Liquidity Requirements

To appropriately address current and future liquidity requirements, we analyze daily cash flows from 2014 through 2018, make projections based on experiential data and communication with the various agencies and make short term investments so that maturities coincide with the expected warrants to be redeemed. We manage liquidity by active investment of commercial paper holdings, our bank DDA accounts and Money Management Trust. We continue to negotiate higher rates of return in our liquid, collateralized DDA accounts. Not only have we generated a much higher return on these monies, we have actually succeeded in making the Treasury more liquid at the same time. We maintain approximately $200 to $500 million in collateralized or insured, on demand, bank accounts, and $1.5 billion to $2 billion in highly liquid commercial paper maturing in 90 days or less and investments in the MMT ranging from $200 mm to 300mm. The size and mix of the amount vary to meet seasonal Treasury liquidity needs as well as maximize the overall return to the State