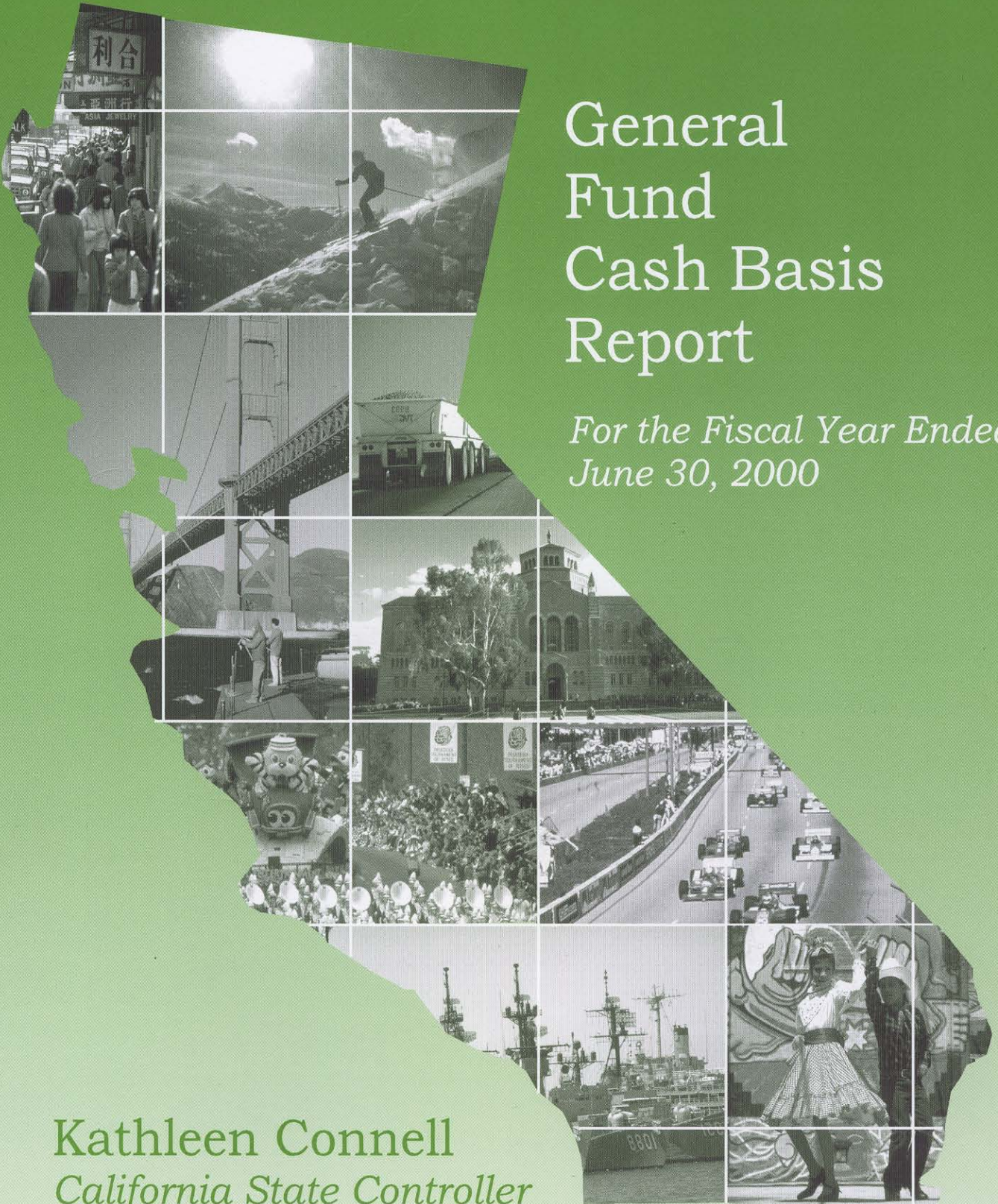


# State of California

## General Fund Cash Basis Report

*For the Fiscal Year Ended  
June 30, 2000*

**Kathleen Connell**  
*California State Controller*







**KATHLEEN CONNELL**  
Controller of the State of California

July 10, 2000

**To the Citizens, Governor, and Members  
of the Legislature of the State of California:**

I

am pleased to submit to you the *General Fund Cash Basis Report* for the fiscal year ended June 30, 2000. The General Fund, the State's primary funding source for general government services, ended the 1999-00 fiscal year with a cash balance of \$8.5 billion. This is the third consecutive year the State has ended with a positive balance and without any outstanding short-term borrowing.

