

**STATE OF RHODE ISLAND
ANNUAL CASH MANAGEMENT REPORT
FISCAL YEAR 2010**

THE HONORABLE FRANK T. CAPRIO, GENERAL TREASURER

State of Rhode Island
Office of the General Treasurer
Annual Cash Management Report

Fiscal Year 2010

Investment Diversification by Instrument and Issuer

Investment Performance by Fund vs. Benchmark

Investment Issuer Compliance with SIC Guidelines

Collateralization of State Bank Deposits

Financial and Cash Management Highlights

Cash Flow

Performance in FY10

Forecast for FY11

I. Investment Diversification By Instrument and Issuer

The Rhode Island State Investment Commission has set forth guidelines for the short-term investment of the State's operating funds. These guidelines dictate the maximum percentage of funds that may be invested with any one issuer as well as the maximum percentage of funds that may be invested with any one instrument.

These guidelines have been satisfied for FY 2010; compliance is depicted in the charts in the ensuing pages.

The abbreviations for investment vehicles are:

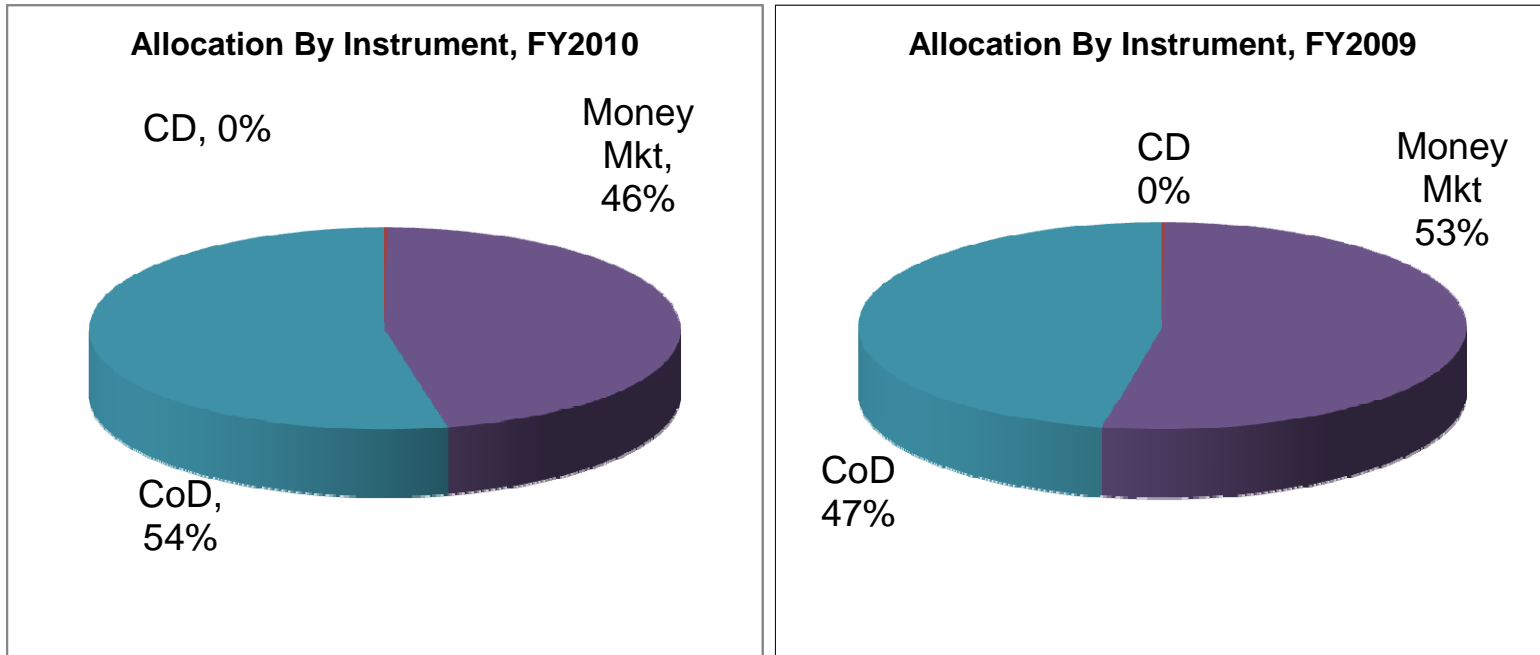
REPO	=	Repurchase Agreement
CP	=	Commercial Paper
CoD	=	Collateralized Deposit
MM	=	Money Market Mutual Funds
CD	=	Certificate of Deposit
Agency	=	U.S. Government Agency Discount Notes
GID *	=	Government Insured Deposit

The maximum percentage invested per investment vehicle, and by issuer are as follows:

REPO	=	100%,	with no issuer greater than	20%
CP	=	25%,	with no issuer greater than	10%
CoD	=	75%,	with no issuer greater than	35%
MM	=	75%,	with no issuer greater than	35%
CD	=	50%,	with no issuer greater than	20%
Agency	=	75%,	with no issuer greater than	35%
GID *	=	75%	with no issuer greater than	35%

*During Fiscal Year 2010, the State Investment Commission approved an update to the Short-term Investment Policy. This update added a new investment vehicle, the Government Insured Deposit (GID). GID investments are time deposit accounts that are specifically and explicitly covered, without limit, by FDIC regulations. Since all GID investments are fully insured, the addition of this vehicle did not increase risk for the portfolio. This update also provided Treasury staff additional flexibility in managing short-term cash, allowing for improved yields and better liquidity.

