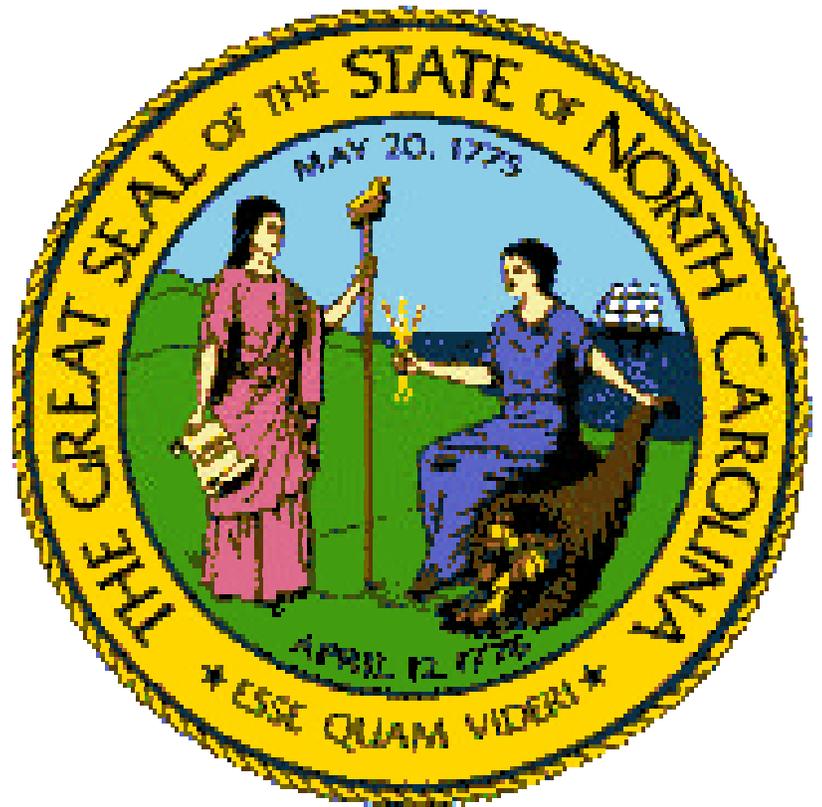


North Carolina

Financial Highlights Fiscal Year 2000



Edward Renfrow, State Controller

North Carolina Office of the State Controller

<http://www.state.nc.us/OSC>

North Carolina — Financial Highlights — Fiscal Year 2000

Prepared by the North Carolina Office of the State Controller
Edward Renfrow, State Controller
<http://www.state.nc.us/OSC>



I am pleased to present you with the **North Carolina Financial Highlights** for the fiscal year ended June 30, 2000. This **popular report** represents our continuing commitment in providing the highest standards of financial management and reporting, as well as fiscal accountability of the resources of the State of North Carolina reporting entity. We hope that you find this report both informative and beneficial and we welcome any questions or comments. If you need additional copies, or have questions about this report, please contact either me or our Statewide Accounting Division staff at (919) 981-5454.

Thank you for your interest in the State of North Carolina.

Sincerely,

A handwritten signature in black ink that reads "Edward Renfrow". The signature is written in a cursive, flowing style.

Edward Renfrow
State Controller
December 27, 2000



Introduction

This popular report, *North Carolina Financial Highlights*, is intended to summarize basic financial information about our State. This information is supported in more detail in the State's Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with generally accepted accounting principles and is independently audited by the North Carolina Office of the State Auditor. Much of the information in the CAFR is necessarily technical and complex. As a result, the full financial statements and note disclosures may not be as useful to the citizens of the State wishing to gain a more general understanding of the State's finances. Our report provides information on our general, special revenue and capital projects funds (*governmental funds*), and certain selected statistical information cited in our CAFR. Coverage of legally separate, but related organizations is limited to university and community colleges and is at a very high level.

The *popular report* is a report for the people. *North Carolina Financial Highlights* is the product of a coordinated effort on the part of state and local governments to issue simplified financial reports. It is our intent to provide you with information about the State's financial condition, without overwhelming detail and technical accounting terminology. This report contains financial information for the State's fiscal year ended June 30, 2000. The State's fiscal year starts July 1, and ends the following June 30.

Information is presented in this report on the basis of generally accepted accounting principles (GAAP).

This popular report and the State's complete financial statements, known as the CAFR, can be obtained on the internet at <http://www.state.nc.us/OSC>, by telephone at (919) 981-5454, or by writing to the N.C. Office of the State Controller, 1410 MAIL SERVICE CENTER, Raleigh, N.C. 27699-1410.

State Reporting Entity and Its Services

The State of North Carolina reporting entity includes all of the departments, agencies, boards, commissions and authorities governed and legally controlled by the State's executive, legislative and judicial branches of government.

In addition, the popular report includes financial information for legally separate component units for which the State is financially accountable.

The State's component units are the University of North Carolina system, the State's community colleges, and various other organizations providing specific services to the public and private sector.

The State and its component units provide a broad range of services to its citizens, including

public education;
higher education;
health and human services;
economic development;
environment and natural resources;
public safety, corrections, and regulation;
transportation;
agriculture; and
general government services.



Linn Cove Viaduct, BRP

The Economy

Many signs point to an economic slowdown in North Carolina. Statewide employment increased 1.8% during the first nine months of 2000 compared to a 3% increase during the same period in 1999. Job layoffs in the state rose from a quarterly average of 5,400 in 1999 to 7,800 in the first half of 2000. Even in the fast-growing metropolitan counties of North Carolina, the pace of economic activity slowed in 2000. Again comparing employment growth for January to September 2000 to the same period for 1999, employment growth slowed from

3.3% to 1.2% in Charlotte, from 4% to 2% in the Triangle (*Raleigh, Durham, and Chapel Hill*), and from 3% to -0.5% in the Triad (*Greensboro, Winston-Salem, and High Point*).

