



Betty T. Yee

California State Controller

300 Capitol Mall
Sacramento, CA 95814
www.sco.ca.gov

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Contact: JOHN HILL
(916) 445-2636

CA Controller Publishes Comprehensive Annual Financial Report

SACRAMENTO—California State Controller Betty T. Yee today issued the state's Comprehensive Annual Financial Report (CAFR) for the fiscal year that ended June 30, 2015, showing that a resurgent economy led to a \$29.6 billion increase in revenues in the 2014-15 fiscal year. While spending and transfers also went up, the increases were not enough to offset the additional revenue, resulting in a \$13.1 billion improvement in governmental activities' net position.

The [CAFR](#), prepared by the Controller's team each year, adheres to generally accepted accounting principles and is audited by an outside party—in the state's case, the California State Auditor. It allows apples-to-apples comparisons between entities, which is valuable to the public, financial experts, and investors.

The CAFR shows the state ended the fiscal year with General Fund revenues of \$116.8 billion, a 12 percent increase over the prior year. A surge in personal income tax accounted for \$9.3 billion, or 74 percent, of the General Fund revenue growth. A year-end General Fund cash balance of \$5.8 billion equated to 20 days of operating expenditures, compared to 16 days for the prior year.

This CAFR incorporates major changes to reflect the state's net pension liability. Based on guidance from the Governmental Accounting Standards Board (GASB), the new figure more accurately reflects a government's unfunded pension obligation, helping policymakers decide on future funding strategies. Using these standards, the CAFR reports a net pension liability of \$63.7 billion as of June 30, 2015.

"The GASB accounting rules will help to increase transparency, which will in turn focus local and state governments on ensuring they adequately plan for these important long-term obligations," said Controller Yee, the state's chief fiscal officer.

Reporting the net pension liability alongside other liabilities such as outstanding bonds, claims, judgments, and long-term leases is a major step toward more completely depicting a government's financial status. Similar standards will be implemented in 2017-18 for other postemployment benefits, primarily retiree health care.

Previously, unfunded pension obligations disclosed in financial statements were based on the difference between a government's contribution targets and actual contributions, the amount of which was \$39.6 billion reflected in the CAFR for the fiscal year that ended June 30, 2014. The new standards require all government entities to use the same accounting-based methods.

As the chief fiscal officer of California, Controller Yee is responsible for accountability and disbursement of the state's financial resources. The Controller also safeguards many types of property until claimed by the rightful owners, and has independent auditing authority over government agencies that spend state funds. She is a member of numerous financing authorities, and fiscal and financial oversight entities including the Franchise Tax Board. She also serves on the boards for the nation's two largest public pension funds. Elected in 2014, Controller Yee is the tenth woman elected to a statewide office in California's history. Follow the Controller on Twitter at [@CAController](#) and on Facebook at [California State Controller's Office](#).

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