examples of such transfers include:

- reimbursements to local governments;
- reimbursements for costs of administration of sales and use tax for local governments; and
- transfers to the Public School Building Capital Fund and Critical School Facility Needs Fund.



Non-tax revenue through the end of January 2002 was \$65.6 million, or 11.4%, less than through the end of January 2001. Investment revenues decreased by \$19.6 million from the prior year through the end of January 2002.

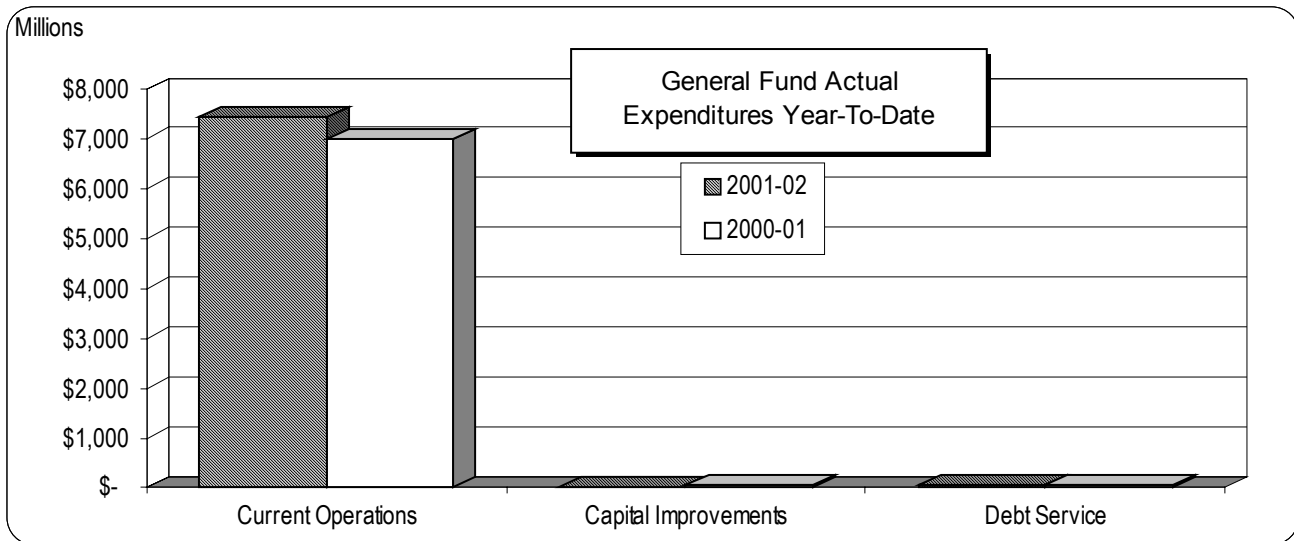


SUMMARY OF FINANCIAL CONDITION

January 31, 2002

Expenditures

Actual appropriation expenditures through January 31, 2002, exclusive of appropriation expenditures for capital improvements funded by bond proceeds, were greater than actual appropriation expenditures through January 2001 by \$377.8 million, or 5.3%.



Expenditures for current operations (exclusive of expenditures for capital improvements and debt service) through January 2002 were greater than such expenditures through January 2001 by \$434.9 million, or 6.2%. Fiscal year 2000-01 General Government appropriation expenditures of \$(276.4) million include a disaster relief carryforward receipt of \$541.9 million.