These statements are available on the Internet at the State Controller's homepage, [www.sco.ca.gov](http://www.sco.ca.gov), under the category "State Government Annual Financial Reports."

This report is published to provide authoritative information under the cash basis of accounting concerning the financial status of the General Fund as close to the end of the fiscal year as possible. This report does not, however, portray a complete picture of the State's operations or financial position. After completion of the audit of the State's finances by the State Auditor, I will issue the *Comprehensive Annual Financial Report*, prepared in conformance with generally accepted accounting principles. At that time, *the Budgetary/Legal Basis Annual Report*, which contains an accounting of all fund activity in compliance with state law, state accounting procedures, and the state budget, will also be issued.

Sincerely,

**Originally Signed by**

KATHLEEN CONNELL  
California State Controller

# Statement of Cash Receipts, Disbursements, and Balances

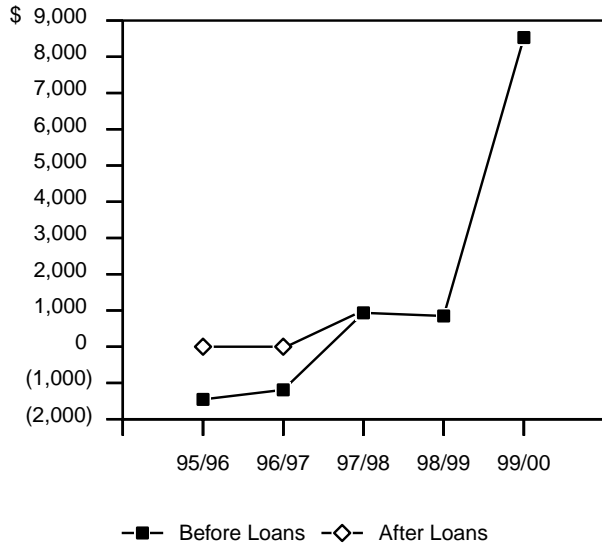
(Amounts in thousands)

	Year Ended June 30,	
	2000	1999
<b>General Fund Beginning Cash Balance Before Loans, July 1 .....</b>	<b>\$ 847,936</b>	<b>\$ 934,607</b>
<b>Receipts</b>		
Revenues .....	70,771,088	58,287,784
Nonrevenues (Note 1) .....	1,455,385	223,076
<b>Total Receipts .....</b>	<b>72,226,473</b>	<b>58,510,860</b>
<b>Disbursements</b>		
State Operations .....	16,149,149	14,348,442
Local Assistance .....	47,885,824	41,869,788
Capital Outlay .....	183,764	243,231
Nongovernmental (Note 1) .....	324,350	2,136,070
<b>Total Disbursements .....</b>	<b>64,543,087</b>	<b>58,597,531</b>
<b>Receipts Over (Under) Disbursements .....</b>	<b>7,683,386</b>	<b>(86,671)</b>
<b>General Fund Ending Cash Balance Before Loans, June 30 .....</b>	<b>8,531,322</b>	<b>847,936</b>
<b>Total Loans .....</b>	<b>—</b>	<b>—</b>
<b>General Fund Ending Cash Balance After Loans, June 30 .....</b>	<b>8,531,322</b>	<b>847,936</b>
<b>Special Fund for Economic Uncertainties, June 30 .....</b>	<b>816,081</b>	<b>1,260,722</b>
<b>Total Cash, June 30 (Note 1) .....</b>	<b>\$ 9,347,403</b>	<b>\$ 2,108,658</b>
<hr/>		
<b>Borrowable Resources (Note 2)</b>		
<b>Available Resources</b>		
From Special Fund for Economic Uncertainties .....	\$ 816,081	\$ 1,260,722
From Special Funds and Accounts .....	8,611,098	7,459,254
<b>Total Available Resources .....</b>	<b>9,427,179</b>	<b>8,719,976</b>
<b>Total Loans .....</b>	<b>—</b>	<b>—</b>
<b>Unused Resources .....</b>	<b>\$ 9,427,179</b>	<b>\$ 8,719,976</b>