Although the State's economic engine slowed in 2000, the slowdown did not affect all sectors equally. During the past year (August 1999 to August 2000), seasonally-adjusted jobs in manufacturing fell 3.4%. The manufacturing sectors leading in job losses were textiles, apparel, transportation equipment, furniture and fixtures, electronic equipment, and tobacco products. These job losses reflected two factors at work in North Carolina. The first is continuing restructuring in the textile, apparel, and tobacco industries. The second factor is a reduction in industries making durable products, a change that is typical during economic slowdowns.

In contrast, jobs continued to increase in the service sector during 2000. Over 67,000 jobs were added in services during the past year. Leading gainers were wholesale and retail trade, financial services, educational services, and the federal government.

While North Carolina's workers and businesses coped with slower economic growth in 2000, the State's consumers also faced higher inflation during the year. Through August, the Consumer Price Index (CPI) rose at an annual rate of 3.9% in 2000, up from 2.2% in 1999. Much of the jump in the CPI was due to significantly higher fuel prices.

Some borrowing also became more expensive in 2000. The prime lending rate rose three times in 2000 to 9.5%, and other short-term interest rates followed. However, longer-term interest rates actually trended downward during the year, perhaps reflecting a market expectation that future borrowing costs will drop.

The North Carolina urban/rural disparity in job creation narrowed in 2000. From January to August 2000, 30% of the statewide increase in jobs occurred in fifteen urban counties. This percentage is considerably lower than in previous years and indicates a more significant economic slowdown in urban counties compared to rural counties.

There are three reasons behind the apparent economic slowdown in North Carolina in 2000. First, the national economy slowed in 2000, from a growth rate of 5% early in the year to under 3% at the end of the year. This national slowdown meant nationwide purchases of North Carolina products, particularly manufactured products, also slowed in 2000. Second, the current economic expansion in the State is now in its ninth year, and expansions of such length are difficult to sustain. Third, the Federal Reserve raised interest rates six times since June 1999 in a specific effort to slow the economy. The Fed's policy appeared to definitely take effect in 2000.

Most forecasts project continued slower economic growth, at least through the first half of 2001. An Economic Activity Index developed at North Carolina State University forecasts composite activity in retail sales, construction, and employment falling 1.5% in late 2000 and early 2001, after rising 2.7% during the previous year. The slower economy will impact the manufacturing sector more than the service sector. This will result in a continued decline in manufacturing jobs through mid-2001. However, if the national economic growth rate slows enough to satisfy the Federal Reserve, then there may be a turnaround in the economy in the second half of 2001. This would especially occur if the Fed began reducing interest rates in early 2001. It generally takes six to twelve months for lower interest rates to stimulate the economy. A revived economy would boost the manufacturing and construction sectors and the stock market.

Some relief is expected from the inflation rate in 2001. If oil prices don't repeat their 2000 rise in 2001, and if national economic growth stays in the 2% to 3% range, then upward pressure on prices should abate. Also, if the Fed does reduce interest rates in early 2001, then borrowing costs will fall. In short, the Federal Reserve may be able to achieve the "soft-landing" it has desired for the economy. A soft-landing means reducing the growth rate of the economy without causing a recession. A soft-landing allows the economy to "rest and refresh" before beginning another period of more rapid growth. A soft-landing is also designed to keep inflation in check. If, indeed, a soft-landing has occurred in 2000 and early 2001, then more rapid growth could return to the economy in late 2001.

However, it is important to recognize that North Carolina will continue to face economic challenges in 2001. Among them will be slower growth in revenues for state government, continued urban/rural disparities in growth and job opportunities, restructuring in tobacco and textiles, and remaining as an attractive location for businesses in an increasingly competitive world.

— Economic analysis prepared by Dr. Michael L. Walden, Professor
North Carolina State University
November 1, 2000



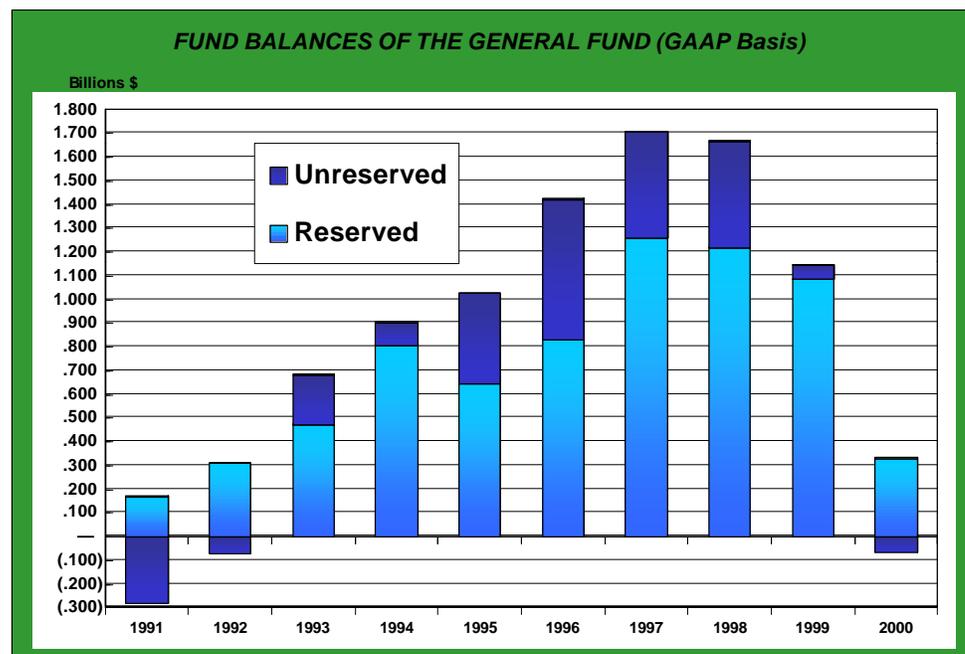
Children fishing on North Carolina coast

General Fund GAAP Fund Balance

The fund balance of the General Fund declined by \$878.455 million in 2000. Expenditures and transfers out exceeded revenues and transfers in by \$857.741 million. Total assets at June 30, 2000, were \$5.118 billion, with total liabilities at \$4.852 billion. Tax refunds payable were \$1.013 billion in 2000, as compared to \$802.768 million in 1999. This \$210.232 million, 26.2%, increase includes \$100.000 million of individual income tax refunds deferred for payment to fiscal year 2000-2001 due to processing delays, and \$20.000 million in corporate income tax refunds delayed to balance the General Fund budget on a cash basis.

