State of Connecticut

DENISE L. NAPPIER
TREASURER

Hartford

September 2, 2014

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 Beth Bye, 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 July 2014, which provides certain information regarding the State's cash position and bonding.

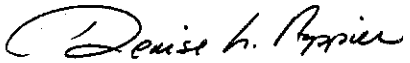
The report for July 2014 shows good overall cash balances. As of August 30, 2014, total available cash equaled $1.7 billion and the common cash pool (which covers operating expenses) totaled $768 million. No transfers between bond fund investment accounts and the common cash pool have been necessary since April 2013.

It bears noting that OPM Secretary Barnes, in his August 20, 2014 report to the Comptroller regarding the budget, reported that OPM and certain state agencies were working to address issues related to federal Medicaid reimbursements which they anticipate resolving during Fiscal Year 2015. Specifically, the federal Centers for Medicare & Medicaid Services (CMS) recently notified the State that it is deferring certain claims and withholding $249.2 million in reimbursement to the State for the period January 1, 2014 through March 31, 2014 pending further documentation regarding claims submitted for services provided individuals as part of the Medicaid expansion under the federal Affordable Care Act. The Department of Social Services provided additional documentation to CMS on August 19, 2014 to support the

claims, which previously had been reimbursed at a 50 percent rate and which the department believes warrant 100 percent reimbursement under current Medicaid regulations. It is possible that CMS may offset future reimbursements for more recent periods. We are carefully monitoring this situation and the impact on the state's future cash balances. At present, the State's available cash remains adequate to meet its obligations.

As always, I will keep you updated on developments with our 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 July 2014, dated September 2, 2014
(in millions)

Week Ending Available Cash Balance	July 5, 2014 Amount	July 5, 2014 Percent	July 12, 2014 Amount	July 12, 2014 Percent	July 19, 2014 Amount	July 19, 2014 Percent	July 26, 2014 Amount	July 26, 2014 Percent
Common Cash Pool [1]	$1,138.0	57.5%	$1,150.7	57.8%	$785.7	49.0%	$719.7	48.2%
GO Bond STIF Accounts[2]	$527.4	26.7%	$527.4	26.5%	$509.4	31.8%	$484.5	32.4%
STO Bond STIF Accounts	$169.3	8.6%	$169.3	8.5%	$169.3	10.6%	$150.1	10.1%
Clean Water Bond STIF Accounts	$46.6	2.4%	$46.6	2.3%	$36.3	2.3%	$36.3	2.4%
Special Transportation Fund STIF Account	$53.6	2.7%	$53.6	2.7%	$59.8	3.7%	$59.8	4.0%
Misc. STIF Accounts	$42.9	2.2%	$42.9	2.2%	$42.9	2.7%	$42.9	2.9%
Total Available Cash*	**$1,977.7**	**100.0%**	**$1,990.5**	**100.0%**	**$1,603.4**	**100.0%**	**$1,493.3**	**100.0%**

(1) The Common Cash Pool represents the state's operating cash.
(2) No proceeds from bond fund investment accounts were temporarily transferred to or from the Common Cash Pool during July or August 2014.
STIF = Short-Term Investment Fund

Components of Common Cash Pool[3]	July 5, 2014	July 12, 2014	July 19, 2014	July 26, 2014
Short-Term Investment Fund	$318.2	$353.2	$10.9	$0.9
Short-Term Investment Fund Plus	$0.0	$0.0	$0.0	$0.0
Extended Investment Portfolio	$0.0	$0.0	$0.0	$0.0
Community Bank & Credit Union Initiative	$10.0	$10.0	$10.0	$10.0
Bank Concentration Account	$809.8	$787.5	$764.9	$708.8
Total Common Cash Pool*	**$1,138.0**	**$1,150.7**	**$785.7**	**$719.7**

(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 July 31, 2014 Bonding Program	Authorized by Legislature but Unissued	Authorized by Bond Commission but Unissued	2015 Fiscal Year To Date Issuance	New Bond Issuance Assumptions For the Balance of 2015 Fiscal Year
General Obligation	$7,315.9	$2,740.5	$0.0	$1,500.0
Special Tax Obligation	$3,848.6	$3,458.2	$0.0	$600.0
Clean Water Fund	$1,421.0	$708.6	$0.0	$150.0
UConn 2000 Program	$449.9	$449.9	$0.0	$250.0
Total	**$13,035.4**	**$7,357.3**	**$0.0**	**$2,500.0**

* Details may not add due to rounding.