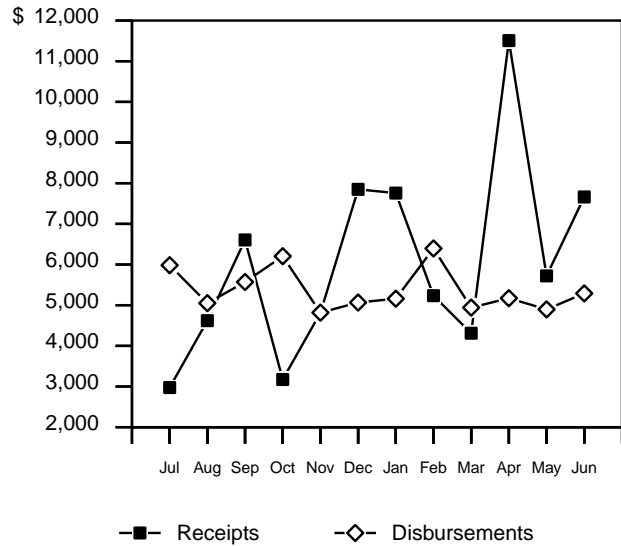
# Charts of Cash Receipts, Disbursements, and Balances

(Amounts in millions)

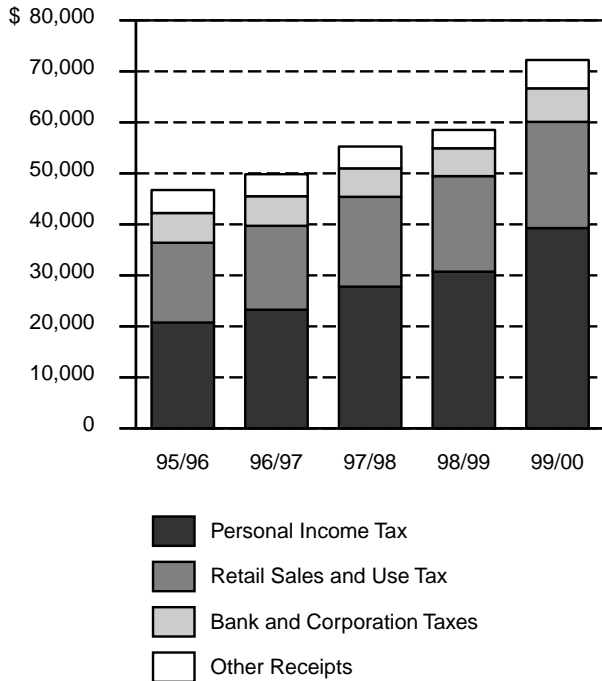
**Ending Cash Balances  
Last Five Fiscal Years**



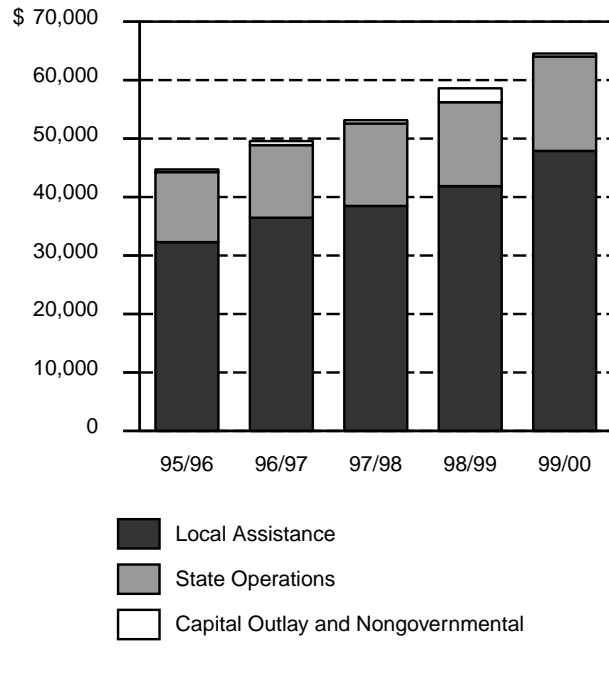
**Monthly Cash Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2000**



**Cash Receipts  
Last Five Fiscal Years**



**Cash Disbursements  
Last Five Fiscal Years**



# Schedule of Cash Receipts

(Amounts in thousands)

