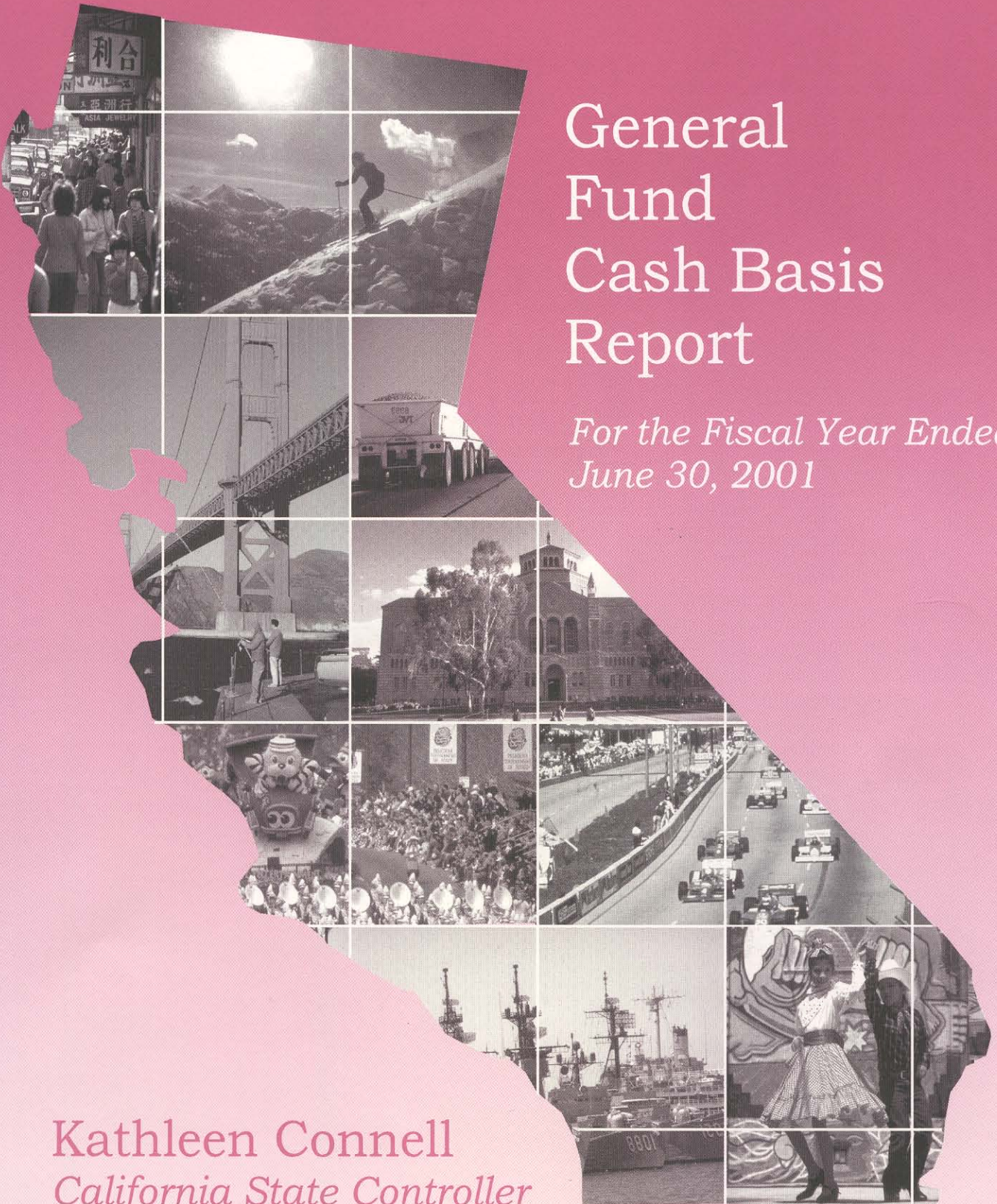


State of California

General Fund Cash Basis Report

*For the Fiscal Year Ended
June 30, 2001*

Kathleen Connell
California State Controller





KATHLEEN CONNELL
Controller of the State of California

July 10, 2001

**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, 2001. The General Fund, the State's primary funding source for general government services, ended the 2000-01 fiscal year with a cash balance of \$3.4 billion. This is the fourth 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, 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