In an average year, taxpayer refunds as a percent of gross cash collections approximate 13.5% for individual income tax; just over 8.0% for corporate income tax; and 5.5% for sales and use tax. These rates of overcollection are the result of the State's tax policies, tax withholding and estimating tables, and in some cases, the desire of the taxpayer to receive a refund at the end of the tax year.

At June 30, 2000, total fund balance of the General Fund on the modified accrual basis was \$265.675 million, in comparison to a \$1.144 billion balance at the end of 1999. The following chart illustrates the fund balances on the modified accrual (GAAP) basis of the General Fund for the last ten fiscal years.



Reserved fund balance represents commitments of funds. The reserved portions indicate to the State's management that these monies are not available for discretionary spending. **Unreserved fund balance** is what is available to fund future non-recurring needs of the State.

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The General Assembly establishes restrictions on the use of these assets which are reported as fund balance designations. These designations totaled \$870.647 million. As shown in the table below, the fund balance available *to be designated* was a negative \$64.834 million on a modified accrual basis (dollars in thousands):

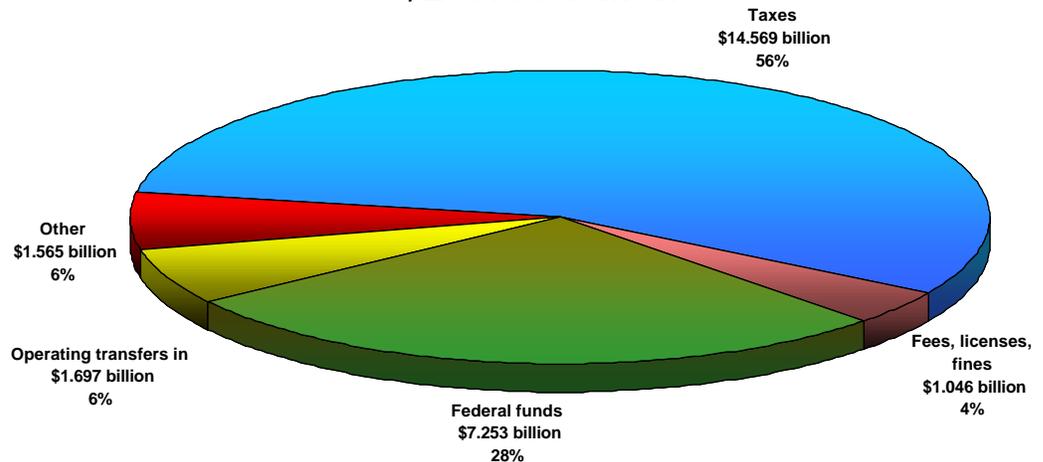
Unreserved Designated Fund Balance	General Fund
Repairs and renovations.....	\$ 7,052
Clean Water Management Trust Fund.....	1,054
Disaster relief.....	543,565
Educational programs.....	162,131
Economic development.....	8,389
Continuing programs.....	27,176
Health and human services.....	119,192
Railroad dividends.....	918
Disproportionate share.....	1,170
Total designations.....	<u>\$ 870,647</u>
Unreserved fund balance.....	<u>\$ (64,834)</u>

Restrictions in the form of reserves of \$330.509 million, exceeded total fund balance of \$265.675 million, resulting in a negative \$64.834 million unreserved fund balance.



Raleigh Skyline

General Governmental Funds - GAAP Basis
Dollars Collected and Owed to the State
\$26.130 billion



Tax Revenues. Tax revenues increased by \$751.527 million in 2000, reflecting a higher rate of growth in General Fund income tax collections of 7.7% in 2000, versus 5.4% in 1999. Individual income tax collections in the General Fund increased by \$511.361 million in 2000 to \$7.098 billion, a 7.8% increase over 1999. Sales tax collections in the General Fund grew by \$19.032 million in 2000, a .6% increase over 1999, compared to a 2.1% increase from 1998 to 1999. Highway taxes were \$1.594 billion in fiscal year 2000, \$88.624 million, or 5.9% more than in 1999.

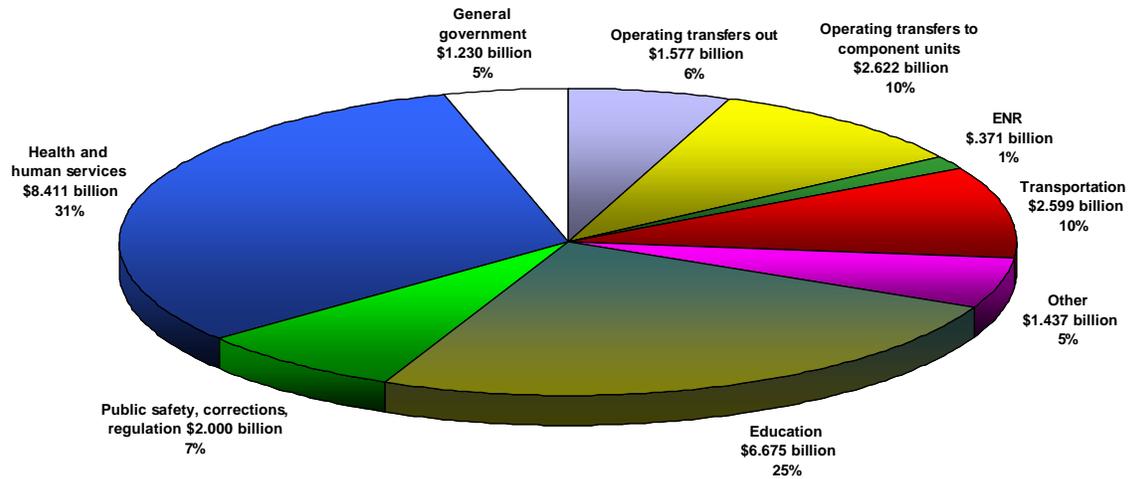
Federal Funds. Federal funds revenues grew by \$956.086 million in 2000, up by 15.2% over 1999. Increases in Federal revenues are due to increased Federal program expenditures for which the State is reimbursed.