	Year Ended June 30,	
	2000	1999
<b>RECEIPTS</b>		
<b>REVENUES</b>		
<b>Major Taxes and Licenses</b>		
Personal Income Tax .....	\$ 39,272,755	\$ 30,728,902
Retail Sales and Use Taxes .....	20,825,007	18,731,422
Bank and Corporation (Income) Taxes .....	6,575,403	5,459,193
Insurance Gross Premiums Tax .....	1,300,771	1,263,787
Estate Tax .....	922,677	877,267
Excise Tax on Beer and Wine .....	147,498	144,893
Cigarette Tax .....	135,982	147,509
Excise Tax on Distilled Spirits .....	135,371	128,574
Horse Racing (Parimutuel) License Fees .....	5,249	24,724
Inheritance Tax .....	614	535
Gift Tax .....	5	98
<b>Total Major Taxes and Licenses .....</b>	<b>69,321,332</b>	<b>57,506,904</b>
<b>Minor Revenues</b>		
Pooled Money Investment Income .....	362,264	304,842
Abandoned Property .....	198,036	174,099
Health Care Deposit Fund Receipts .....	17,262	13,156
State Lands Royalties .....	12,165	9,760
Private Rail Car Tax .....	6,740	6,354
Trial Court Revenues .....	2,427	3,256
Liquor License Fees .....	2,041	2,902
Miscellaneous (Note 3).....	848,821	266,511
<b>Total Minor Revenues .....</b>	<b>1,449,756</b>	<b>780,880</b>
<b>Total Revenues .....</b>	<b>70,771,088</b>	<b>58,287,784</b>
<b>NONREVENUES</b>		
Transfers from Special Fund for Economic Uncertainties .....	798,132	5,495
Transfers from Other Funds .....	338,986	(93,731)
Miscellaneous .....	318,267	311,312
<b>Total Nonrevenues .....</b>	<b>1,455,385</b>	<b>223,076</b>
<b>TOTAL RECEIPTS .....</b>	<b>\$ 72,226,473</b>	<b>\$ 58,510,860</b>

# Schedule of Cash Disbursements

(Amounts in thousands)

	Year Ended June 30,	
	2000	1999
<b>DISBURSEMENTS</b>		
<b>STATE OPERATIONS</b>		
Legislative/Judicial/Executive .....	\$ 930,695	\$ 836,216
Resources .....	749,314	578,160
Business, Transportation and Housing (Note 4).....	672,394	7,298
State and Consumer Services .....	427,136	393,077
Environmental Protection Agency .....	140,350	108,587
Trade and Commerce Agency .....	33,933	31,384
Health and Human Services		
Mental Health Hospitals .....	368,949	295,744
Health Services .....	207,380	215,321
Other Health and Human Services .....	342,249	302,323
Total Health and Human Services .....	918,578	813,388
Youth and Adult Correctional Agency .....	4,242,264	3,846,222
Education		
University of California .....	2,717,404	2,492,755
State University and Colleges .....	2,179,442	2,023,826
Other Education .....	152,414	135,578
Total Education .....	5,049,260	4,652,159
Debt Service .....	2,033,501	1,938,702
General Government .....	772,964	672,210
Public Employees Retirement System .....	126,119	388,370
Interest on Loans .....	52,641	82,669
<b>Total State Operations .....</b>	<b>16,149,149</b>	<b>14,348,442</b>
<b>LOCAL ASSISTANCE</b>		
Judicial/Executive .....	1,230,939	919,757
Resources .....	76,465	56,986
Business, Transportation and Housing .....	43,655	18,995
Environmental Protection Agency .....	7,019	4,458
State and Consumer Services .....	1,724	13,456
Health and Human Services		
Department of Health Services .....	8,459,654	7,668,598
Department of Social Services .....	6,509,428	6,366,104
Department of Developmental Services .....	814,917	589,835
Department of Mental Health .....	301,917	304,926
Other Health and Human Services .....	273,449	228,703
Total Health and Human Services .....	16,359,365	15,158,166

(Continued)

# Schedule of Cash Disbursements

(Amounts in thousands)

	Year Ended June 30,	
	2000	1999
Youth and Adult Correctional Agency .....	\$ 108,929	\$ 82,955
Education		
K-12 Education .....	22,114,415	21,099,058
Community Colleges .....	2,293,579	2,195,988
Teachers' Retirement System .....	936,528	292,931
Other Education .....	1,871,859	1,267,065
Total Education .....	27,216,381	24,855,042
Tax Relief		
Vehicle License Fee Offset (Note 5).....	1,324,040	—
Homeowners Property Tax Relief .....	394,136	389,667
Senior Citizens Renters Assistance .....	55,710	11,357
Subventions for Open Space .....	36,500	35,302
Senior Citizens Property Tax Deferral and Assistance .....	27,780	13,949
Miscellaneous Tax Relief .....	401	654
Total Tax Relief .....	1,838,567	450,929
General Government .....	1,002,780	309,044
<b>Total Local Assistance .....</b>	<b>47,885,824</b>	<b>41,869,788</b>
<b>CAPITAL OUTLAY</b>		
<b>Total Capital Outlay .....</b>	<b>183,764</b>	<b>243,231</b>
<b>NONGOVERNMENTAL</b>		
Transfer to Special Fund for Economic Uncertainties .....	353,550	1,189,226
Transfer to Other Funds .....	149,462	956,882
Transfer to Revolving Fund .....	20,293	36,576
Advances		
Counties for Social Welfare .....	13,286	118,850
State-County Property Tax Administration Program .....	(4,162)	(2,673)
Social Welfare Federal Fund .....	(21,079)	(239,791)
Trial Court Trust Fund (Note 6).....	(187,000)	77,000
<b>Total Nongovernmental .....</b>	<b>324,350</b>	<b>2,136,070</b>
<b>TOTAL DISBURSEMENTS .....</b>	<b>\$ 64,543,087</b>	<b>\$ 58,597,531</b>

