

State of Connecticut



Hartford

DENISE L. NAPIER
TREASURER

October 1, 2018

Joint Committee on Finance, Revenue and Bonding:

The Honorable John W. Fonfara, Senate Co-Chair
The Honorable L. Scott Frantz, Senate Co-Chair
The Honorable Jason Rojas, House Co-Chair
The Honorable Christopher Davis, House Ranking Member

Appropriations Committee:

The Honorable Paul M. Formica, Senate Co-Chair
The Honorable Catherine A. Osten, Senate Co-Chair
The Honorable Toni E. Walker, House Co-Chair
The Honorable Melissa Ziobron, House Ranking Member

Legislative Office Building
Hartford, CT 06106

Dear Mesdames and Messrs.:

Pursuant to Section 3-37(b) of the general statutes, please find attached the monthly report for August 2018, which provides information regarding the State's cash position and bonding activity.

Cash balances for August 2018 were very strong. As of September 29, 2018, total available cash equaled \$3.9 billion and the common cash pool totaled \$2.7 billion. Higher-than-anticipated receipts in the first months of the current fiscal year continue to increase the state's cash balances. No temporary transfers from bond proceeds investment accounts have been made since December 2017.

We are monitoring bond fund balances, capital spending and potential bond sales in compliance with the \$1.9 billion General Obligation bond issuance cap for the fiscal year. We anticipate sufficient cash balances for the remainder of the year. Our ability to issue refunding bonds in the Spring of 2019 will become clearer as the year progresses.

As always, my office will keep you updated on developments with our cash flow. In the meantime, should you have any questions, please feel free to call.

Sincerely,

A handwritten signature in blue ink that reads "Denise".

Denise L. Nappier
State Treasurer

Attachment

cc: The Honorable Dannel P. Malloy, Governor
Mr. Neil Ayers, Director, Office of Fiscal Analysis
Mr. Michael Murphy, Section Chief, Office of Fiscal Analysis
Mr. Eric M. Gray, Principal Analyst, Office of Fiscal Analysis

State of Connecticut - Office of the Treasurer
Monthly Report Prepared Pursuant to CGS Section 3-37 (b)
Report for the Month of August, 2018, dated October 1, 2018
(in millions)

<u>Week Ending Available Cash Balance</u>	<u>August 4, 2018</u>		<u>August 11, 2018</u>		<u>August 18, 2018</u>		<u>August 25, 2018</u>		<u>September 1, 2018</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Common Cash Pool ⁽¹⁾	\$2,182.0	61.3%	\$2,365.0	62.9%	\$1,966.6	59.4%	\$2,256.4	63.7%	\$1,917.3	60.4%
GO Bond STIF Accounts ⁽²⁾	\$903.2	25.4%	\$903.2	24.0%	\$855.0	25.8%	\$847.3	23.9%	\$826.8	26.1%
STO Bond STIF Accounts	\$312.7	8.8%	\$247.7	6.6%	\$241.0	7.3%	\$195.2	5.5%	\$181.8	5.7%
Clean Water Bond STIF Accounts	\$4.6	0.1%	\$4.6	0.1%	\$2.6	0.1%	\$2.6	0.1%	\$2.6	0.1%
Special Transportation Fund STIF Account	\$117.8	3.3%	\$200.9	5.3%	\$206.0	6.2%	\$206.0	5.8%	\$206.3	6.5%
Misc. STIF Accounts	<u>37.4</u>	<u>1.1%</u>	<u>37.4</u>	<u>1.0%</u>	<u>37.4</u>	<u>1.1%</u>	<u>37.4</u>	<u>1.1%</u>	<u>37.4</u>	<u>1.2%</u>
Total Available Cash*	\$3,557.7	100.0%	\$3,758.7	100.0%	\$3,308.5	100.0%	\$3,544.9	100.0%	\$3,172.3	100.0%

(1) The Common Cash Pool represents the state's operating cash.

(2) No proceeds from bond investment accounts were temporarily transferred to or from the Common Cash Pool during August or September.
STIF = Short-Term Investment Fund

<u>Components of Common Cash Pool⁽²⁾</u>	<u>August 4, 2018</u>	<u>August 11, 2018</u>	<u>August 18, 2018</u>	<u>August 25, 2018</u>	<u>September 1, 2018</u>
Short-Term Investment Fund	\$768.5	\$930.5	\$557.2	\$704.5	\$354.7
Short-Term Investment Fund Plus	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Extended Investment Portfolio	\$1,326.2	\$1,326.2	\$1,326.2	\$1,476.2	\$1,478.6
Community Bank & Credit Union Initiative	\$24.9	\$24.9	\$22.9	\$22.9	\$22.9
Bank Concentration Accounts	<u>\$62.4</u>	<u>\$83.4</u>	<u>\$60.3</u>	<u>\$52.8</u>	<u>\$61.1</u>
Total Common Cash Pool*	\$2,182.0	\$2,365.0	\$1,966.6	\$2,256.4	\$1,917.3

(3) Balances are allocated daily between investment and bank options based on relative interest and earnings credit rates and projected cash flows.

<u>Authorized and Unissued Bonding by Program as of August 31, 2018</u>	<u>Authorized by Legislature but Unissued</u>	<u>Authorized by Bond Commission but Unissued</u>	<u>2019 Fiscal Year To Date Issuance</u>	<u>New Bond Issuance Assumptions For the Balance of 2019 Fiscal Year</u>
<u>Bonding Program</u>				
General Obligation	\$5,670.5	\$3,023.0	\$0.0 **	\$1,900.0 **
Special Tax Obligation	\$6,130.4	\$4,230.0	\$0.0	\$750.0
Clean Water Fund	\$1,667.5	\$933.4	\$0.0	\$250.0
UConn 2000 Program	<u>\$202.4</u>	<u>\$202.4</u>	<u>\$0.0</u>	<u>\$200.0</u>
Total	\$13,670.8	\$8,388.8	\$0.0	\$3,100.0

* Details may not add due to rounding.

** Subsequent to the date of this table, on September 13, 2018 the Treasurer issued \$889 million in new money GO bonds, refunding bonds and the permanent financing of previously-issued bond anticipation notes.