

State of Connecticut

DENISE L. NAPIER
TREASURER



Hartford

January 2, 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 November 2017, which provides information regarding the State's cash position and bonding activity.

The report for November 2017 shows adequate overall cash balances. Common cash pool balances, however, were low because of the need to fund capital expenditures from the pool pending GO bond sales that were postponed by delays in adopting this fiscal year's budget. In November and December, we made temporary transfers from some GO bond proceeds investment accounts to the common cash pool primarily to cover negative balances in other GO bond fund accounts. The transferred monies were returned to their accounts on December 20, 2017. Although more temporary transfers may be necessary during the remainder of the fiscal year, we currently do not anticipate the need for external cash flow borrowing.

Similarly, the STO bond STIF accounts and the Special Transportation Fund STIF account will be replenished with execution of the postponed STO bond sale in January (closing in February).

Cash balances improved during December 2017 from our GO bond sale and seasonal tax receipts that were higher than usual, possibly from individuals accelerating their income tax payments in order to obtain federal deductions that will be limited next year. As of December 30, our total available cash equaled \$2.6 billion and the common cash pool equaled \$1.4 billion.

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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,



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 November, 2017, dated January 2, 2018
 (in millions)

<u>Week Ending Available Cash Balance</u>	<u>November 4, 2017</u>		<u>November 11, 2017</u>		<u>November 18, 2017</u>		<u>November 25, 2017</u>		<u>December 2, 2017</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⁾	\$543.1	32.8%	\$384.9	25.8%	\$338.2	23.2%	\$159.8	13.7%	\$113.0	11.8%
GO Bond STIF Accounts ⁽²⁾	\$870.5	52.6%	\$840.6	56.4%	\$840.6	57.7%	\$832.4	67.2%	\$632.4	65.8%
STO Bond STIF Accounts	\$0.1	0.0%	\$0.1	0.0%	\$0.1	0.0%	\$0.1	0.0%	\$0.1	0.0%
Clean Water Bond STIF Accounts	\$133.5	8.1%	\$133.5	8.9%	\$133.5	9.2%	\$114.9	9.3%	\$115.1	12.0%
Special Transportation Fund STIF Account	\$71.2	4.3%	\$95.2	6.4%	\$108.4	7.4%	\$84.3	6.8%	\$63.6	6.6%
Misc. STIF Accounts	\$37.2	2.2%	\$37.2	2.5%	\$37.2	2.5%	\$37.2	3.0%	\$37.2	3.9%
Total Available Cash*	\$1,655.5	100.0%	\$1,491.3	100.0%	\$1,457.9	100.0%	\$1,238.7	100.0%	\$961.4	100.0%

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

(2) Proceeds from bond investment accounts were temporarily transferred to and from the Common Cash Pool during November and December 2017.
 STIF = Short-Term Investment Fund

<u>Components of Common Cash Pool⁽³⁾</u>	<u>November 4, 2017</u>		<u>November 11, 2017</u>		<u>November 18, 2017</u>		<u>November 25, 2017</u>		<u>December 2, 2017</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>
Short-Term Investment Fund	\$352.4		\$208.4		\$185.2		\$56.0		\$4.0	
Short-Term Investment Fund Plus	\$0.0		\$0.0		\$0.0		\$0.0		\$0.0	
Extended Investment Portfolio	\$90.6		\$90.6		\$45.6		\$0.0		\$0.0	
Community Bank & Credit Union Initiative	\$22.3		\$18.3		\$22.3		\$22.3		\$22.3	
Bank Concentration Accounts	\$77.7		\$67.5		\$85.1		\$91.5		\$86.7	
Total Common Cash Pool*	\$543.1		\$384.9		\$338.2		\$169.8		\$113.0	

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

Authorized and Unissued Bonding by Program as of November 30, 2017

<u>Bonding Program</u>	<u>Authorized by Legislature but Unissued</u>	<u>Authorized by Bond Commission but Unissued</u>	<u>2018 Fiscal Year To Date Issuance</u>	<u>New Bond Issuance Assumptions For the Balance of 2018 Fiscal Year</u>
General Obligation	\$5,972.8	\$3,302.6	\$0.0	\$2,000.0
Special Tax Obligation	\$5,356.0	\$3,738.1	\$0.0	\$800.0
Clean Water Fund	\$1,317.2	\$728.6	\$0.0	\$0.0
UConn 2000 Program	\$302.4	\$302.4	\$0.0	\$300.0
Total	\$12,948.4	\$8,071.7	\$0.0	\$3,100.0

* Details may not add due to rounding.