General Fund Actual Appropriation Expenditures — Year-To-Date Through January

Expressed in Millions

	2001-02	2000-01	Change	Percent Change	Percent of Total Expenditures	
					2001-02	2000-01
Current Operations:						
General Government	\$ 149.6	\$ (276.4)	\$ 426.0	(154.1%)	2.0%	(3.7%)
Education	4,451.2	4,501.3	(50.1)	(1.1%)	59.5%	60.8%
Health and Human Services	1,857.0	1,655.3	201.7	12.2%	24.8%	22.4%
Economic Development	31.3	47.4	(16.1)	(34.0%)	0.4%	0.6%
Environment and Natural Resources	110.4	124.3	(13.9)	(11.2%)	1.5%	1.7%
Public Safety, Correction, and Regulation	772.3	792.8	(20.5)	(2.6%)	10.3%	10.7%
Agriculture	26.6	30.2	(3.6)	(11.9%)	0.4%	0.4%
Operating Reserves/Rounding	33.8	122.4	(88.6)	(72.4%)	0.5%	1.7%
Total Current Operations	7,432.2	6,997.3	434.9	6.2%	99.4%	94.5%
Capital Improvements:						
Funded by General Fund	—	57.5	(57.5)	(100.0%)	—	0.8%
Debt Service	47.0	46.6	0.4	0.9%	0.6%	0.6%
	7,479.2	7,101.4	377.8	5.3%	100.0%	95.9%
Capital Improvements:						
Funded by Bond Proceeds	—	300.0	(300.0)	(100.0%)	—	4.1%
Total Expenditures	\$ 7,479.2	\$ 7,401.4	\$ 77.8	1.1%	100.0%	100.0%

A negative appropriation expenditure indicates that a budget code has non-appropriated authorized receipts that exceed authorized expenditures.

STATE OF NORTH CAROLINA

SUMMARY OF FINANCIAL CONDITION

January 31, 2002

General Obligation Debt - General Fund and Highway Fund

The following schedule presents principal payment requirements for the General Fund and the Highway Fund. This schedule is exclusive of defeased debt involving advance refundings where the proceeds were placed in an irrevocable trust with an escrow agent in an amount sufficient to provide for all future debt service payments on the refunded bonds. The amount of authorized, but unissued bonds was \$4.37 billion as of January 31, 2002.

The schedule below includes only bonds issued through January 31, 2002.

SCHEDULE OF BOND PRINCIPAL PAYMENT REQUIREMENTS GENERAL OBLIGATION BONDS

(Expressed in Thousands)

	Payable from:		Total Principal Requirements
	General Fund Revenues	Highway Fund Revenues	
2001-2002 Requirements:			
September 2001.....	\$ 12,000	\$ —	\$ 12,000
February 2002.....	28,000	—	28,000
March 2002.....	54,895	—	54,895
April 2002.....	40,800	—	40,800
May 2002.....	1,910	16,675	18,585
June 2002.....	25,965	—	25,965
Totals—2001-2002.....	163,570	16,675	180,245
Future Years' Requirements:			
2003.....	163,605	16,675	180,280
2004.....	163,505	16,675	180,180
2005.....	163,910	16,675	180,585
2006.....	163,770	16,675	180,445
2007.....	163,655	16,675	180,330
2008.....	163,965	16,675	180,640
2009.....	163,815	16,675	180,490
2010.....	162,550	16,675	179,225
2011.....	162,525	16,675	179,200
2012.....	162,500	16,675	179,175
2013.....	162,480	16,550	179,030
2014.....	162,465	—	162,465
2015.....	162,450	—	162,450
2016.....	162,430	—	162,430
2017.....	162,500	—	162,500
2018.....	144,500	—	144,500
2019.....	88,400	—	88,400
Totals—All Years.....	\$ 2,842,595	\$ 199,975	\$ 3,042,570
Less			
Unamortized Discount.....	(3,081)	—	(3,081)
Total Principal, Net.....	\$ 2,839,514	\$ 199,975	\$ 3,039,489
Outstanding Principal June 30, 2002			<u>\$ 2,859,244</u>

Bonds Unissued — Total Authorized, Issued, and Unissued January 31, 2002

(Expressed in Thousands)

