

# CONTROLLER JOHN CHIANG

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PR08: 015

FOR IMMEDIATE RELEASE:  
MARCH 10, 2008

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## Controller Releases February Cash Flow Figures

**SACRAMENTO** – State Controller John Chiang today released his monthly report detailing California’s cash balance, receipts and disbursements in February and through the first eight months of the fiscal year.

“Our receipts were relatively close to the Governor’s latest budget estimates, but many sources of revenue continue to show signs of weakness,” Chiang said. “Retail sales and corporate taxes came in below estimates, and while February’s income tax payments were up, the majority of those taxes will be collected in later months.”

Actual General Fund revenue in February was down \$82 million, or -1.5 percent, from estimates found in the Governor’s 2008-09 State Budget proposal, which contains updated revenue projections for the current fiscal year. Personal income tax totals surpassed estimates by \$263 million, or 19.2 percent. Sales tax receipts were down \$191 million, or -5.1 percent and corporate taxes were down by \$24 million, or -12.5 percent.

The State spent \$2.5 billion more than it received in the month of February. For the fiscal year-to-date, the State has spent \$15.7 billion more than it received in revenue – but deficits at this point are not unusual because a large part of the State’s revenues come in during the last four months of a fiscal year, while many of its expenses occur in the first eight months.

The State started the fiscal year with a \$2.5 billion cash balance, leaving a net cash deficit of \$13.3 billion on February 29. The State issued a \$7 billion Revenue Anticipation Note last fall to cover a portion of this short-term deficit. In February, the State sold the remaining \$3.3 billion in Economic Recovery Bonds that were authorized by voters in 2004. The remaining \$3 billion shortfall is being covered by internal borrowing.

The financial statement and the summary analysis can be found on the Controller’s Web site at [www.sco.ca.gov](http://www.sco.ca.gov).

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