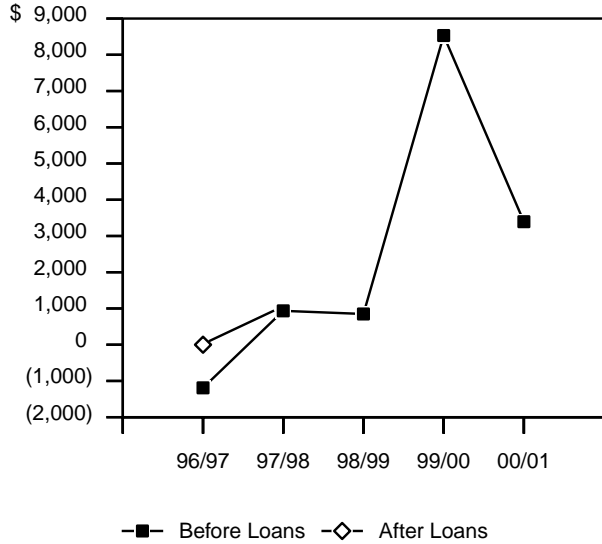
(Amounts in thousands)

	Year Ended June 30,	
	2001	2000
General Fund Beginning Cash Balance Before Loans, July 1	\$ 8,531,322	\$ 847,936
Receipts		
Revenues	77,587,204	70,771,088
Nonrevenues (Note 1)	743,202	1,455,385
Total Receipts	78,330,406	72,226,473
Disbursements		
State Operations	18,433,133	16,149,149
Local Assistance	58,092,522	47,885,824
Capital Outlay	1,866,906	183,764
Nongovernmental (Note 1)	5,074,890	324,350
Total Disbursements	83,467,451	64,543,087
Receipts Over (Under) Disbursements	(5,137,045)	7,683,386
General Fund Ending Cash Balance Before Loans, June 30	3,394,277	8,531,322
Total Loans	—	—
General Fund Ending Cash Balance After Loans, June 30	3,394,277	8,531,322
Special Fund for Economic Uncertainties, June 30	204,486	816,081
Total Cash, June 30 (Note 1)	\$ 3,598,763	\$ 9,347,403
<hr/>		
Borrowable Resources (Note 2)		
Available Resources		
From Special Fund for Economic Uncertainties	\$ 204,486	\$ 816,081
From Special Funds and Accounts	12,137,899	8,611,098
Total Available Resources	12,342,385	9,427,179
Total Loans	—	—
Unused Resources	\$ 12,342,385	\$ 9,427,179

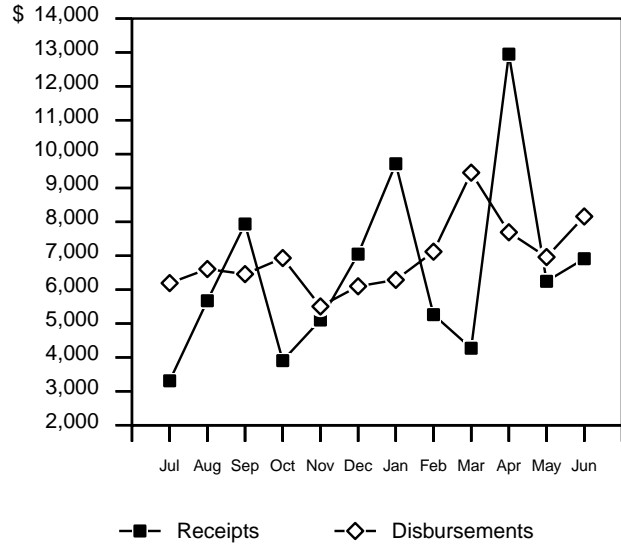
Charts of Cash Receipts, Disbursements, and Balances

(Amounts in millions)

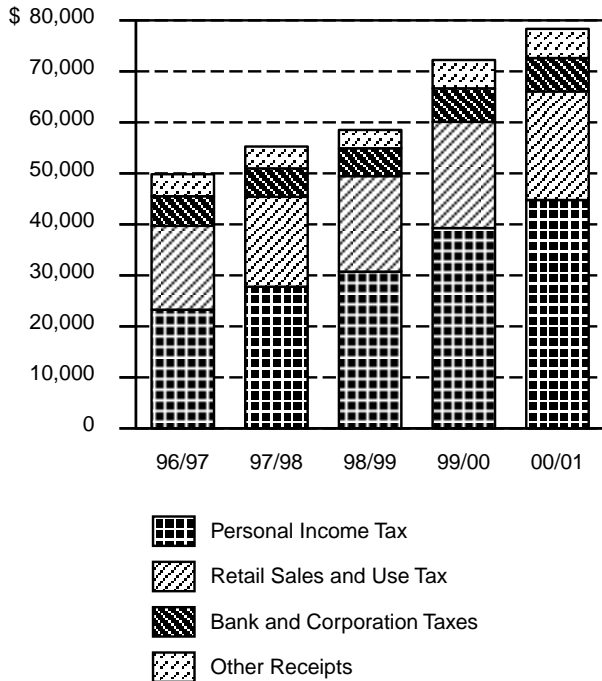
**Ending Cash Balances
Last Five Fiscal Years**



