



JOHN CHIANG
TREASURER
STATE OF CALIFORNIA

September 12, 2018

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

Re: Financial Data Report for FY 2016-17 and FY 2017-18

Dear Governor Brown:

Enclosed please find a financial data report, as required by Government Code Section 12329, for fiscal years 2016-17 and 2017-18. The report includes the exact balance in the State's Treasury and a summary of the receipts and payments of the Treasury from July 1, 2016 through June 30, 2018. It also includes information regarding investment earnings and transactions, as well as the State's General Fund-supported debt for the same period.

Sincerely,

A handwritten signature in black ink that reads "John Chiang".

JOHN CHIANG
California State Treasurer

Enclosure



**CALIFORNIA STATE TREASURER'S OFFICE
FINANCIAL DATA
FISCAL YEARS 2016-17 AND 2017-18**



**JOHN CHIANG
CALIFORNIA STATE TREASURER**

INTRODUCTION

This report for fiscal years 2016-17 and 2017-18 is submitted in accordance with Government Code Section 12329. The statute provides, "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 to the credit of the State, and a summary of the receipts and payments of the treasury during the two preceding fiscal years."

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 \$77.7 billion on June 30, 2017 and \$88.6 billion on June 30, 2018.

State of California		
Treasury Assets*		
(\$ in thousands)		
<u>Cash Group</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Demand Deposits	\$106,094	-\$251,791
Fiscal Agent and Custodial Deposits	51,662	29,991
Accounts Receivable	-17,981	-401
Pooled Money Investment Account		
Time Deposits	5,604,740	4,882,240
Securities	71,308,729*	83,201,752*
Loans	645,650	733,964
PMIA Total	<u>77,559,119</u>	<u>88,817,956</u>
TOTAL	\$77,698,894	\$88,595,755

* Premium/discount amortization posted on June 30th.

CASH RECEIPTS AND DISBURSEMENTS

The cash receipts deposited through the centralized State Treasury totaled approximately \$925.7 billion during fiscal year 2016-17 and \$1.03 trillion during fiscal year 2017-18. Disbursements totaled approximately \$927.2 billion during fiscal year 2016-17 and \$1.03 trillion during fiscal year 2017-18.

State of California		
Fiscal Year 2016–17 Quarterly Cash Receipts and Disbursements*		
(\$ in thousands)		
	<u>Receipts</u>	<u>Disbursements</u>
July 2016 – September 2016	\$225,101,272	\$226,097,303
October 2016 – December 2016	222,320,009	222,834,441
January 2017 – March 2017	228,583,598	227,945,939
April 2017 – June 2017	249,651,882	250,273,560
TOTAL	\$925,656,761	\$927,151,243

State of California		
Fiscal Year 2017–18 Quarterly Cash Receipts and Disbursements*		
(\$ in thousands)		
	<u>Receipts</u>	<u>Disbursements</u>
July 2017 – September 2017	\$212,681,737	\$213,017,776
October 2017 – December 2017	238,944,613	238,855,337
January 2018 – March 2018	263,893,778	263,932,507
April 2018 – June 2018	311,658,201	311,586,462
TOTAL	\$1,027,178,329	\$1,027,392,082

* Details may not add to totals due to rounding.

INVESTMENTS

The investment earnings of the Pooled Money Investment Account (PMIA) for fiscal years 2016-17 and 2017-18 totaled \$1.6 billion.

During fiscal year 2016-17, PMIA investment activity involved 7,321 transactions, totaling \$329.2 billion. The table below provides a breakdown of the PMIA portfolio holdings as of June 30, 2017.

State of California		
Pooled Money Investment Account Portfolio*		
As of June 30, 2017		
(\$ in thousands)		
<u>Security Type</u>	<u>Principal Amount</u>	<u>Percent of Portfolio</u>
Governments		
Bills	\$13,692,767	17.65%
Bonds	0	0.00%
Notes	19,630,327	25.31%
Strips	0	0.00%
Total Governments	\$33,323,094	42.96%
Federal Agency Debentures	\$2,471,923	3.19%
Certificates of Deposit	15,300,000	19.73%
Bank Notes	600,000	0.77%
Repurchases	0	0.00%
Federal Agency Discount Notes	11,150,617	14.38%
Time Deposits	5,604,740	7.23%
GNMAs	0	0.00%
Commercial Paper	8,224,098	10.60%
FHLMC/Remics	38,997	0.05%
Corporate Bonds	0	0.00%
AB 55 Loans	645,650	0.83%
General Fund Loans	0	0.00%
Other	200,000	0.26%
Reversed Repurchases	0	0.00%
TOTAL (All Types)	\$77,559,119	100.00%

*Details may not add to totals due to rounding.