Short-Term Cash Investments

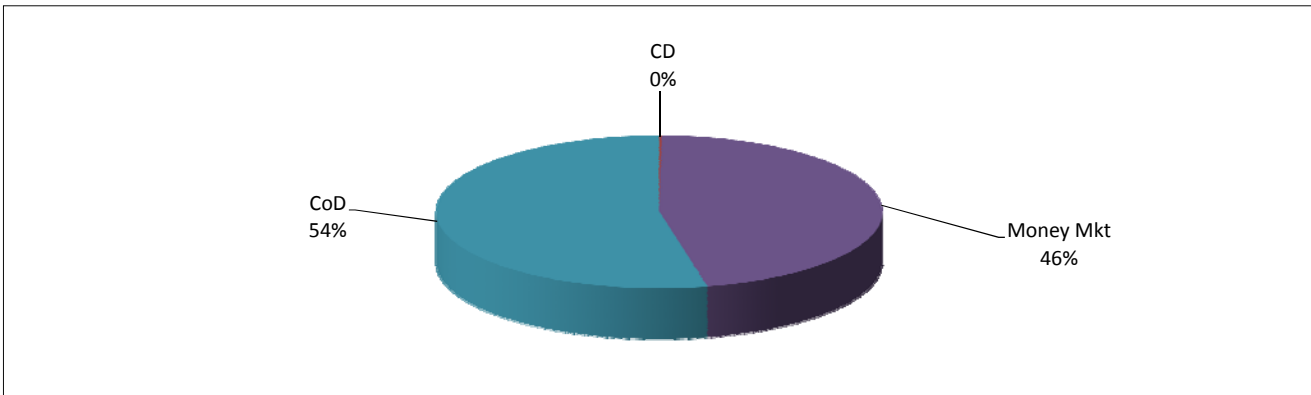
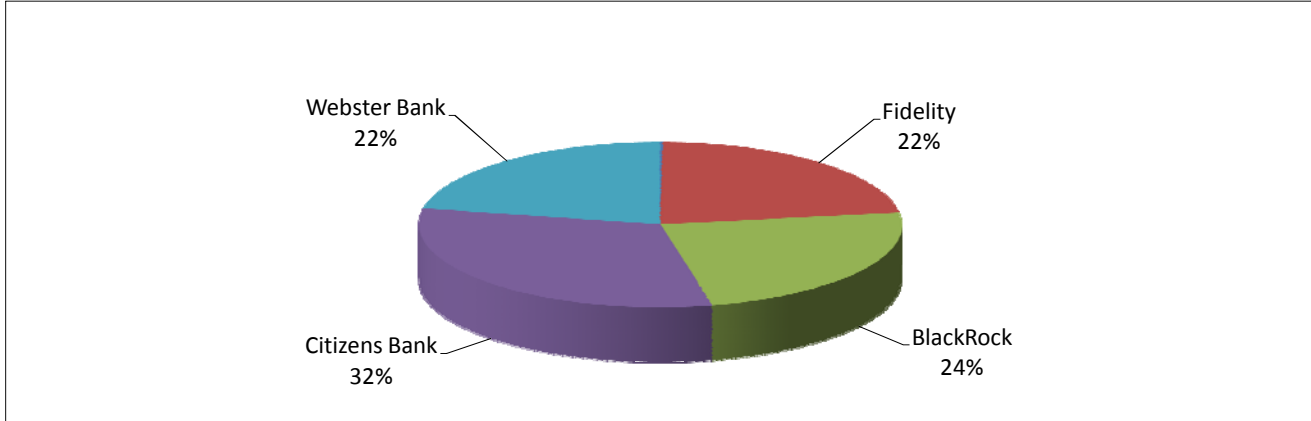


Maximum Exposure Guidelines: Repo - 100%, Agency - 75%, MM - 75%, CD - 50%, Cp - 25%, CoD - 75%

Commentary: There was little change in the allocation of Short-Term Cash Investments in FY2010 versus FY2009 as illustrated in the charts above. During Fiscal Year 2010, Short-term investment rates continued to decline as the after-effects of the financial crisis of 2008 continued. Accordingly, the most attractive yields and most secure investments were Money Market Funds, Collateralized Deposit Accounts and Certificates of Deposit. Such investment options allowed for maximum yield with minimal risk, for a duration that matches the projected cash needs of the constituent account. Cash Management is required by statute to limit the exposure by instrument as well as issuer. Compliance is monitored on a daily basis. The exposure limitations are listed above by instrument.

RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT-TERM CASH INVESTMENTS AT:

June 30, 2010



REPO = Repurchase Agreement
CP = Commercial Paper
GID = Government Insured Deposit
CD = Certificate of Deposit
CoD = Collateralized Deposit
Agency = US Government Agency