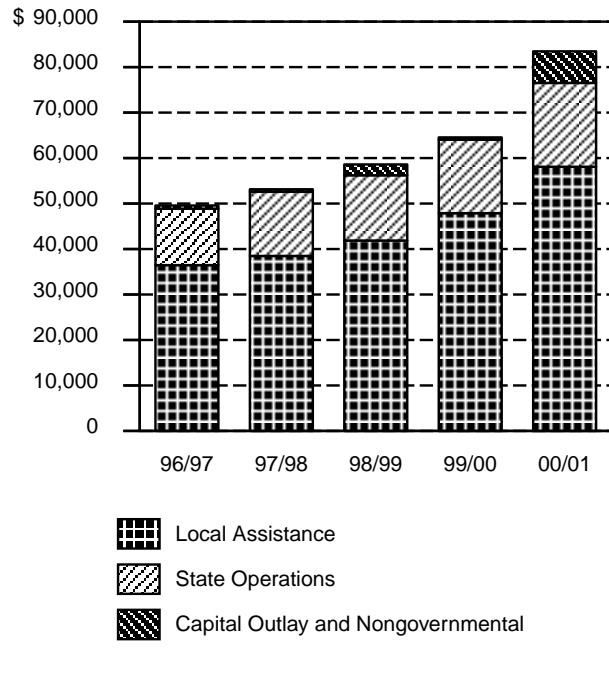
**Monthly Cash Receipts and Disbursements
For the Fiscal Year Ended June 30, 2001**



**Cash Receipts
Last Five Fiscal Years**



**Cash Disbursements
Last Five Fiscal Years**



Schedule of Cash Receipts

(Amounts in thousands)

	Year Ended June 30,	
	2001	2000
RECEIPTS		
REVENUES		
Major Taxes and Licenses		
Personal Income Tax	\$ 44,772,001	\$ 39,272,755
Retail Sales and Use Taxes	21,290,637	20,825,007
Bank and Corporation (Income) Taxes	6,546,270	6,575,403
Insurance Gross Premiums Tax	1,501,455	1,300,771
Estate, Inheritance and Gift Tax	1,109,757	923,296
Excise Tax on Beer and Wine	151,386	147,498
Excise Tax on Distilled Spirits	133,641	135,371
Cigarette Tax	126,743	135,982
Horse Racing (Parimutuel) License Fees	3,866	5,249
Total Major Taxes and Licenses	75,635,756	69,321,332
Minor Revenues		
Pooled Money Investment Income	836,686	362,264
Abandoned Property	161,840	198,036
Health Care Deposit Fund Receipts	19,641	17,262
State Lands Royalties	13,708	12,165
Private Rail Car Tax	6,337	6,740
Liquor License Fees	1,755	2,041
Trial Court Revenues	766	2,427
Miscellaneous (Note 3).....	910,715	848,821
Total Minor Revenues	1,951,448	1,449,756
Total Revenues	77,587,204	70,771,088
NONREVENUES		
Transfers from Special Fund for Economic Uncertainties	230,695	798,132
Transfers from Other Funds	171,463	338,986
Miscellaneous	341,044	318,267
Total Nonrevenues	743,202	1,455,385
TOTAL RECEIPTS	\$ 78,330,406	\$ 72,226,473

Schedule of Cash Disbursements

(Amounts in thousands)

	Year Ended June 30,	
	2001	2000
DISBURSEMENTS		
STATE OPERATIONS		
Resources (Note 4).....	\$ 1,816,778	\$ 749,314
Legislative/Judicial/Executive	1,047,188	930,695
State and Consumer Services	465,333	427,136
Environmental Protection Agency	318,920	140,350
Trade and Commerce Agency	48,083	33,933
Business, Transportation and Housing	43,963	672,394
Health and Human Services		
Mental Health Hospitals	455,378	368,949
Health Services	253,520	207,380
Other Health and Human Services	366,087	342,249
Total Health and Human Services	1,074,985	918,578
Youth and Adult Correctional Agency	4,595,721	4,242,264
Education		
University of California	3,160,156	2,717,404
State University and Colleges	2,399,161	2,179,442
Other Education	171,491	152,414
Total Education	5,730,808	5,049,260
Debt Service	2,265,419	2,033,501
General Government	1,047,796	772,964
Interest on Loans	6,253	52,641
Public Employees Retirement System	(28,114)	126,119
Total State Operations	18,433,133	16,149,149
LOCAL ASSISTANCE		
Judicial/Executive	1,432,102	1,230,939
Business, Transportation and Housing	567,027	43,655
Resources	459,835	76,465
State and Consumer Services	48,355	1,724
Environmental Protection Agency	13,457	7,019
Health and Human Services		
Department of Health Services	9,205,099	8,459,654
Department of Social Services	6,949,396	6,509,428
Department of Developmental Services	946,779	814,917
Department of Mental Health	363,011	301,917
Other Health and Human Services	783,765	273,449
Total Health and Human Services	18,248,050	16,359,365