Investment Earnings. Investment earnings of \$500.854 million reflect a decrease of \$28.174 million in 2000. Investment earnings include realized/unrealized gains, and distributed and accrued interest on cash and investments.



Executive Mansion, Raleigh

Dollar Outflows and Amounts Owed to Others
\$26.922 billion



Significant changes in expenditures. The trend of increases in expenditures, an increase of \$2.259 billion for 2000, was directly related to the continued emphasis on education (K-12) (\$420.919 million increase), health and human services (\$745.564 million increase), and Hurricane Floyd disaster relief expenditures administered by the Department of Crime Control and Public Safety (*public safety, corrections, and regulation function*, \$329.191 million increase).

A large portion of the governmental expenditures, *tax judgments*, is the result of the North Carolina Supreme Court ruling in *Smith vs. State* of North Carolina. The legal settlement required the State to pay \$440.000 million into a settlement fund in two installments, \$200.000 million by October 1, 1999, and \$240.000 million by July 10, 2000.

Educational expenditures (K-12) increased by \$420.919 million largely because of enrollment growth, increased teacher compensation, increases in the number of teaching positions, and the general increase in dollars spent on State administered programs and costs associated with providing public education. Health and human services increased by \$745.564 million in 2000. Transportation expenditures increased in fiscal year 2000 by \$89.719 million. Debt service increased \$37.247 million from 1999 to 2000 and will continue to climb as the State continues to issue general obligation debt to fund capital projects for education, highways and utilities. Educational expenditures (*transfers to component units*) for the UNC System were \$1.758 billion, while the community colleges received \$602.229 million from the State.

Major Issues

Hurricane Floyd. Hurricane Floyd passed through the eastern portion of North Carolina in September 1999. Hurricane and tropical force winds, torrential rains, and flooding left one-third of North Carolina suffering from an unprecedented natural disaster. The record-high floodwaters of Hurricane Floyd forced thousands of people from their homes. Many citizens lost homes, farms, and businesses. On December 16, 1999, the General Assembly held a special session for the purpose of setting aside \$836.6 million of funds for recovery from damage caused by the winds, rain, and flooding of Hurricane Floyd. Funds were allocated in the following categories and amounts: housing/rental expenditures, \$446.3 million; State match of federal funds, \$162.2 million; agriculture and fisheries, \$98.3 million; local government assistance, \$37.8 million; small business, \$36.7 million; and various other programs, \$55.3 million. The primary sources of funding included: \$292.5 million from General Fund operating budgets; \$146.5 million in unspent capital improvement funds, and \$286 million from the General Fund Savings Reserve Account. Of the \$292.5 million reallocated from General Fund operating budgets, \$96.8 million was provided by the Department of Health and Human Services, \$65.0 million from State employee health plan and compensation reserves, \$45.6 million from the Department of Public Instruction, \$14 million from the Department of Correction, \$13.6 million from the University of North Carolina System, \$8.5 million from the Department of Environment and Natural Resources, \$5.8 million from the Community Colleges, and \$43.2 million from other entities. As these funds flow into the economies of the areas affected by Hurricane Floyd, income and sales taxes should offset some portion of the cost of our disaster recovery effort.

University and Community College Bonds. On November 7, 2000, the State's voters approved \$3.100 billion of University and Community College general obligation bonds. The \$3.100 billion is projected to be issued over the six-year period beginning in fiscal year 2000-01, with repayments scheduled for fiscal year 2001-02 through fiscal year 2024-25. Total debt service for all of the State's outstanding general obligation debt is projected to be at its highest in fiscal year 2006-07, at \$722.000 million (assuming no additional voter approved debt in subsequent years). At June 30, 2000, the State's outstanding general obligation debt totaled \$2.510 billion, with an additional \$1.950 billion approved and unissued at June 30, 2000 (prior to the November 7, 2000 bond vote). Outstanding general obligation debt is projected to peak at \$6.043 billion for fiscal year 2005-06. The General Assembly has predetermined the specific building projects to be funded by the bond proceeds. The General Assembly's Higher Education Bond Oversight Committee will monitor capital plans and receive regular reports and updates from the University System, the community colleges, the State Treasurer, and the Office of State Construction. The bond legislation will require many local governments to partially match funds targeted for new community college buildings. The matching requirement is reduced or eliminated for low-wealth counties and for counties that have exceeded historic match requirements. Community college repair and renovation projects do not have matching requirements. Concern has been expressed for an already tight labor market in North Carolina. The combination of State and local road projects, school construction, and the new construction to be funded by the \$3.100 billion of bond proceeds will add to labor market pressures, potentially increasing construction costs.

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Bonds Authorized, Issued, and Unissued November 30, 2000

(Expressed in Thousands)

	Date	School Construction	Highway Construction	Clean Water	Natural Gas	University and Community Colleges	Total
Authorized:							
School Construction	11/05/1996	\$ 1,800,000	\$ —	\$ —	\$ —	\$ —	\$ 1,800,000
Highway Construction	11/05/1996	—	950,000	—	—	—	950,000
Clean Water	11/03/1998	—	—	800,000	—	—	800,000
Natural Gas	11/03/1998	—	—	—	200,000	—	200,000
University and Community Colleges	11/07/2000	—	—	—	—	3,100,000	3,100,000
Total Authorized		1,800,000	950,000	800,000	200,000	3,100,000	6,850,000
Issued:							
Public School Building Series 1997A	03/01/1997	450,000	—	—	—	—	450,000
Highway Bonds, Series 1997A	11/01/1997	—	250,000	—	—	—	250,000
Public School Building Series 1998A	04/01/1998	450,000	—	—	—	—	450,000
Public School Building Series 1999	04/01/1999	450,000	—	—	—	—	450,000
Public Improvement, Series 1999A	09/01/1999	—	—	172,400	5,000	—	177,400
Public Improvement, Series 1999B	09/01/1999	—	—	—	20,000	—	20,000
Public Improvement, Series 1999C	10/01/1999	—	—	2,600	—	—	2,600
Public Improvement, Series 2000A	09/01/2000	295,000	—	—	5,000	—	300,000
Total Issued		1,645,000	250,000	175,000	30,000	—	2,100,000
Unissued — November 30, 2000		\$ 155,000	\$ 700,000	\$ 625,000	\$ 170,000	\$ 3,100,000	\$ 4,750,000

Outstanding general obligation debt at November 30, 2000 \$ 2,809,986
Outstanding and unissued general obligation debt at November 30, 2000 \$ 7,559,986

Litigation. Leandro et al v. State of North Carolina and State Board of Education Right to a Sound Basic Education.