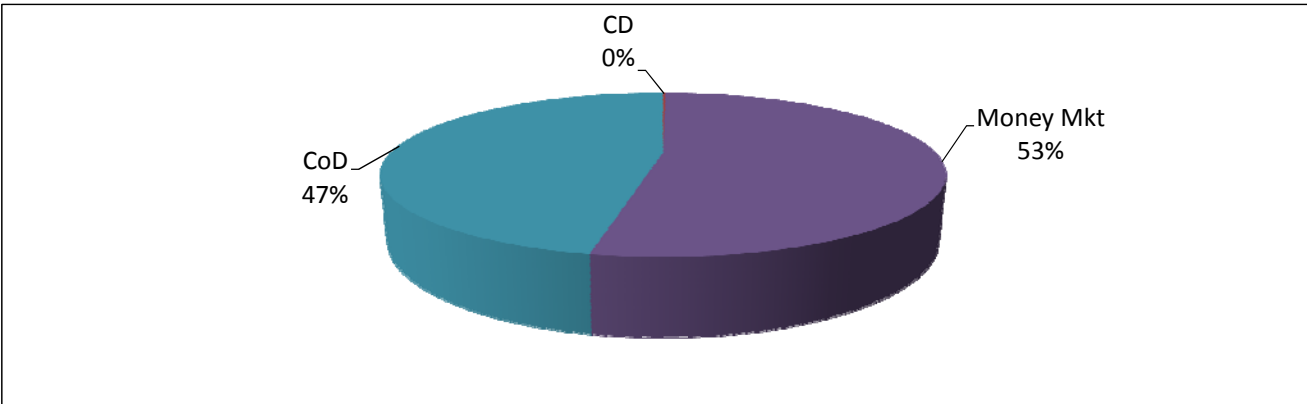
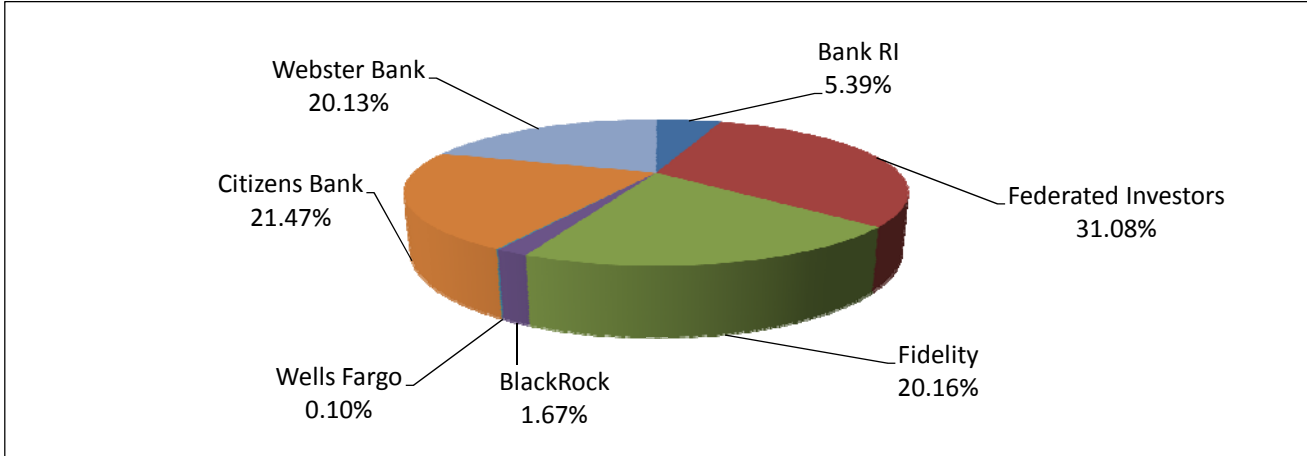
Vendor	CP	CD	Agency	Money Mkt	CoD	Repo	GID	Total (\$)
Guidelines-Total/Vendor	25%/10%	50%/20%	75%/35%	75%/35%	75%/35%	100%/20%	75%/35%	
Bank RI	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Sovereign Bank	0	535,128	0	0	0	0	0	535,128
	0%	0.17%	0%	0%	0%	0%	0%	0.17%
JP Morgan Chase	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Federated Investors	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Fidelity	0	0	0	69,676,766	0	0	0	69,676,766
	0%	0%	0%	22.51%	0%	0%	0%	22.51%
BlackRock	0	0	0	73,843,430	0	0	0	73,843,430
	0%	0%	0%	23.86%	0%	0%	0%	23.86%
Wells Fargo	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Citizens Bank	0	0	0	0	97,762,021	0	0	97,762,021
	0%	0%	0%	0%	31.59%	0%	0%	31.59%
Webster Bank	0	0	0	0	67,700,331	0	0	67,700,331
	0%	0%	0%	0%	21.87%	0%	0%	21.87%
Oppenheimer Inc	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
TOTALS	-	535,127.74	-	143,520,196.59	165,462,352.18	-	-	309,517,677
(%) PORTFOLIO	0.00%	0.17%	0.00%	46.37%	53.46%	0.00%	0.00%	100.00%

Note: CoD + CD must be under 75%.

Actual CoD + CD: 53.63%

Note: Maximum participation by any one vendor limited to 35% of total portfolio

**RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT-TERM CASH INVESTMENTS AT:
June 30, 2009**



REPO = Repurchase Agreement
CP = Commercial Paper
GID = Government Insured Deposit
CD = Certificate of Deposit
CoD = Collateralized Deposit
Agency = US Government Agency

Vendor	CP	CD	Agency	Money Mkt	CoD	Repo	GID	Total (\$)
Guidelines-Total/Vendor	25%/10%	50%/20%	75%/35%	75%/35%	75%/35%	100%/20%	75%/35%	
Bank RI	0	0	0	0	17,064,760	0	0	17,064,760
	0%	0%	0%	0%	5.39%	0%	0%	5.39%
Sovereign Bank	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
JP Morgan Chase	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Federated Investors	0	0	0	98,477,960	0	0	0	98,477,960
	0%	0%	0%	31.08%	0%	0%	0%	31.08%
Fidelity	0	0	0	63,880,381	0	0	0	63,880,381
	0%	0%	0%	20.16%	0%	0%	0%	20.16%
BlackRock	0	0	0	5,304,372	0	0	0	5,304,372
	0%	0%	0%	1.67%	0%	0%	0%	1.67%
Wells Fargo	0	0	0	306,338	0	0	0	306,338
	0%	0%	0%	0.10%	0%	0%	0%	0.10%
Citizens Bank	0	533,444	0	0	67,507,201	0	0	68,040,645
	0%	0.17%	0%	0%	21.30%	0%	0%	21.47%
Webster Bank	0	0	0	0	63,796,507	0	0	63,796,507
	0%	0%	0%	0%	20.13%	0%	0%	20.13%
Oppenheimer Inc	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
TOTALS	-	533,443.87	-	167,969,050.86	148,368,467.77	-	-	316,870,963
(%) PORTFOLIO	0.00%	0.17%	0.00%	53.01%	46.82%	0.00%	0.00%	100.00%

Note: CoD + CD must be under 75%.

Actual CoD + CD: 46.99%

Note: Maximum participation by any one vendor limited to 35% of total portfolio.