(Continued)

Schedule of Cash Disbursements

(Amounts in thousands)

	Year Ended June 30,	
	2001	2000
Youth and Adult Correctional Agency	\$ 117,227	\$ 108,929
Education		
K-12 Education	26,063,406	22,114,415
Community Colleges	2,743,161	2,293,579
Teachers' Retirement System	902,353	936,528
Other Education	1,942,937	1,871,859
Total Education	31,651,857	27,216,381
Tax Relief		
Vehicle License Fee Offset (Note 5).....	3,894,253	1,324,040
Homeowners Property Tax Relief	398,429	394,136
Senior Citizens Renters Assistance	255,923	55,710
Senior Citizens Property Tax Deferral and Assistance	72,676	27,780
Subventions for Open Space	36,163	36,500
Miscellaneous Tax Relief	255	401
Total Tax Relief	4,657,699	1,838,567
General Government	896,913	1,002,780
Total Local Assistance	58,092,522	47,885,824
CAPITAL OUTLAY		
Total Capital Outlay (Note 6).....	1,866,906	183,764
NONGOVERNMENTAL		
Transfer to Other Funds (Note 4).....	5,144,369	149,462
Transfer to Revolving Fund	38,361	20,293
Transfer to Special Fund for Economic Uncertainties	-	353,550
Advances		
State-County Property Tax Administration Program	(2,432)	(4,162)
Counties for Social Welfare	(22,705)	13,286
Social Welfare Federal Fund	(82,703)	(21,079)
Trial Court Trust Fund	-	(187,000)
Total Nongovernmental	5,074,890	324,350
TOTAL DISBURSEMENTS	\$ 83,467,451	\$ 64,543,087

(Concluded)

Notes to Statements and Schedules

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 notes, the State issued \$1.0 billion in RANs for the 1999-00 fiscal year, which were repaid on June 30, 2000. The State did not issue any RANs during the 2000-01 fiscal year. The State ended both fiscal years with no short-term external loans.

NOTE 3

MISCELLANEOUS MINOR REVENUES

Receipts that are not otherwise categorized are reflected in this account. Significant receipts of this account are: \$515 million and \$380 million received during the 1999-00 and 2000-01 fiscal years, respectively, in relation to the tobacco settlement of November 16, 1998, between eight states and four major tobacco industries; and \$222 million received in the 2000-01 fiscal year in association with child support collections. These child support collections were treated as abatements in the 1999-00 fiscal year.

NOTE 4

ENERGY

On January 17, 2001, the Governor declared a state of emergency in relation to the inability of California's investor-owned utilities to purchase electricity. With this action, the Department of Water Resources (DWR) began to purchase electricity on behalf of these investor-owned utilities. Chapters 3 and 4, Statutes of 2001, then established the DWR Electric Power Fund (DWREPF). During the 2000-01 fiscal year, \$5.908 billion and \$302 million was transferred from the General Fund and the Special Fund for Economic Uncertainties, respectively, to the DWREPF.

NOTE 5

VEHICLE LICENSE FEE OFFSET

Chapter 322, Statutes of 1998, established a phased-in vehicle license fee reduction program. 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, and on January 1, 2001, the reduction was increased to 67.5%. The General Fund transferred \$1.842 billion for the 2000-01 fiscal year to the Motor Vehicle License Fee Account and the Local Revenue Fund to offset impacts of these reductions on local governments, while rebates of \$887 million were made directly to taxpayers from the Special Reserve Fund for Vehicle License Fee Tax Relief (SRFVLFTR) funded by additional General Fund transfers. Finally, pursuant to Chapter 5, Statutes of 2001, \$1.165 billion was transferred to the SRFVLFTR during the 2000-01 fiscal year to provide funding for the 2001-02 fiscal year.

NOTE 6

TRAFFIC CONGESTION RELIEF PROGRAM

A total of \$1.500 billion was transferred from the General Fund to the Traffic Congestion Relief Fund during the 2000-01 fiscal year to provide funding for transportation projects as specified in Chapters 91 and 92, of the Statutes of 2000.