In 1994, students and boards of education in five counties in the State filed suit in Superior Court requesting a declaration that the public education system of North Carolina, including its system of funding, violates the State constitution by failing to provide adequate or substantially equal educational opportunities, by denying due process of law, and by violating various statutes relating to public education. Five other school boards and students therein intervened, alleging claims for relief on the basis of the high proportion of at-risk and high-cost students in their counties' systems.

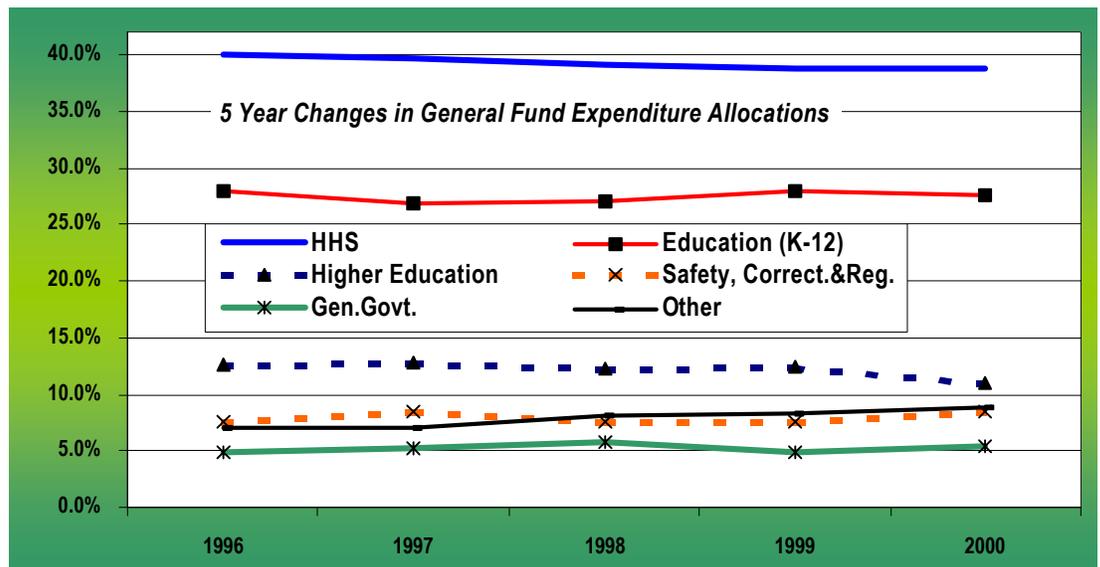
The suit is similar to a number of suits in other states, some of which resulted in holdings that the respective systems of public education funding were unconstitutional under the applicable state law. The State filed a motion to dismiss, which was denied. On appeal the North Carolina Supreme Court upheld the present funding system against the claim that it unlawfully discriminated against low wealth counties but remanded the case for trial on the claim for relief based on the Court's conclusion that the constitution guarantees every child the opportunity to obtain a sound basic education. Trial on the claim of one plaintiff-county was held in the fall of 1999. On October 26, 2000 the trial court, in Section Two of a projected three-part ruling, concluded that at-risk children in North Carolina are constitutionally entitled to such pre-kindergarten educational programs as may be necessary to prepare them for higher levels of education and the sound basic education mandated by the Supreme Court. If not appealed, the ruling will require legislative action necessary to implement and fund pre-kindergarten programs. The cost of such programs is undetermined but may exceed \$100.000 million.

More detailed information related to claims against the State can be seen in the CAFR.

Changes in How Your Dollars are Spent

The following chart reflects very little shift in funding in the General Fund over the last five years. The data below is derived from the State's CAFR and includes accrual adjustments.

The expenditure allocation for health and human services fell from 40.1% in 1996 to 38.7% in 2000. Education (K-12) received 27.9% of the total expenditures and uses (State, federal, and local dollars) in 1996 compared to 27.6% in 2000. Dollars allocated to higher education declined from 12.6% to 10.9%, primarily due to a change in accounting for community college tuition in fiscal year 2000. General government expenditures increased slightly over the previous five years in proportion to the whole, while other expenditure functions remained relatively unchanged.



The primary cause of change in expenditure allocations is the result of changes in spending requirements for federal funds in our State. In recent years, court case settlements and natural disasters have had a significant impact on spending.

HHS = Health and human services;
 Education (K-12) = Department of Public Instruction
 Higher Education = UNC system and community colleges
 Safety, Correct. & Reg. = Public safety, corrections, and regulation
 Gen. Govt. = General Government