INVESTMENTS (CONTINUED)

During fiscal year 2017-18, PMIA investment activity involved 8,201 transactions, totaling \$378.5 billion. The table below provides a breakdown of the PMIA portfolio holdings as of June 30, 2018.

State of California		
Pooled Money Investment Account Portfolio*		
As of June 30, 2018		
(\$ in thousands)		
<u>Security Type</u>	<u>Principal Amount</u>	<u>Percent of Portfolio</u>
Government		
Bills	\$15,515,707	17.47%
Bonds	0	0.00%
Notes	26,763,450	30.13%
Strips	0	0.00%
Total Government	\$42,279,157	47.60%
Federal Agency Debentures	\$3,612,985	4.07%
Certificates of Deposit	15,825,000	17.82%
Bank Notes	900,000	1.01%
Repurchases	0	0.00%
Federal Agency Discount Notes	12,856,645	14.48%
Time Deposits	4,882,240	5.50%
GNMAs	0	0.00%
Commercial Paper	7,498,661	8.44%
FHLMC/Remics	29,304	0.03%
Corporate Bonds	0	0.00%
AB 55 Loans	733,964	0.83%
General Fund Loans	0	0.00%
Other	200,000	0.22%
Reversed Repurchases	0	0.00%
TOTAL (All Types)	\$88,817,956	100.00%

* Details may not add to totals 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 \$5.4 billion in fiscal year 2016-17 and \$5.3 billion in fiscal year 2017-18.

GENERAL FUND SUPPORTED DEBT OUTSTANDING

As of June 30, 2018, the State had \$84.1 billion in aggregate principal amount of General Fund-supported debt outstanding, comprised of \$75.0 billion in general obligation bonds and commercial paper and \$9.1 billion in lease-revenue bonds. Details of the total June 30, 2017 and June 30, 2018 outstanding General Fund-supported debt appear in the table below.

State of California		
General Fund Supported Debt Outstanding*		
(\$ in thousands)		
	<u>June 30, 2017</u>	<u>June 30, 2018</u>
<u>General Obligation (GO) Non-Self Liquidating</u>		
Children's Hospital	\$1,224,965	\$1,310,380
Clean Water & Disaster Preparation	13,597,680	14,162,260
Higher Education	8,232,835	8,007,175
Housing	1,789,770	1,698,905
K-12 Education	28,050,975	27,171,220
Stem Cell	1,284,915	1,304,065
Transportation & Clean Air	20,403,675	20,994,175
Other	411,105	372,005
Total GO (Non-Self Liquidating)	\$74,995,920	\$75,020,185
 <u>Lease Debt</u>		
Community Colleges	\$182,140	\$146,710
Department of Corrections and Rehabilitation	4,128,655	4,159,740
Regents of the University of California	0	0
Trustees of the California State University	180,865	154,685
Various State Office Buildings	4,675,830	4,448,255
Other State Facilities Lease-Revenue Issues	232,585	194,585
Total Lease Debt	\$9,400,075	\$9,103,975
 TOTAL GENERAL FUND SUPPORTED DEBT	\$84,395,995	\$84,124,160

*Outstanding amounts include commercial paper outstanding where applicable.

GENERAL FUND-SUPPORTED DEBT SOLD

Since June 30, 2016, the State Treasurer sold approximately \$19.3 billion in principal amount of long-term 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 \$10.4 billion in fiscal year 2016-17 and \$9.0 billion in fiscal year 2017-18.

State of California		
General Fund-Supported Debt Sold		
(\$ in thousands)		
	<u>June 30, 2017</u>	<u>June 30, 2018</u>
<u>General Obligation (GO) Non-Self Liquidating</u>		
Repayment of Commercial Paper	\$1,102,415	\$1,450,820
Natural Resources & Environment	0	400,000
Transportation	1,623,070	1,264,435
K-12 Education	0	633,245
Higher Education	0	16,880
Housing	0	47,000
Children's Hospital	0	60,000
Stem Cell	0	100,000
Public Safety	0	0
Refundings	6,321,230	4,471,665
Total GO (Non-Self Liquidating)	\$9,046,715	\$8,444,045
<u>Lease Debt</u>		
Community Colleges	\$0	\$0
Department of Corrections and Rehabilitation	197,995	304,340
Trustees of the California State University	0	0
Various State Office Buildings	0	0
Refunding – Dept. of Corrections and Rehabilitation	241,030	23,875
Refunding – Various State Office Buildings	843,255	213,570
Refunding – Other State Facilities Lease-Revenue Issues	22,140	0
Total Lease Debt	\$1,304,420	\$541,785
TOTAL GENERAL FUND-SUPPORTED DEBT	\$10,351,135	\$8,986,830