



# State of North Carolina

## Office of the State Controller

**DAVID T. MCCOY**  
**STATE CONTROLLER**

Release: IMMEDIATE  
Contact: Sherri Johnson (919.981.5547)

Date: April 15, 2009

### STATE'S GENERAL FUND FACES GROWING CHALLENGES

**RALEIGH** -- The General Fund's unreserved fund balance declined to negative \$1.3 billion at March 31, as compared to negative \$681 million at the end of February, and as compared to \$213 million at the end of March 2008. This information is contained in the most recent monthly report on the General Fund compiled by the Office of State Controller. The state traditionally faces lower cash availability leading up to April 15. The state's cash position was also impacted this year because final corporate payments are due April 15, rather than March 15.

For March 2009, North Carolina's General Fund continued to see lower tax and non-tax receipts. Tax revenues, net of refunds, declined by \$254 million, or 19% for the month of March compared to the previous year. With lower cash balances, investment earnings declined by \$12 million for March as compared to the prior year.

For the year to date through March, net tax revenues reflected a decline of \$1.1 billion, or 8.5%, with investment earnings down by \$85 million, or 45%.

During March, North Carolina received \$336 million of Medicaid funding as authorized by the American Recovery and Investment Act (ARRA). Income tax refunds processed and unpaid totaled \$470 million at March 31, 2009.

This report can be found at [www.osc.nc.gov](http://www.osc.nc.gov). Go to "Recent Publications" and click on "General Fund Monthly Financial Report -- March." The OSC website includes General Fund monthly budgetary basis financial information back through June 1998.

*The State Controller is North Carolina's chief fiscal officer. The Office of the State Controller serves as an independent resource to ensure the financial integrity of the State by providing accounting, disbursing, payroll, internal control and financial reporting systems that serve state agencies, employees and the public and maximizing financial return through its statewide cash management plan. The OSC issues numerous financial reports including: Financial Highlights, General Fund Monthly Financial Report, IT Expenditures Report, Statewide Accounts Receivable Report, the State's Comprehensive Annual Financial Report (CAFR) as well as the short, easy-to-read version of the CAFR known as the "popular" report.*