State of Rhode Island
Office of the General Treasurer
FY2010

Short-Term Investment Portfolio by Fund
As of June 30, 2010

Fund	Principal	Cash Balance	Total
GENERAL FUND	\$ 131,593,606.89	\$ 1,692,488.86	\$ 133,286,095.75
H.A.V.A	\$ 293.78	\$ -	\$ 293.78
GENERAL FUND (HIST PRES)	\$ 535,127.74	\$ -	\$ 535,127.74
HIGHWAY FUND	\$ 16,842,099.34	\$ 4,162,193.82	\$ 21,004,293.16
T.D.I. RESERVE (DET)	\$ 93,608,067.76	\$ 17,851,451.65	\$ 111,459,519.41
EMPLOYER PENSION CONTRIBUTION	\$ 14,202,942.06	\$ 2,182,697.30	\$ 16,385,639.36
RICAP GL FUND 21	\$ 217,156.85	\$ 1,102,363.91	\$ 1,319,520.76
DREDGING ACCOUNT	\$ -	\$ 107,392.07	\$ 107,392.07
BOND CAPITAL FUND	\$ 4,305,726.29	\$ 103,081.80	\$ 4,408,808.09
R.I. CLEAN WATER ACT	\$ 743,820.39	\$ 168,686.22	\$ 912,506.61
STATE LOTTERY FUND	\$ 14,255,929.35	\$ 246,280.81	\$ 14,502,210.16
ASSESSED FRINGE BEN ADM	\$ 2,704,105.08	\$ 98,175.60	\$ 2,802,280.68
AUTO EQUIPMENT SERVICE	\$ 605,524.56	\$ 423,418.24	\$ 1,028,942.80
HEALTH INSURANCE FUND	\$ 10,203,032.34	\$ 397,228.52	\$ 10,600,260.86
FLEET REVOLVING LOAN FUND	\$ 80,099.56	\$ 1,230,684.53	\$ 1,310,784.09
EMPLOYEES RETIREMENT	\$ 3,093,632.52	\$ 2,807,168.99	\$ 5,900,801.51
MUNICIPAL EMPLOYEES RET.	\$ 560,176.07	\$ 142,304.93	\$ 702,481.00
RETIREE HEALTH FUND	\$ 8,104,931.46	\$ 206,807.96	\$ 8,311,739.42
BOG RETIREE FUND	\$ 460,483.77	\$ 644,303.49	\$ 1,104,787.26
RIPTA RETIREE HEALTH FUND	\$ 1,655,808.78	\$ 1,498,760.23	\$ 3,154,569.01
PERMANENT SCHOOL FUND	\$ 1,427,731.04	\$ 197,159.81	\$ 1,624,890.85
TEACHER RETIREE HEALTH FUND	\$ 955,995.46	\$ 580,228.41	\$ 1,536,223.87
UNIVERSITY COLLEGE	\$ 17,769.27	\$ 785,226.38	\$ 802,995.65
HIGHER EDUCATION	\$ 203,807.30	\$ 139,792.64	\$ 343,599.94
INDUS. BLDG. & MTG. INS.	\$ 3,139,808.85	\$ 127,300.28	\$ 3,267,109.13
JUDICIAL RETIREMENT FUND	\$ -	\$ 544.83	\$ 544.83
STATE POLICE RETIREMENT FUND	\$ -	\$ 768,039.91	\$ 768,039.91
CORRECTIONAL INDUSTRIES	\$ -	\$ 1,307,488.89	\$ 1,307,488.89
DET BENEFIT	\$ -	\$ 2,893,917.67	\$ 2,893,917.67
CHILD SUPPORT	\$ -	\$ 5,747,778.52	\$ 5,747,778.52
TAX REFUND	\$ -	\$ 3,547,189.15	\$ 3,547,189.15
MERCHANT DEPOSIT	\$ -	\$ 203,491.89	\$ 203,491.89
TAX REFUND/DIRECT DEPOSIT	\$ -	\$ 1,047,143.40	\$ 1,047,143.40
RITE CARE/RITE SHARE	\$ -	\$ 12,180.28	\$ 12,180.28
DISBURSEMENT ACCOUNT	\$ -	\$ 23,960,392.69	\$ 23,960,392.69
INTERNAL SERVICES	\$ -	\$ 3,343,037.74	\$ 3,343,037.74
RI PUBLIC TELECOM	\$ -	\$ 5,539.11	\$ 5,539.11
PAYROLL A	\$ -	\$ 703,134.36	\$ 703,134.36
PENSION C	\$ -	\$ 3,312,992.94	\$ 3,312,992.94
ET CLEARANCE	\$ -	\$ 13,446.72	\$ 13,446.72
EMPLOYER TAX	\$ -	\$ 73,937.15	\$ 73,937.15
RECREATIONAL AREA	\$ -	\$ 5,808.75	\$ 5,808.75
RECORD CENTER	\$ -	\$ 197,282.60	\$ 197,282.60
Subtotal	\$ 309,517,676.51	\$ 84,038,543.05	\$ 393,556,219.56
G.O. NOTE 1991 SER. B	\$ 0.10	\$ -	\$ 0.10
CCDL1993A	\$ 7,385.38	\$ -	\$ 7,385.38
BOND CCDL 1994 SERIES A	\$ 15,005.06	\$ -	\$ 15,005.06
BOND CCBL96A	\$ 7.07	\$ -	\$ 7.07
CAP DEV OF 1997 SERIES A	\$ 40,471.90	\$ -	\$ 40,471.90
CCDL1998A	\$ 1,710,368.43	\$ -	\$ 1,710,368.43
CCDL 1998B	\$ 48.14	\$ -	\$ 48.14
MMG099 1999	\$ 0.08	\$ -	\$ 0.08
BOND CAPITOL CCDL2000A	\$ 102,412.17	\$ -	\$ 102,412.17
MULTI-MODAL GEN OBL 2000	\$ 0.08	\$ -	\$ 0.08
CCDL2001C	\$ 901,343.08	\$ -	\$ 901,343.08
CCDL2002B	\$ 1,294,997.96	\$ -	\$ 1,294,997.96
CCDL 2004 SERIES A	\$ 5,424,634.75	\$ -	\$ 5,424,634.75
BOND CCDL 2005 SERIES C	\$ 12,595,402.78	\$ -	\$ 12,595,402.78
BOND CCDL 2005 SERIES E	\$ 944,023.79	\$ -	\$ 944,023.79
BOND CCDL 2006 SERIES B	\$ 0.62	\$ -	\$ 0.62
BOND CCDL 2006 SERIES C	\$ 9,848,762.67	\$ -	\$ 9,848,762.67
GO BND-NTAX 2007 SERIES A	\$ 8,905,195.68	\$ -	\$ 8,905,195.68
GO BND-TAX 2007 SERIES B	\$ 110.22	\$ -	\$ 110.22
GO BND-NTAX 2008 SERIES B	\$ 14,135,876.06	\$ -	\$ 14,135,876.06
GO BND-TAX 2008 SERIES C	\$ 234.28	\$ -	\$ 234.28
CCDL10B BOND CAPITAL COMPONENT	\$ 36,355,895.48	\$ -	\$ 36,355,895.48
CCDL10C	\$ 47,578,248.74	\$ -	\$ 47,578,248.74
CCDL10D	\$ 21,621,737.38	\$ -	\$ 21,621,737.38
CLEAN WATER CCDL 1998B	\$ -	\$ -	\$ -
CLEAN WATER CCDL 1994 (A)	\$ 12,366.79	\$ -	\$ 12,366.79
CAP DEV. OF 1997 SERIES A	\$ 22,729.17	\$ -	\$ 22,729.17
CLEAN WATER CCDL 2002 B	\$ -	\$ -	\$ -
CLEAN WATER 2004 SERIES A	\$ 622,340.39	\$ -	\$ 622,340.39
CLN WATER CCDL 2005 SER E	\$ 26,675.73	\$ -	\$ 26,675.73
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -
CCDL99A 1999A	\$ 243,991.25	\$ -	\$ 243,991.25
POL. CTRL CCDL 2006 SER C	\$ 233,205.89	\$ -	\$ 233,205.89
CLEAN WATER 2007 SERIES A	\$ 499,237.43	\$ -	\$ 499,237.43
RI POLLUTION CONTROL 2008 B	\$ 698,463.14	\$ -	\$ 698,463.14
CCDL10B CLEAN WATER COMPONENT	\$ 56,150.54	\$ -	\$ 56,150.54
Bond Proceeds Total	\$ 163,897,322.23	\$ -	\$ 163,897,322.23
TANS PROCEEDS	\$ 10,918.72	\$ -	\$ 10,918.72
Grand Total	\$ 473,425,917.46	\$ 84,038,543.05	\$ 557,464,460.51