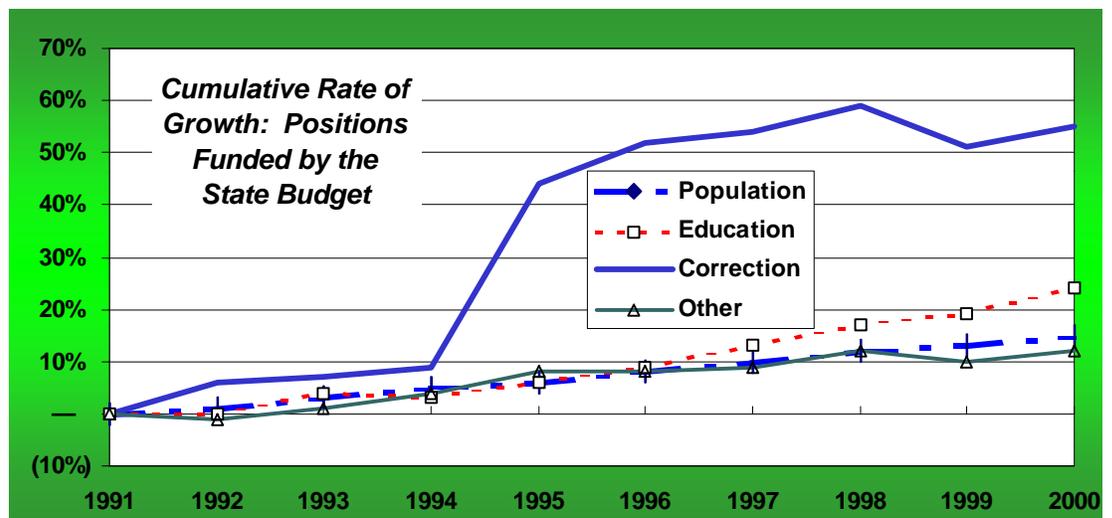
State Government Growth

As the State continues to experience population growth (14.8%, or 998,279 people since 1991), the various functions of State government have been and will continue to be affected.

In addition to the pressures of population growth on education, the plan to improve elementary and secondary education in North Carolina has included class size reduction and the addition of teaching assistants. For the 1999-2000 school year, there were 2,080 public schools and 78 charter schools in North Carolina. When we provide for the construction of new public schools, we must then fill our new schools with qualified classroom personnel and administrators.

As our population grows, so does the number of criminals that must be supervised in our correctional facilities. In addition, litigation during the late 1980s resulted in additional square footage requirements for inmates, and sentencing laws were strengthened, hence the need for more prison facilities. During fiscal year 1999-2000, the State housed approximately 31,581 inmates on a daily basis, with 25,273 entering the prison system and 25,614 exiting the prison system.

Most of the position growth in State government during the last 10 years has been in public education, which has increased by 26,454 positions, and corrections which has increased by 6,791 positions.



During the last 10 years, the rate of growth in public education (K-12) positions (24.7% increase) has exceeded the rate of growth in North Carolina's population (14.8% increase). During the same period, primarily due to new legal requirements for housing inmates, the rate of growth in correctional positions (54.7% increase) has far and away exceeded North Carolina's population growth.

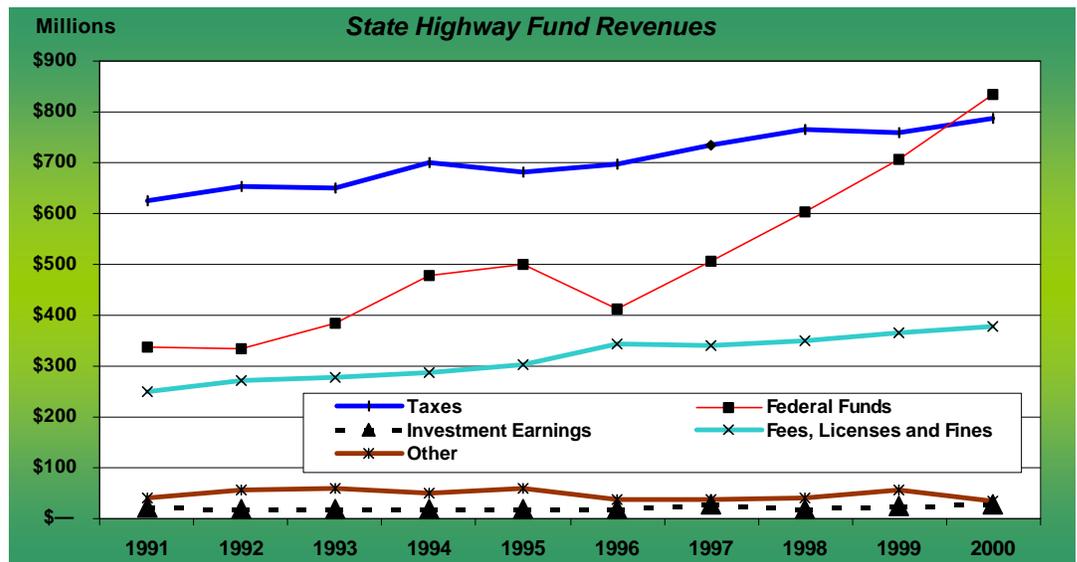
North Carolina's Growth Demands Spending for Transportation Infrastructure

During the last 10 years, the State's highway programs have added in excess of 1,275 miles of roadways to our State, or roughly the equivalent of traveling roundtrip from the Town of Manteo on the Atlantic Coast to the Town of Murphy in the Appalachian mountains. With these additions, our State must maintain an estimated 78,083 miles of roadway.

Funding for Highway Maintenance and Construction

The State's Highway Fund, referred to as a Special Revenue Fund, is funded by specific taxes and fees dedicated to expenditures for the purpose of constructing and maintaining the State's highway system.

The following chart presents information for the Highway Fund.

