State of Connecticut

DENISE L. NAPPIER
TREASURER

Hartford

October 1, 2013

Joint Committee on Finance, Revenue and Bonding:
The Honorable John W. Fonfara, Senate Chair
The Honorable Patricia M. Widlitz, House Chair
The Honorable L. Scott Frantz, Senate Ranking Member
The Honorable Sean J. Williams, House Ranking Member

Appropriations Committee:
The Honorable Toni Nathaniel Harp, Senate Chair
The Honorable Toni E. Walker, House Chair
The Honorable Robert J. Kane, Senate Ranking Member
The Honorable Craig A. Miner, House Ranking Member

Legislative Office Building
Hartford, CT 06106

Dear Mesdames and Messrs.:

Pursuant to C.G.S. Section 3-37(b), please find attached the monthly report for August 2013, which provides certain information regarding the State's cash position and bonding.

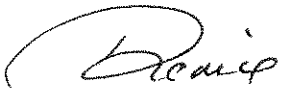
The report for August 2013 shows good overall cash balances, reflecting the improvement in the State's cash position that began last December as a result of revenue improvements and effective budget and operating expenditure management initiatives. During this fiscal year, total available cash has averaged a robust $1.9 billion, and the common cash pool, which covers operating expenses, has averaged approximately $760 million. No transfers between bond proceeds investment accounts and the common cash pool have been necessary since April 2013.

In December of 2012, prior to the fiscal improvements noted above, the Treasury entered into a $300 million stand-by line of credit as a contingency. The line of credit has never been drawn upon. Furthermore, no bank fees have been charged because my office negotiated to pay fees only in the event that the line was utilized. As matters stand now, I plan to let the line of credit expire in December of 2013 given the strength of the State's current and projected cash positions.

Depending on the scope and length of the federal fiscal impasse, there could be an adverse impact on the State's cash flow. We do not, however, currently foresee any immediate significant cash flow issues with a short-term delay in resolving the issue.

I will keep you updated on developments with cash flow. In the meantime, should you have any questions, please feel free to call on me.

Sincerely,



Denise L. Nappier
State Treasurer

Attachment

cc: The Honorable Dannel P. Malloy, Governor
Mr. Alan Calandro, Director, Office of Fiscal Analysis
Mr. Michael Murphy, Section Chief, Office of Fiscal Analysis
Ms. Linda Miller, 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 2013, dated October 1, 2013
(in millions)

Week Ending Available Cash Balance	August 3, 2013		August 10, 2013		August 17, 2013		August 24, 2013		August 31, 2013	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Common Cash Pool [1]	$826.9	45.1%	$776.8	39.1%	$763.3	40.7%	$684.0	39.1%	$683.6	33.3%
GO Bond STIF Accounts[2]	$529.9	28.9%	$694.6	35.0%	$639.4	34.1%	$633.9	36.3%	$927.0	45.2%
STO Bond STIF Accounts	$219.1	12.0%	$208.4	10.5%	$164.0	8.8%	$150.1	8.6%	$127.3	6.2%
Clean Water Bond STIF Accounts	$148.0	8.1%	$148.0	7.5%	$148.0	7.9%	$130.7	7.5%	$163.7	8.0%
Special Transportation Fund STIF Account	$88.9	4.9%	$138.7	7.0%	$138.7	7.4%	$130.0	7.4%	$130.0	6.3%
Misc. STIF Accounts	$20.0	1.1%	$20.0	1.0%	$20.0	1.1%	$20.0	1.1%	$19.6	1.0%
Total Available Cash*	**$1,832.9**	**100.0%**	**$1,986.5**	**100.0%**	**$1,873.4**	**100.0%**	**$1,748.6**	**100.0%**	**$2,051.3**	**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 2013.
STIF = Short-Term Investment Fund

Components of Common Cash Pool[3]	August 3, 2013	August 10, 2013	August 17, 2013	August 24, 2013	August 31, 2013
Short-Term Investment Fund	$357.2	$328.1	$252.7	$233.2	$225.3
Short-Term Investment Fund Plus	$4.1	$4.0	$4.0	$4.0	$4.0
Extended Investment Portfolio	$0.0	$0.0	$0.0	$0.0	$0.0
Community Bank & Credit Union Initiative	$0.0	$0.0	$0.0	$0.0	$0.0
Bank Concentration Account	$465.7	$444.7	$506.6	$446.7	$454.2
Total Common Cash Pool*	**$826.9**	**$776.8**	**$763.3**	**$684.0**	**$683.6**

(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 August 31, 2013	Authorized by Legislature but Unissued	Authorized by Bond Commission but Unissued[4]	2014 Fiscal Year To Date Issuance	New Bond Issuance Assumptions For the Balance of 2014 Fiscal Year
Bonding Program				
General Obligation	$6,119.2	$2,131.2	$700.0	$1,400.0
Special Tax Obligation	$3,842.2	$3,292.7	$0.0	$600.0
Clean Water Fund	$1,089.0	$525.8	$0.0	$0.0
UConn 2000 Program	$254.4	$254.4	$172.7	$100.0
Total	**$11,304.8**	**$6,204.1**	**$872.7**	**$2,100.0**

Note: On December 14, 2012, the State of Connecticut entered into a line of credit for $300.0 million. No draws on the line of credit have been made to date.

(4) General Obligation amounts adjusted to reflect GAAP Conversion Bonds ($750 million).

* Details may not add due to rounding.