* Many funds include investment in Money Market and Collateralized Deposit investment vehicles. These investments do not have a fixed yield or duration and as such, interest earnings on these investments will not be reflected above. These investments pay a dividend, or interest, on the 1st day of the month.

II. Investment Performance by Fund vs. Benchmark

The General Fund returned .65% in FY 2010 compared with 1.07% and 3.84% in Fiscal Years 2009 and 2008 respectively. This decrease is due in large part to overall declines in short-term interest rates, which remain at historic lows.

In an effort to compensate for the severe interest rate decline, Treasury continued to negotiate favorable Earnings Credit rates from its banking partners. (Earnings credits are monies credited by the bank against future service fees).

Because of the way the State accounts for banking fee expenditures (as an offset to short-term interest earnings), Treasury staff maximized investment earnings and minimized costs. In cases where the available Earnings Credit provided higher return than available investment purchases, staff maintained higher cash balances on deposit at banks in lieu of investing. Consequently, the "All Fund's" ratio of cash invested declined during fiscal year 2010, as a result of this strategy.

The decrease in purchase activity in 2010 and 2009 can also be attributed to changes to the asset allocation policy. During Fiscal Years 2007 and 2008, Treasury staff made extensive use of one to seven day duration credit vehicles such as Commercial Paper and Repurchase Agreements. Many of these securities were traded daily and consequently made up a high percentage of the state's overall investment activity. At advent of the global financial crisis, Treasury staff shifted its asset allocation almost exclusively to Government Money Market Funds and Collateralized Deposit Accounts with no fixed maturity, resulting in significantly fewer daily trades.

One of Treasury staff's top priorities is to provide for the liquidity needs of the State and its agencies by investing in high quality issuers and instruments. As exemplified by fiscal 2010's earnings for the General Fund, investment performance can often be negatively impacted by liquidity needs. Through diligent cash flow forecasting, Treasury staff strives to strategically position investment maturities on the yield curve to maximize investment performance.

State of Rhode Island
Office of the General Treasurer
Cash Management - Short-Term Investments

Investment Purchase Analysis - By Fund FY10

Fund	Investment Type	Count	Settlement Amount	Earnings	Total	Average Daily Balance	Yield	Duration (days)
GENERAL FUND	Collateralized Deposit (PIP)	214	\$ 2,013,807,840.00	\$ 778,346.54	\$ 2,014,586,186.54	\$ 114,368,419.91	0.68%	1.00
	FHLB Discount Note	2	\$ 32,000,000.00	\$ 75.56	\$ 32,000,075.56	\$ 87,668.02	0.09%	1.00
	Money Market Fund (MMK)	70	\$ 397,907,595.00	\$ 7,595.38	\$ 397,915,190.38	\$ 6,171,436.81	0.12%	1.00
		286	\$ 2,443,715,435.00	\$ 786,017.48	\$ 2,444,501,452.48	\$ 120,627,524.74	0.65%	1.00
H.A.V.A	Collateralized Deposit (PIP)	12	\$ 1.19	\$ 1.19	\$ 2.38	\$ 292.59	0.41%	1.00
		12	\$ 1.19	\$ 1.19	\$ 2.38	\$ 292.59	0.41%	1.00
GENERAL FUND (HIST PRES)	Regular CD	7	\$ 3,740,872.11	\$ 1,683.87	\$ 3,742,555.98	\$ 533,443.87	0.32%	52.01
		7	\$ 3,740,872.11	\$ 1,683.87	\$ 3,742,555.98	\$ 533,443.87	0.32%	52.01
TANS PROCEEDS	Collateralized Deposit (PIP)	42	\$ 335,167,207.50	\$ 971,890.35	\$ 336,139,097.85	\$ 122,432,330.79	0.79%	1.00
	Regular CD	10	\$ 161,060,389.30	\$ 129,919.95	\$ 161,190,309.25	\$ 18,678,060.14	0.70%	42.46
	Regular CD 365 MA	1	\$ 15,102,068.34	\$ 9,930.12	\$ 15,111,998.46	\$ 1,240,857.80	0.80%	30.00
	Regular CD - BRI	5	\$ 75,188,883.37	\$ 102,068.34	\$ 75,290,951.71	\$ 11,165,498.42	0.91%	54.42
		58	\$ 586,518,548.51	\$ 1,213,808.76	\$ 587,732,357.27	\$ 153,516,747.15	0.79%	19.98
HIGHWAY FUND	Collateralized Deposit (PIP)	59	\$ 88,919,147.62	\$ 19,147.62	\$ 88,938,295.24	\$ 3,982,393.50	0.48%	1.00
	Money Market Fund (MMK)	70	\$ 223,607,992.80	\$ 7,992.77	\$ 223,615,985.57	\$ 8,599,217.72	0.09%	1.00
		129	\$ 312,527,140.42	\$ 27,140.39	\$ 312,554,280.81	\$ 12,581,611.22	0.22%	1.00
T.D.I. RESERVE (DET)	CDARS	9	\$ 185,070,557.30	\$ 48,735.93	\$ 185,119,293.23	\$ 14,188,126.38	0.34%	28.00
	Collateralized Deposit (PIP)	31	\$ 21,531,859.13	\$ 131,859.13	\$ 21,663,718.26	\$ 20,244,010.72	0.65%	1.00
	FHLB Discount Note	2	\$ 18,000,000.00	\$ 2,928.75	\$ 18,002,928.75	\$ 1,898,076.25	0.15%	38.50
	Money Market Fund (MMK)	49	\$ 178,546,179.20	\$ 46,179.17	\$ 178,592,358.37	\$ 46,310,436.69	0.10%	1.00
	Regular CD	35	\$ 513,682,050.40	\$ 106,321.04	\$ 513,788,371.44	\$ 23,294,470.71	0.46%	16.60
	Government Insured Deposi	5	\$ 45,076,673.98	\$ 2,146.64	\$ 45,078,820.62	\$ 590,162.91	0.36%	1.00
		131	\$ 961,907,320.01	\$ 338,170.66	\$ 962,245,490.67	\$ 106,525,283.66	0.32%	15.23
EMPLOYER PENSION CONTRIBUTION	Collateralized Deposit (PIP)	9	\$ 15,605,984.43	\$ 5,984.43	\$ 15,611,968.86	\$ 1,725,147.43	0.35%	1.00
	Money Market Fund (MMK)	8	\$ 34,807,582.39	\$ 7,582.39	\$ 34,815,164.78	\$ 4,200,518.07	0.18%	1.00
		17	\$ 50,413,566.82	\$ 13,566.82	\$ 50,427,133.64	\$ 5,925,665.50	0.23%	1.00
RICAP GL FUND 21	Collateralized Deposit (PIP)	23	\$ 13,402,514.30	\$ 2,514.30	\$ 13,405,028.60	\$ 606,149.40	0.41%	1.00
		23	\$ 13,402,514.30	\$ 2,514.30	\$ 13,405,028.60	\$ 606,149.40	0.41%	1.00
BOND CAPITAL FUND	Collateralized Deposit (PIP)	38	\$ 38,473,700.04	\$ 23,700.04	\$ 38,497,400.08	\$ 3,838,609.81	0.62%	1.00
		38	\$ 38,473,700.04	\$ 23,700.04	\$ 38,497,400.08	\$ 3,838,609.81	0.62%	1.00
R.I. CLEAN WATER ACT	Collateralized Deposit (PIP)	14	\$ 1,302,742.94	\$ 2,742.94	\$ 1,305,485.88	\$ 485,187.04	0.57%	1.00
		14	\$ 1,302,742.94	\$ 2,742.94	\$ 1,305,485.88	\$ 485,187.04	0.57%	1.00
STATE LOTTERY FUND	CDARS	1	\$ 5,000,000.00	\$ 882.27	\$ 5,000,882.27	\$ 382,783.31	0.23%	28.00
	Collateralized Deposit (PIP)	127	\$ 202,039,491.60	\$ 64,491.55	\$ 202,103,983.15	\$ 12,738,018.29	0.51%	1.00
	Money Market Fund (MMK)	100	\$ 202,937,567.10	\$ 12,567.01	\$ 202,950,134.11	\$ 16,621,129.25	0.08%	1.00
	Regular CD	14	\$ 70,119,680.06	\$ 12,945.07	\$ 70,132,625.13	\$ 2,873,247.76	0.45%	15.00
		242	\$ 480,096,738.76	\$ 90,885.90	\$ 480,187,624.66	\$ 32,615,178.61	0.28%	3.33
ASSESSED FRINGE BEN ADM	Collateralized Deposit (PIP)	34	\$ 19,007,774.34	\$ 7,774.34	\$ 19,015,548.68	\$ 2,365,371.84	0.33%	1.00
		34	\$ 19,007,774.34	\$ 7,774.34	\$ 19,015,548.68	\$ 2,365,371.84	0.33%	1.00