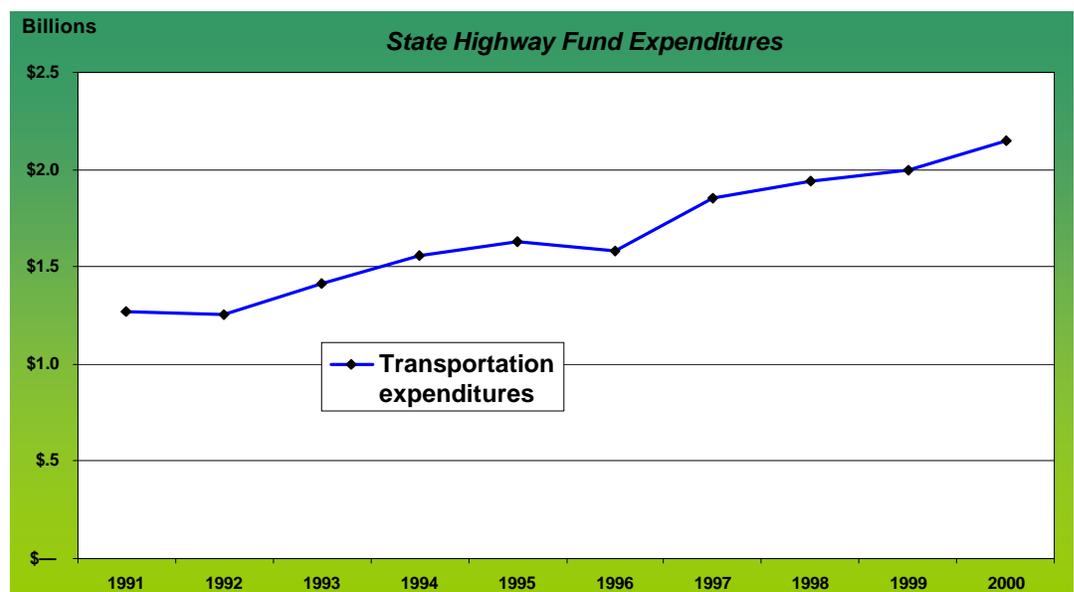


A major new financial reporting requirement for governments is the inclusion of infrastructure assets in governments financial statements, to include depreciation and accumulated depreciation. One allowable alternative to depreciating infrastructure assets is to demonstrate that the infrastructure assets are being maintained at an acceptable condition level. The Department of Transportation is required to survey and report on the condition of the State highway system.

The North Carolina Department of Transportation develops a statewide annual maintenance program for the State highway system, which is subject to the approval of the North Carolina Board of Transportation and takes into consideration the general maintenance needs, special maintenance needs, vehicular traffic, and other factors deemed pertinent. Transportation engineers, at the end of the fiscal year, certify the maintenance of highways in each division in accordance with an annual work program, along with explanations of any deviations. The report on the condition of the State highway system and the annual maintenance program are presented to the Joint Legislative Transportation Oversight Committee by November 30 of each even-numbered year. A detailed assessment is conducted of the State's pavements, structures, and roadway features. The methodologies used in the survey and assessment are based on acceptable practices used in other state transportation departments across the country.

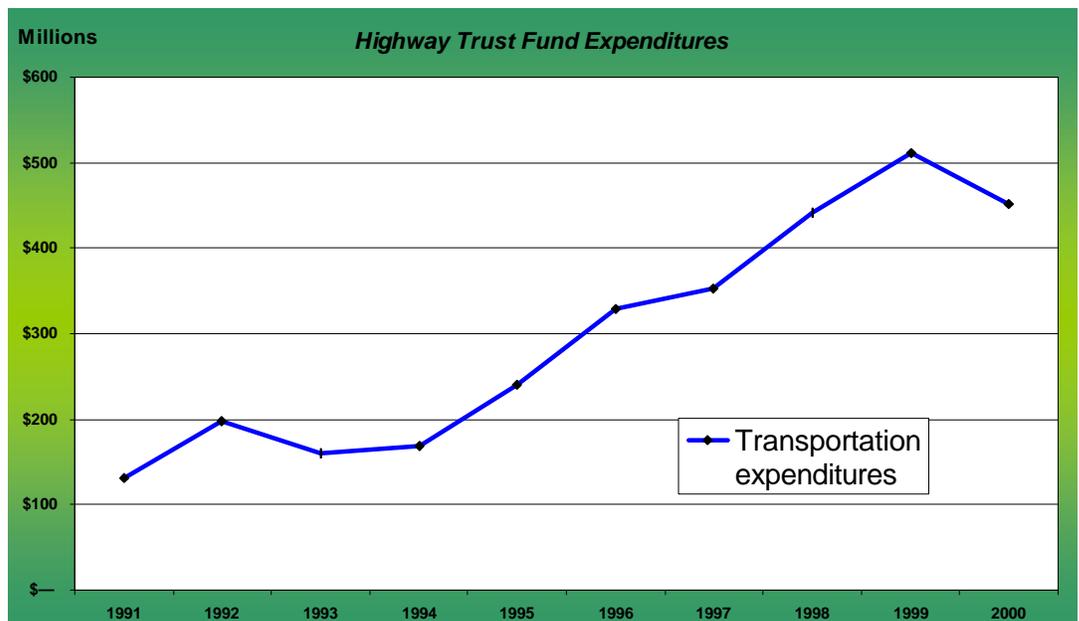
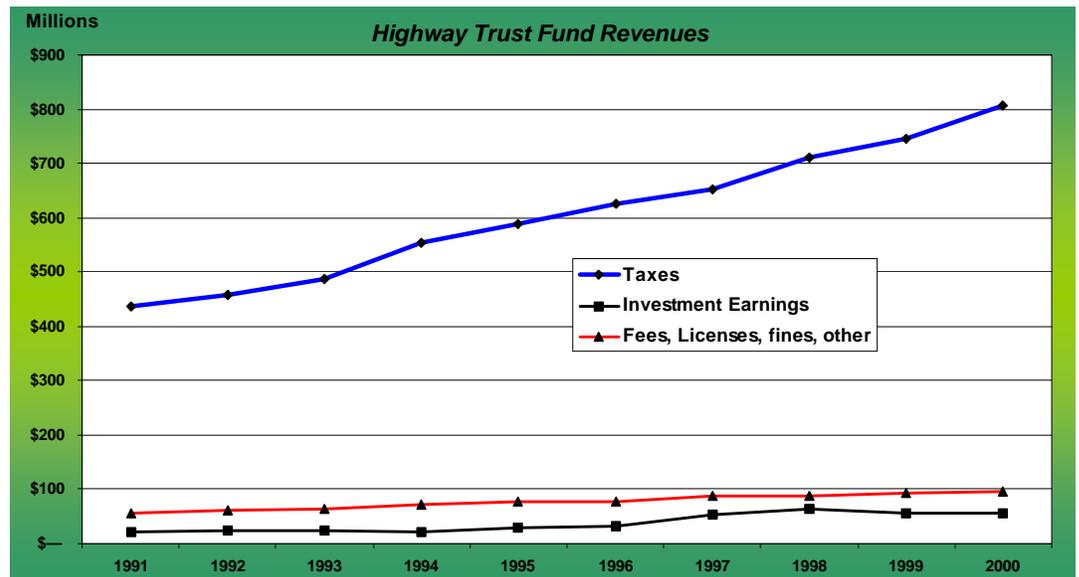
The 1998 *Report on the Condition of the State Highway System* concludes that the condition of the State highway system is directly related to the level of funding, and that current funding levels for routine maintenance and resurfacing are inadequate. In a high growth State such as North Carolina, the trend of increasing lane miles and increased traffic on existing roads, along with general deterioration from the elements, are at the heart of the problem. Of course, the forces of Hurricane Floyd's torrential rain and flooding dealt a destructive blow to many roads, bridges, and drainage systems in eastern North Carolina.