	Date	School Construction	Higher Education	Highway Construction	Clean Water	Natural Gas	Total
Authorized:							
School Construction	11/5/96	\$ 1,800,000	\$ —	\$ —	\$ —	\$ —	\$ 1,800,000
Highway Construction	11/5/96	—	—	950,000	—	—	950,000
Clean Water	11/3/98	—	—	—	800,000	—	800,000
Natural Gas	11/3/98	—	—	—	—	200,000	200,000
University/Community College	11/7/00	—	3,100,000	—	—	—	3,100,000
Total Authorized		1,800,000	3,100,000	950,000	800,000	200,000	6,850,000
Issued:							
Public School Building Series 1997A	3/1/97	450,000	—	—	—	—	450,000
Highway Bonds, Series 1997A	11/1/97	—	—	250,000	—	—	250,000
Public School Building Series 1998A	4/1/98	450,000	—	—	—	—	450,000
Public School Building Series 1999	4/1/99	450,000	—	—	—	—	450,000
Public Improvement, Series 1999A	9/1/99	—	—	—	172,400	5,000	177,400
Public Improvement, Series 1999B	9/1/99	—	—	—	—	20,000	20,000
Public Improvement, Series 1999C	10/1/99	—	—	—	2,600	—	2,600
Public Improvement, Series 2000A	9/1/00	295,000	—	—	—	5,000	300,000
Public Improvement, Series 2001A	3/1/01	100,000	250,000	—	30,000	—	380,000
Total Issued		1,745,000	250,000	250,000	205,000	30,000	2,480,000
Bonds Unissued — January 31, 2002		\$ 55,000	\$ 2,850,000	\$ 700,000	\$ 595,000	\$ 170,000	\$ 4,370,000

STATE OF NORTH CAROLINA

SUMMARY OF FINANCIAL CONDITION

January 31, 2002

Summary Information - Highway Fund and Highway Trust Fund

HIGHWAY FUND AND HIGHWAY TRUST FUND								
COMPARATIVE STATEMENT OF NET COLLECTIONS								
For the Months of January 2002 and 2001, and the Seven Months Ended January 31, 2002 and 2001								
(Expressed in Millions)								
	Month				Year-To-Date			
	2001-02	2000-01	Change	Percent Change	2001-02	2000-01	Change	Percent Change
Highway Fund								
Motor Fuels Tax	\$ 73.7	\$ 72.4	\$ 1.3	1.8%	\$ 522.6	\$ 502.8	\$ 19.8	3.9%
Motor Vehicle License Fees	48.7	51.1	(2.4)	(4.7%)	130.3	129.7	0.6	0.5%
Driver License Fees	6.0	6.2	(0.2)	(3.2%)	38.9	36.9	2.0	5.4%
Motor Fuels and Oil Inspection Fees	1.0	1.1	(0.1)	(9.1%)	7.5	7.5	-	-
Title Fee	-	-	-	-	-	-	-	-
Other	3.8	3.3	0.5	15.2%	23.9	19.7	4.2	21.3%
Subtotal - Highway Fund	133.2	134.1	(0.9)	(0.7%)	723.2	696.6	26.6	3.8%
Highway Trust Fund								
Highway Use Tax	44.2	41.3	2.9	7.0%	294.2	281.7	12.5	4.4%
Motor Fuels Tax	24.6	24.1	0.5	2.1%	174.2	167.5	6.7	4.0%
Title Fee	6.3	6.1	0.2	3.3%	43.7	43.9	(0.2)	(0.5%)
Motor Vehicle Lease	2.9	4.8	(1.9)	(39.6%)	25.8	28.5	(2.7)	(9.5%)
Registration	0.8	0.8	-	-	5.6	5.7	(0.1)	(1.8%)
Lien Recording	0.2	0.2	-	-	1.2	1.3	(0.1)	(7.7%)
Subtotal - Highway Trust Fund	79.0	77.3	1.7	2.2%	544.7	528.6	16.1	3.0%
Payables and Receipts								
Special Registration Plate Fund	0.2	0.2	-	-	1.6	1.6	-	-
Safety Inspection and Exhaust Emission	0.2	0.1	0.1	100.0%	1.5	1.3	0.2	15.4%
Transportation Authority/TransPark	0.4	0.4	-	-	2.5	2.4	0.1	4.2%
Recreation and Natural Heritage Trust Fund	0.2	0.2	-	-	1.2	1.3	(0.1)	(7.7%)
Other Receipts	0.8	0.5	0.3	60.0%	4.1	3.4	0.7	20.6%
Subtotal - Payables and Receipts	1.8	1.4	0.4	28.6%	10.9	10.0	0.9	9.0%
	\$ 214.0	\$ 212.8	\$ 1.2	0.6%	\$ 1,278.8	\$ 1,235.2	\$ 43.6	3.5%