Fund	Investment Type	Count	Settlement Amount	Earnings	Total	Average Daily Balance	Yield	Duration (days)
AUTO EQUIPMENT SERVICE	Collateralized Deposit (PIP)	27	\$ 6,401,707.95	\$ 1,707.95	\$ 6,403,415.90	\$ 513,679.62	0.33%	1.00
		27	\$ 6,401,707.95	\$ 1,707.95	\$ 6,403,415.90	\$ 513,679.62	0.33%	1.00
HEALTH INSURANCE FUND	Collateralized Deposit (PIP)	30	\$ 82,071,969.79	\$ 21,969.79	\$ 82,093,939.58	\$ 4,431,493.29	0.50%	1.00
	Money Market Fund (MMK)	32	\$ 80,513,366.95	\$ 13,366.95	\$ 80,526,733.90	\$ 18,087,177.50	0.07%	1.00
		62	\$ 162,585,336.74	\$ 35,336.74	\$ 162,620,673.48	\$ 22,518,670.79	0.16%	1.00
FLEET REVOLVING LOAN FUND	Collateralized Deposit (PIP)	22	\$ 5,923,064.82	\$ 23,064.82	\$ 5,946,129.64	\$ 3,805,801.86	0.61%	1.00
		22	\$ 5,923,064.82	\$ 23,064.82	\$ 5,946,129.64	\$ 3,805,801.86	0.61%	1.00
EMPLOYEES RETIREMENT	Collateralized Deposit (PIP)	167	\$ 329,966,070.40	\$ 66,070.37	\$ 330,032,140.77	\$ 13,468,011.54	0.49%	1.00
	Money Market Fund (MMK)	38	\$ 148,406,028.10	\$ 6,028.09	\$ 148,412,056.19	\$ 5,903,702.08	0.10%	1.00
		205	\$ 478,372,098.50	\$ 72,098.46	\$ 478,444,196.96	\$ 19,371,713.62	0.37%	1.00
MUNICIPAL EMPLOYEES RET.	Collateralized Deposit (PIP)	146	\$ 51,014,359.65	\$ 9,359.65	\$ 51,023,719.30	\$ 2,308,273.95	0.41%	1.00
		146	\$ 51,014,359.65	\$ 9,359.65	\$ 51,023,719.30	\$ 2,308,273.95	0.41%	1.00
RETIREE HEALTH FUND	Collateralized Deposit (PIP)	43	\$ 27,330,937.90	\$ 30,937.90	\$ 27,361,875.80	\$ 7,700,431.92	0.40%	1.00
		43	\$ 27,330,937.90	\$ 30,937.90	\$ 27,361,875.80	\$ 7,700,431.92	0.40%	1.00
BOG RETIREE FUND	Collateralized Deposit (PIP)	14	\$ 551,577.91	\$ 1,577.91	\$ 553,155.82	\$ 450,275.72	0.35%	1.00
		14	\$ 551,577.91	\$ 1,577.91	\$ 553,155.82	\$ 450,275.72	0.35%	1.00
RIPTA HEALTH FUND	Collateralized Deposit (PIP)	26	\$ 9,201,925.30	\$ 1,925.30	\$ 9,203,850.60	\$ 591,171.15	0.33%	1.00
		26	\$ 9,201,925.30	\$ 1,925.30	\$ 9,203,850.60	\$ 591,171.15	0.33%	1.00
PERMANENT SCHOOL FUND	Collateralized Deposit (PIP)	13	\$ 205,428.02	\$ 5,428.02	\$ 210,856.04	\$ 1,385,316.72	0.39%	1.00
		13	\$ 205,428.02	\$ 5,428.02	\$ 210,856.04	\$ 1,385,316.72	0.39%	1.00
TEACHER RETIREE HEALTH FUND	Collateralized Deposit (PIP)	22	\$ 5,802,745.31	\$ 2,745.31	\$ 5,805,490.62	\$ 894,757.00	0.31%	1.00
		22	\$ 5,802,745.31	\$ 2,745.31	\$ 5,805,490.62	\$ 894,757.00	0.31%	1.00
UNIVERSITY COLLEGE	Collateralized Deposit (PIP)	28	\$ 20,113,201.02	\$ 13,201.02	\$ 20,126,402.04	\$ 2,437,444.96	0.54%	1.00
		28	\$ 20,113,201.02	\$ 13,201.02	\$ 20,126,402.04	\$ 2,437,444.96	0.54%	1.00
HIGHER EDUCATION	Collateralized Deposit (PIP)	21	\$ 8,202,994.67	\$ 2,994.67	\$ 8,205,989.34	\$ 671,360.58	0.45%	1.00
		21	\$ 8,202,994.67	\$ 2,994.67	\$ 8,205,989.34	\$ 671,360.58	0.45%	1.00
INDUS. BLDG. & MTG. INS.	Collateralized Deposit (PIP)	12	\$ 12,523.59	\$ 12,523.59	\$ 25,047.18	\$ 3,127,285.26	0.40%	1.00
		12	\$ 12,523.59	\$ 12,523.59	\$ 25,047.18	\$ 3,127,285.26	0.40%	1.00
		1,632	\$ 5,686,824,255.82	\$ 2,720,908.03	\$ 5,689,545,163.85	\$ 505,397,248.58	0.54%	5.59