The most current *Condition* report highlights that while road maintenance funding has increased over the last decade, the increase in funding has not kept pace with inflation. The December 1998 report estimated that total maintenance needs, including backlogs, range from \$705.080 million in fiscal year 1999-2000, to \$1.035 billion in fiscal year 2008-2009 (averaging \$849.762 million per year). For the year ended June 30, 2000, \$460.717 million was spent on road maintenance. The approved State budget included \$482.000 million of road maintenance funding for fiscal year 2000-2001.



Highway Trust Fund

The State's Highway Trust Fund, referred to as a Special Revenue Fund, is funded by specific taxes and fees, and is dedicated to expenditures for the purpose of constructing intrastate highway systems and urban loops, with supplements for city streets and secondary roads.



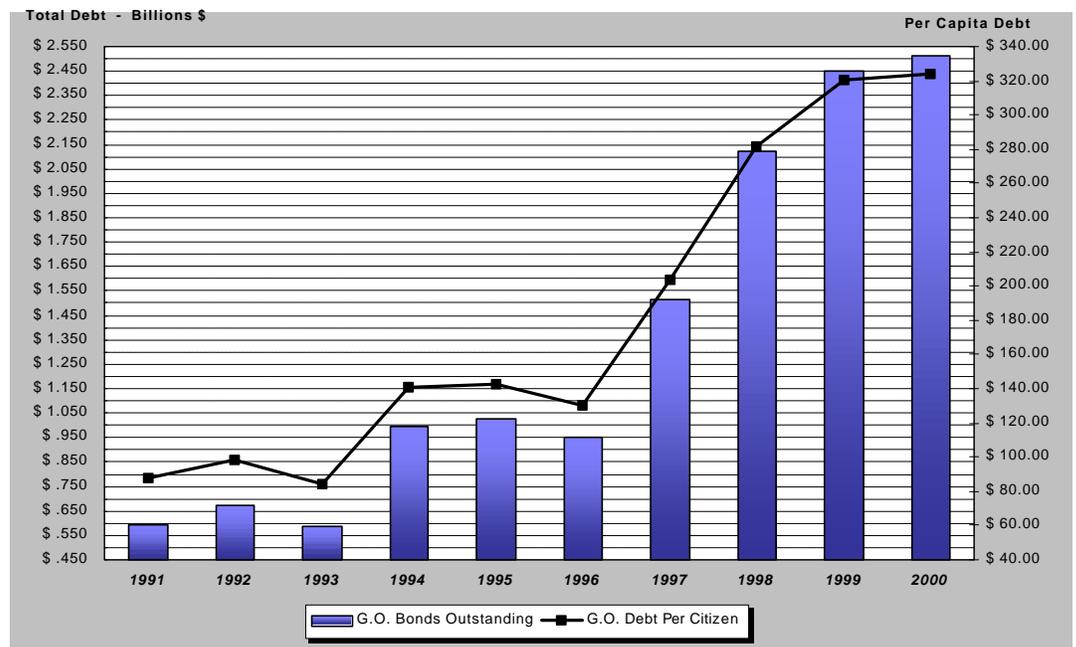
North Carolina's Infrastructure and Capital Improvement Needs Continue to Grow

As stated earlier, the State's population has grown by 14.8% since 1991. The drawing cards of excellent climate, geography, affordable higher education, and the State's efforts to recruit new industry and jobs have been major contributors.

With population growth comes the need to increase and improve the capacities of our infrastructure, i.e., our roads and highways, public schools, and clean water.

Fiscal Year Ended June 30	General Obligation Debt Per Capita			Ratio of Annual Debt Service To General Expenditures		
	N.C. Population	General Obligation Bonds Outstanding	G.O. Debt per Citizen	Debt Service (Principal and Interest)	Total General Expenditures	Ratio
2000	7,746,306	\$ 2,509,986,000	\$ 324.02	\$ 264,877,000	\$ 22,721,905,000	1.17%
1999	7,647,934	\$ 2,451,973,000	\$ 320.61	\$ 227,630,000	\$ 20,744,877,000	1.10%
1998	7,545,735	\$ 2,123,944,000	\$ 281.48	\$ 170,039,000	\$ 19,292,584,000	0.88%
1997	7,428,579	\$ 1,514,477,000	\$ 203.87	\$ 131,249,000	\$ 17,646,075,000	0.74%
1996	7,307,565	\$ 951,082,000	\$ 130.15	\$ 150,741,000	\$ 15,978,166,000	0.94%
1995	7,185,327	\$ 1,025,167,000	\$ 142.68	\$ 141,031,000	\$ 14,755,972,000	0.96%
1994	7,060,881	\$ 996,365,000	\$ 141.11	\$ 123,376,000	\$ 13,333,832,000	0.93%
1993	6,947,216	\$ 584,905,000	\$ 84.19	\$ 124,314,000	\$ 12,870,325,000	0.97%
1992	6,831,780	\$ 670,380,000	\$ 98.13	\$ 114,928,000	\$ 12,078,683,000	0.95%
1991	6,748,027	\$ 590,014,000	\$ 87.44	\$ 106,692,000	\$ 11,366,952,000	0.94%

Total General Obligation Debt and Long-Term Debt Per Capita



Source: Population - U.S. Department of Commerce, Bureau of the Census, and N.C. Office of State Planning

625 copies of this public document were printed at a cost of \$.94.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the State of North Carolina for its Popular Annual Financial Report for the fiscal year ended June 30, 1999. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

PRESENTED TO

**STATE OF
NORTH CAROLINA**

**For the fiscal year ending
June 30, 1999**



Cary Brueck
President
Jeffrey L. Essler
Executive Director