(Concluded)

# Notes to Statements and Schedules

## NOTE 1

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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#### A. Basis of Presentation

The *General Fund Cash Basis Report* is based on cash reported to and recorded in the records of the State Controller's Office. Amounts reported may differ from amounts in other reports to the extent there are timing differences in the recording of in-transit items between agencies, the State Treasury, and the State Controller's Office. The cash basis of accounting does not reflect accruals.

#### B. General Fund

The "Statement of Cash Receipts, Disbursements, and Balances" does not include cash in the "Special Fund for Economic Uncertainties," if any, in the report's balances, except for the balance titled "Total Cash, June 30."

#### C. Nonrevenue Receipts

Nonrevenue receipts are transfers or miscellaneous receipts from other funds that do not represent revenues of the General Fund. "Transfers from Other Funds" are legally authorized movements of money into the General Fund from other funds that are responsible for the initial receipt of the money. "Miscellaneous" nonrevenue receipts include reimbursements that are not credited to a specific appropriation, and certain other receipts that are not defined as revenue.

#### D. Nongovernmental Disbursements

Nongovernmental disbursements are transfers or advances to other funds that do not represent expenditures of the General Fund. "Transfers to Other Funds" are legally authorized movements of money from the General Fund, which is responsible for the initial receipt of the money, to other funds that are responsible for the actual expenditure. "Advances" include legally authorized loans to other funds and governmental entities, and the repayments of those loans. Negative balances are the result of repayments received that are greater than disbursements made during the fiscal year.

## NOTE 2

### BORROWABLE RESOURCES

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Government Code Sections 16310 and 16418 authorize transfers to the General Fund from other funds in the State Treasury to meet the State's short-term borrowing needs. Chapter 268, Statutes of 1984, authorizes the State to borrow from external sources prior to exhausting internal sources. External sources of funds are obtained by issuing Revenue Anticipation Notes (RANs), Revenue Anticipation Warrants (RAWs), and Registered Warrants.

With respect to short-term external loans, the State issued \$1.0 billion in RANs on October 1, 1999, to meet the normal cash flow needs for the 1999-00 fiscal year. The RANs were repaid on June 30, 2000; therefore, the State ended the 1999-00 fiscal year with no short-term external loans.



**NOTE 3**

**TOBACCO SETTLEMENT**

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On November 16, 1998, the attorney generals of eight states, including California, and four major tobacco companies agreed to settle pending lawsuits brought by the states against the tobacco industry. On December 9, 1998, the settlement agreement for the State of California was approved by the San Diego Superior Court. The settlement agreement requires the tobacco companies to make payments to the State in perpetuity. The State received \$515 million during the 1999-00 fiscal year in relation to this agreement.

**NOTE 4**

**SMOG IMPACT FEE REFUNDS**

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Chapter 32, Statutes of 2000, required the State Controller to transfer \$665 million from the General Fund to the Smog Impact Fee Refund Account for the primary purpose of making refunds to persons who paid a smog impact fee to the State. This fee was imposed on persons registering a motor vehicle in California that was previously registered outside the state.

**NOTE 5**

**VEHICLE LICENSE FEE OFFSET**

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Chapter 322, Statutes of 1998, established a phased-in vehicle license fee reduction program. The revenue loss to local governments was offset by a General Fund transfer. A 25% reduction of the vehicle license fee was authorized beginning January 1, 1999. Beginning January 1, 2000, an additional 10% was authorized for the calendar year.

**NOTE 6**

**TRIAL COURT TRUST FUND**

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On February 25, 1999, the State Controller, the State Treasurer, and the Governor authorized a loan of up to \$200 million to the Trial Court Trust Fund from the General Fund, as requested by the Judicial Council pursuant to Government Code Section 16351. As of June 30, 1999, the outstanding loan amount was \$187 million. This loan was repaid to the General Fund on August 25, 1999.