Investment Type	Count	Settlement Amount	Earnings	Total	Average Daily Balance	Yield	Duration (days)
Collateralized Deposit (PIP)	1,174	\$ 3,296,056,769.42	\$ 2,201,958.73	\$ 3,298,258,728.15	\$ 324,571,234.89	0.68%	1.00
FHLB Discount Note	4	\$ 50,000,000.00	\$ 3,004.31	\$ 50,003,004.31	\$ 1,985,744.27	0.15%	14.50
Money Market Fund (MMK)	367	\$ 1,266,726,311.54	\$ 101,311.76	\$ 1,266,827,623.30	\$ 105,893,618.12	0.10%	1.00
Regular CD	66	\$ 748,602,991.87	\$ 250,869.93	\$ 748,853,861.80	\$ 45,379,222.48	0.55%	22.19
Regular CD 365 MA	1	\$ 15,102,068.34	\$ 9,930.12	\$ 15,111,998.46	\$ 1,240,857.80	0.80%	30.00
Regular CD - BRI	5	\$ 75,188,883.37	\$ 102,068.34	\$ 75,290,951.71	\$ 11,165,498.42	0.91%	54.42
CDARS	10	\$ 190,070,557.30	\$ 49,618.20	\$ 190,120,175.50	\$ 14,570,909.69	0.34%	28.00
Government Insured Deposi	5	\$ 45,076,673.98	\$ 2,146.64	\$ 45,078,820.62	\$ 590,162.91	0.36%	1.00
	1,632	\$ 5,686,824,255.82	\$ 2,720,908.03	\$ 5,689,545,163.85	\$ 505,397,248.58	0.54%	5.59

**State of Rhode Island
Office of the General Treasurer
Schedule of Interest Earned
FY 2010**

Fund	Count	Amt. Matured	Interest Earned	(W) Average Int Rate	(W) Avg Duration
GENERAL FUND	286	\$ 2,444,501,452.48	\$ 786,017.48	0.65%	1
H.A.V.A	12	\$ 2.38	\$ 1.19	0.41%	1
GENERAL FUND (HIST PRES)	7	\$ 3,742,555.98	\$ 1,683.87	0.32%	52.01
TANS PROCEEDS	58	\$ 587,732,357.27	\$ 1,213,808.76	0.79%	19.98
HIGHWAY FUND	129	\$ 312,554,280.81	\$ 27,140.39	0.22%	1
T.D.I. RESERVE (DET)	131	\$ 962,245,490.67	\$ 338,170.66	0.32%	15.23
EMPLOYER PENSION CONTRIBUTION	17	\$ 50,427,133.64	\$ 13,566.82	0.23%	1
RICAP GL FUND 21	23	\$ 13,405,028.60	\$ 2,514.30	0.41%	1
BOND CAPITAL FUND	38	\$ 38,497,400.08	\$ 23,700.04	0.62%	1
R.I. CLEAN WATER ACT	14	\$ 1,305,485.88	\$ 2,742.94	0.57%	1
STATE LOTTERY FUND	242	\$ 480,187,624.66	\$ 90,885.90	0.28%	3.33
ASSESSED FRINGE BEN ADM	34	\$ 19,015,548.68	\$ 7,774.34	0.33%	1
AUTO EQUIPMENT SERVICE	27	\$ 6,403,415.90	\$ 1,707.95	0.33%	1
HEALTH INSURANCE FUND	62	\$ 162,620,673.48	\$ 35,336.74	0.16%	1
FLEET REVOLVING LOAN FUND	22	\$ 5,946,129.64	\$ 23,064.82	0.61%	1
EMPLOYEES RETIREMENT	205	\$ 478,444,196.96	\$ 72,098.46	0.37%	1
MUNICIPAL EMPLOYEES RET.	146	\$ 51,023,719.30	\$ 9,359.65	0.41%	1
RETIREE HEALTH FUND	43	\$ 27,361,875.80	\$ 30,937.90	0.40%	1
BOG RETIREE FUND	14	\$ 553,155.82	\$ 1,577.91	0.35%	1
RIPTA HEALTH FUND	26	\$ 9,203,850.60	\$ 1,925.30	0.33%	1
PERMANENT SCHOOL FUND	13	\$ 210,856.04	\$ 5,428.02	0.39%	1
TEACHER RETIREE HEALTH FUND	22	\$ 5,805,490.62	\$ 2,745.31	0.31%	1
UNIVERSITY COLLEGE	28	\$ 20,126,402.04	\$ 13,201.02	0.54%	1
HIGHER EDUCATION	21	\$ 8,205,989.34	\$ 2,994.67	0.45%	1
INDUS. BLDG. & MTG. INS.	12	\$ 25,047.18	\$ 12,523.59	0.40%	1
Total Short-Term Investments	1632	\$ 5,689,545,163.85	\$ 2,720,908.03	0.54%	5.59

