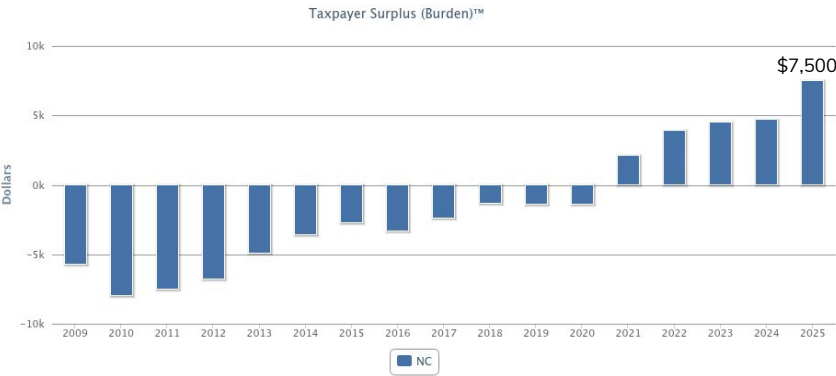


NORTH CAROLINA'S FINANCIAL BREAKDOWN

Money Available to Pay Bills	\$27.1 billion	Ranking (Out of 50)	10
Taxpayer Surplus™	\$7,500	Financial Grade	B

In 2025, North Carolina's financial situation improved. It ended the year with \$27.1 billion more than it needed to pay its bills. That means the state had a Taxpayer Surplus™ of \$7,500 and earned a "B" grade from Truth in Accounting.

North Carolina's financial condition improved, in part because reported revenues exceeded expenses during the period. However, the most significant positive change was not driven by operational results, but by changes in actuarial assumptions used to measure unfunded retiree health care obligations. In particular, the increase in the interest rate used to value future retiree health care obligations rose from 3.93 percent to 5.20 percent, reducing the present value of projected future benefit costs.



North Carolina received approximately \$47.9 billion in federal grants, which represented 38 percent of its revenue. The federal government mandates that entities receiving significant federal funds undergo a Single Audit. These audits are intended to be the taxpayers' first line of defense against potential fraud and abuse. North Carolina's audit found problems with oversight, staff turnover and training, monitoring of outside service providers, and outdated procedures. These weaknesses led to financial reporting errors, improper payments, grant reporting problems, and repeated failures to follow federal requirements.

The data in this report is derived from North Carolina's audited 2025 Annual Comprehensive Financial Report and its retirement systems' reports. To explore prior years or compare financial, demographic, and economic data across other states and cities, visit [Data-Z.org](#).

NORTH CAROLINA'S FINANCIAL FACTS

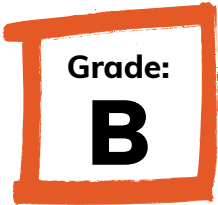
FACT #1: North Carolina had \$76.9 billion available to pay \$49.8 billion worth of bills.	FACT #2: The outcome was a \$27.1 billion surplus, which breaks down to \$7,500 per taxpayer.
FACT #3: North Carolina received 38 percent of its revenue from federal grants and was required to undergo a Single Audit, which identified potential fraud and abuse.	

THE STATE'S ASSETS EXCEEDED ITS BILLS

\$195,029,978,000	→	Total Assets
- \$100,282,953,000	→	Minus: Capital Assets
- \$17,808,475,000	→	Minus: Restricted Assets
= \$76,938,550,000	→	Assets Available to Pay Bills
- \$49,798,620,000	→	Minus: Total Bills*
= \$27,139,930,000	→	Money Available to Pay Bills
/ Divide by the estimated number of taxpayers		
= \$7,500	→	Each Taxpayer's Share of This Surplus

*BREAKDOWN OF TOTAL BILLS

\$11,837,137,000	→	Bonds
+ \$34,230,017,000	→	Other Liabilities
- \$12,983,566,000	→	Minus: Debt Related to Capital Assets
+ \$5,644,648,000	→	Unfunded Pension Benefits
+ \$11,070,384,000	→	Unfunded Retiree Health Care Benefits
= \$49,798,620,000	→	Total Bills



Bottom line:
North Carolina had more than enough money to pay its outstanding bills and received a "B" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Surplus between \$1 and \$9,999 is given a "B" grade.