

June 01, 2011

The Honorable Edmund G. Brown, Jr.
Governor of the State of California
State Capitol
Sacramento, CA 95814

Re: Report for FY 2008-09 and FY 2009-10

Dear Governor Brown:

Enclosed please find a financial data report, as required by Government Code Section 12329, for fiscal years 2008-09 and 2009-10. Included in the report is the exact balance in the State's Treasury and a summary of the receipts and payments of the Treasury from July 1, 2008 through June 30, 2010. I also have included information regarding investment earnings and transactions, as well as the State's General Fund supported debt for the same period.

Sincerely,

Bill Lockyer
California State Treasurer

Enclosure

**CALIFORNIA STATE TREASURER'S OFFICE
FINANCIAL DATA
FISCAL YEARS 2008-09 AND 2009-10**



**BILL LOCKYER
CALIFORNIA STATE TREASURER**

INTRODUCTION

This report is prepared in compliance with Government Code Section 12329, which states, in relevant part, that, “[on] or before the fifteenth day of September in each even-numbered year, the Treasurer shall report to the Governor the exact balance in the treasury...and [provide] a summary of the receipts and payments of the treasury...” This report satisfies said requirement for fiscal years 2008-09 and 2009-10.

Copies of the report may be obtained from the State Treasurer’s website at <http://www.treasurer.ca.gov/publications/index.asp>, or by written request to the address below:

State Treasurer’s Office
915 Capitol Mall, Room 110
Sacramento, CA 95814

TREASURY ASSET BALANCE

The asset balance in the State Treasury to the credit of the State totaled \$69.45 billion on June 30, 2009 and \$70.11 billion on June 30, 2010.

State of California		
Treasury Assets		
(\$ Thousands)		
<u>Cash Group</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
Demand Deposits	\$18,334,345*	\$503,652
Fiscal Agent Deposits	196,899	40,459
Accounts Receivable	190,911	180,459
Pooled Money Investment Account		
Time Deposits	5,556,000 *	4,146,150 *
Securities	30,727,282 **	57,753,427 **
Loans	14,444,694	7,484,251
PMIA Total	<u>50,727,976</u>	<u>69,383,828</u>
TOTAL	\$69,450,131	\$70,108,398

**The increased Demand Deposit Balance was due to deposits in interest-bearing Negotiable Order of Withdrawal accounts held with Citibank and Union Bank. The two accounts were closed in December 2009.*

***Premium/discount amortization posted on June 30.*

CASH RECEIPTS AND DISBURSEMENTS

The cash receipts deposited through the centralized State Treasury totaled approximately \$1.020 trillion during the 2008-09 fiscal year and \$1.072 trillion during the 2009-10 fiscal year. Disbursements totaled approximately \$1.019 trillion during the 2008-09 fiscal year and \$1.072 trillion during the 2009-10 fiscal year.

State of California		
2008 – 09 Quarterly Cash Receipts and Disbursements		
(\$ Thousands)		
	<u>Receipts</u>	<u>Disbursements</u>
July 2008 – September 2008	\$258,441,989	\$257,122,973
October 2008 – December 2008	272,593,780	272,991,009
January 2009 – March 2009	196,045,394	196,751,833
April 2009 – June 2009	292,456,680	292,155,206
TOTAL	\$1,019,537,843	\$1,019,021,021

State of California		
2009 – 10 Quarterly Cash Receipts and Disbursements		
(\$ Thousands)		
	<u>Receipts</u>	<u>Disbursements</u>
July 2009 – September 2009	\$254,425,021	\$254,736,662
October 2009 – December 2009	241,303,858	239,023,465
January 2010 – March 2010	227,274,796	228,320,211
April 2010 – June 2010	348,645,722	349,425,825
TOTAL	\$1,071,649,397	\$1,071,506,163

INVESTMENTS

The investment earnings of the Pooled Money Investment Account (PMIA) for fiscal years 2008-09 and 2009-10 totaled \$1.758 billion.

During the 2008-09 fiscal year, PMIA investment activity involved 7,346 transactions, totaling \$306.8 billion. The table below provides a breakdown of the PMIA portfolio holdings as of June 30, 2009.

State of California		
Pooled Money Investment Account Portfolio		
(\$ Thousands)		
<u>Security Type</u>	<u>Principal Amount</u>	<u>Percent of Portfolio*</u>
Governments		
Bills	\$9,424,096	18.57%
Bonds	0	0.00%
Notes	3,969,614	7.82%
Strips	0	0.00%
Total Governments	\$13,393,710	26.39%
Federal Agency Debentures	\$7,110,832	14.01%
Certificates of Deposit	4,575,029	9.02%
Bank Notes	0	0.00%
Bankers' Acceptances	0	0.00%
Repurchases	0	0.00%
Federal Agency Discount Notes	1,948,992	3.84%
Time Deposits	5,556,000	10.95%
GNMAs	125	0.00%
Commercial Paper	2,113,860	4.17%
FHLMC/Remics	996,073	1.96%
Corporate Bonds	303,953	0.60%
AB 55 Loans	6,414,194	12.64%
General Fund Loans	8,030,500	15.83%
Other	300,000	0.59%
Reversed Repurchases	0	0.00%
TOTAL (All Types)	\$50,743,268	100%

*Percentages may not add due to rounding

INVESTMENTS (CONTINUED)

During the 2009-10 fiscal year, PMIA investment activity involved 7,680 transactions, totaling \$330.9 billion. The table below provides a breakdown of the PMIA portfolio holdings as of June 30, 2010.

