



State of North Carolina

Office of the State Controller

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STATE CONTROLLER

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CONTROLLER'S OFFICE RELEASES MAY MONTHLY FINANCIAL REPORT

RALEIGH – For May 2010, North Carolina's General Fund experienced an increase in tax receipts and a decrease in non-tax receipts. Tax revenues, net of refunds, increased by \$115.9 million, or 11.6 percent during the month of May compared to the previous year. On the other hand, non-tax revenues decreased by \$361 million, or 81.5 percent. In May 2009, for the purpose of providing cash flow to meet the State's obligations, the Governor authorized in Executive Order #6 that specific reserved fund balances be released to the General Fund unreserved fund balance. The amount released in May 2009 totaled \$270.9 million. Also during May 2009, a transfer was made into the General Fund for \$150.8 million to reimburse the May payroll for the Department of Corrections, Administrative Office of the Courts and North Carolina Community College System from the American Recovery and Reinvestment Act. This amount was reflected in Other Non-Tax Revenue. There was not a transfer of this type in May 2010. Because of the existing lower cash balances and lower rates of return on investment, investment earnings declined by \$1 million or 26.3 percent for the month of May compared to the previous year. Year to date, through May, net tax revenues reflected an increase of \$644.7 million, or 4.2 percent, with investment earnings down by \$75.6 million, or 67 percent.

The General Fund's unreserved fund balance as of May 2010, was a negative \$18.4 million as compared to a negative \$344.8 million as of May 2009.

This information is contained in the most recent monthly report on the General Fund compiled by the Office of the State Controller. This report can be found at <http://www.osc.nc.gov/index2.html>. Go to "Recent Publications" and click on "General Fund Monthly Financial Report -- May." 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.