State of California		
Pooled Money Investment Account Portfolio		
(\$ Thousands)		
<u>Security Type</u>	<u>Principal Amount</u>	<u>Percent of Portfolio*</u>
Governments		
Bills	\$25,723,850	37.07%
Bonds	0	0.00%
Notes	6,652,334	9.59%
Strips	0	0.00%
Total Governments	\$32,376,184	46.66%
Federal Agency Debentures	\$1,103,585	1.59%
Certificates of Deposit	7,565,023	10.90%
Bank Notes	400,000	0.58%
Bankers' Acceptances	0	0.00%
Repurchases	0	0.00%
Federal Agency Discount Notes	7,471,882	10.77%
Time Deposits	4,146,150	5.97%
GNMAs	71	0.00%
Commercial Paper	7,763,458	11.19%
FHLMC/Remics	650,242	0.94%
Corporate Bonds	125,120	0.18%
AB 55 Loans	352,651	0.51%
General Fund Loans	7,131,600	10.28%
Other	300,000	0.43%
Reversed Repurchases	0	0.00%
TOTAL (All Types)	\$69,385,966	100%

**Percentages may not add due to rounding*

The Treasurer continues to seek investment opportunities that promote the California economy. For example, by increasing investments with California financial institutions through the Time Deposit Program, the State fosters home and business financing throughout California. Time deposits averaged \$7.87 billion in 2008-09 fiscal year, and \$4.65 billion in 2009-10.

GENERAL FUND SUPPORTED DEBT OUTSTANDING

As of June 30, 2010, the State had \$78.12 billion in aggregate principal amount of General Fund supported debt outstanding. This consisted of \$68.77 billion in General Obligation bonds and Commercial Paper and \$9.36 billion in Lease Revenue bonds. Details of total June 30, 2009 and June 30, 2010 outstanding General Fund supported debt appear in the table below.

State of California		
General Fund Supported Debt Outstanding*		
(\$ Thousands)		
<u>General Obligation (GO) Non-self Liquidating</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
Corrections	\$612,025	\$447,920
Higher Education	8,779,720	9,610,800
Housing	2,002,505	3,235,455
K-12 Education	28,753,884	29,867,459
Social Services	3,529,375	5,572,060
State Office Buildings	314,565	333,480
Transportation & Clean Air	5,960,105	8,567,515
Water Quality Improvement & Parks	9,085,580	11,131,615
Total GO (Non-self Liquidating)	\$59,037,759	\$68,766,304
<u>Lease Debt</u>		
Community Colleges	\$533,550	\$491,600
Department of Corrections	1,926,262	2,302,400
Office of Energy Assessments	14,270	7,960
Regents of the University of California	2,145,865	2,323,650
Trustees of the California State University	545,820	841,785
Various State Office Buildings	2,313,060	3,393,855
Total Lease Debt	\$7,478,827	\$9,361,250
TOTAL GENERAL FUND SUPPORTED DEBT	\$66,516,586	\$78,127,554

*Outstanding amount includes commercial paper outstanding and the initial value of capital appreciation bonds.

GENERAL FUND SUPPORTED DEBT SOLD

Since June 30, 2008 the State Treasurer has sold approximately \$29.29 billion in principal amount of General Fund supported debt. This figure is comprised of General Obligation bonds of the State and Lease Revenue bonds. The total amount of General Fund supported debt sold was \$14.58 billion in fiscal year 2008-09 and \$14.72 billion in fiscal year 2009-10.

State of California		
General Fund Supported Debt Sold		
(\$ Thousands)		
	<u>June 30, 2009</u>	<u>June 30, 2010</u>
<u>General Obligation (GO) Non-self Liquidating</u>		
Repayment of Construction Loan Advances	\$4,896,264	\$676,195
Natural Resources & Environment	2,055,654	3,344,682
Transportation	2,582,073	2,650,117
K-12 Education	1,987,554	1,916,821
Higher Education	1,253,128	1,066,853
Housing	697,464	1,095,523
Childrens Hospital	120,192	766,730
Refundings	0	640,435
Stem Cell	255,238	230,787
Other	87,417	57,863
Total GO (Non-self Liquidating)	\$13,934,985	\$12,446,005
<u>Lease Debt</u>		
Community Colleges	\$0	\$0
Department of Corrections and Rehabilitation	0	502,340
Regents of the University of California	206,830	271,060
Trustees of the California State University	54,275	331,440
Various State Office Buildings	380,870	1,164,395
Total Lease Debt	\$641,975	\$2,269,235
TOTAL GENERAL FUND SUPPORTED DEBT	\$14,576,960	\$14,715,240