Source: Data acquired from the State's Investment Management Software, APS2

**State of Rhode Island
Office of the General Treasurer
Schedule of Interest Earned
FY 2009**

Fund	Count	Amt. Matured	Interest Earned	(W) Average Int Rate	(W) Avg Duration
General Fund	275	\$ 2,466,715,873.09	\$ 844,751.31	1.06%	1.91
H.A.V.A	19	\$ 989,815.58	\$ 3,209.88	2.09%	1.00
Pension C	52	\$ 45,296,511.84	\$ 4,192.75	2.04%	1.48
Payroll A	57	\$ 70,669,234.63	\$ 6,876.93	1.84%	1.63
TANS Proceeds	54	\$ 1,725,064,361.94	\$ 1,046,088.03	1.38%	1.09
General Fund (Hist. Pres)	6	\$ 3,189,631.11	\$ 6,721.88	1.28%	57.34
Highway Fund	190	\$ 664,133,144.15	\$ 304,328.08	1.36%	2.08
TDI Reserve (DET)	163	\$ 716,016,461.61	\$ 1,120,130.58	1.26%	5.82
Employer Pension Contribution	15	\$ 65,642,015.61	\$ 42,015.61	0.69%	1.00
RICAP	39	\$ 111,842,309.75	\$ 110,721.59	2.08%	3.86
Bond Capital Fund	67	\$ 179,584,672.16	\$ 131,332.65	1.50%	1.30
RI Clean Water Act	16	\$ 2,674,143.64	\$ 17,839.93	1.47%	1.00
State Lottery Fund	256	\$ 962,767,630.54	\$ 423,095.87	1.39%	3.17
Assessed Fringe Benefit	29	\$ 28,224,977.62	\$ 38,207.19	1.27%	1.00
Auto Equipment Fund	21	\$ 3,730,234.49	\$ 4,724.61	1.21%	1.00
Health Insurance Fund	71	\$ 291,444,633.18	\$ 192,195.91	1.21%	4.36
Fleet Revolving Loan	12	\$ 10,387,449.82	\$ 52,912.00	1.41%	1.00
Employees Retirement	183	\$ 450,257,231.02	\$ 260,949.95	1.41%	7.46
Municipal Employees Retirement	132	\$ 56,558,809.53	\$ 37,180.37	1.41%	7.96
Retiree Health Fund	41	\$ 44,591,039.02	\$ 44,860.50	1.32%	1.00
BOG Retiree Health Fund	14	\$ 1,546,583.84	\$ 5,322.39	1.37%	1.00
RIPTA Health Fund	21	\$ 6,718,391.35	\$ 6,028.53	1.16%	1.00
Permanent School Fund	20	\$ 4,836,814.06	\$ 19,067.79	1.51%	1.00
Teacher Retiree Health Fund	23	\$ 4,631,382.97	\$ 5,800.49	1.39%	1.00
University College	88	\$ 219,198,427.83	\$ 47,485.71	1.98%	1.42
Higher Education	6	\$ 1,900,812.63	\$ 812.63	0.93%	1.00
Indus. Build. & Mortgage	17	\$ 5,939,255.89	\$ 36,875.02	1.51%	1.00
Total Short-Term Investments	1887	\$ 8,144,551,848.90	\$ 4,813,728.18	1.28%	3.28

Source: Data acquired from the State's Investment Management Software, si50.

**State of Rhode Island
Office of the General Treasurer
Schedule of Interest Earned
FY 2008**

Fund	Count	Amt. Matured	Interest Earned	(W) Average Int Rate	(W) Avg Duration
General Fund	401	\$ 5,581,007,081.91	\$ 3,284,377.99	3.92	2.44
Pension C	253	\$ 171,589,534.61	\$ 27,465.39	3.52	1.62
Payroll A	247	\$ 212,914,887.64	\$ 39,112.36	3.62	1.81
TANS PROCEEDS	43	\$ 506,359,866.59	\$ 2,595,477.10	3.89	4.48
H.A.V.A	24	\$ 38,641.93	\$ 38,641.93	3.79	
RICAP	40	\$ 72,946,125.52	\$ 136,570.36	4.38	6.10
General Fund (Hist. Pres)	8	\$ 4,146,345.75	\$ 21,050.61	3.18	57.38
Health Insurance Fund	113	\$ 515,901,991.45	\$ 616,254.53	3.90	8.09
Highway Fund	259	\$ 1,037,053,846.83	\$ 796,724.50	3.92	2.05
University College	207	\$ 427,394,534.21	\$ 226,327.58	4.15	1.90
TDI Reserve (DET)	340	\$ 1,039,255,962.85	\$ 3,934,791.89	3.73	9.97
Permanent School Fund	28	\$ 19,130,071.83	\$ 30,928.77	3.61	14.64
Employees Retirement	188	\$ 571,784,013.24	\$ 951,321.97	3.83	13.99
Municipal Retirement	133	\$ 59,266,545.03	\$ 105,559.55	3.53	14.91
RI Clean Water Act	14	\$ 1,981,866.66	\$ 81,866.66	4.34	
Bond Capital Fund	81	\$ 196,729,670.61	\$ 157,858.20	2.90	3.74
State Lottery Fund	328	\$ 1,527,460,857.76	\$ 1,387,715.22	3.78	6.43
Industrial Building and Mortgage	13	\$ 775,008.77	\$ 75,008.77	3.69	
Total Short-Term Investments	2720	\$ 11,945,736,853.19	\$ 14,507,053.38	3.86	4.56

Source: Data acquired from the State's Investment Management Software, si50.

**State of Rhode Island
Office of the General Treasurer
Schedule of Interest Earned
FY 2007**

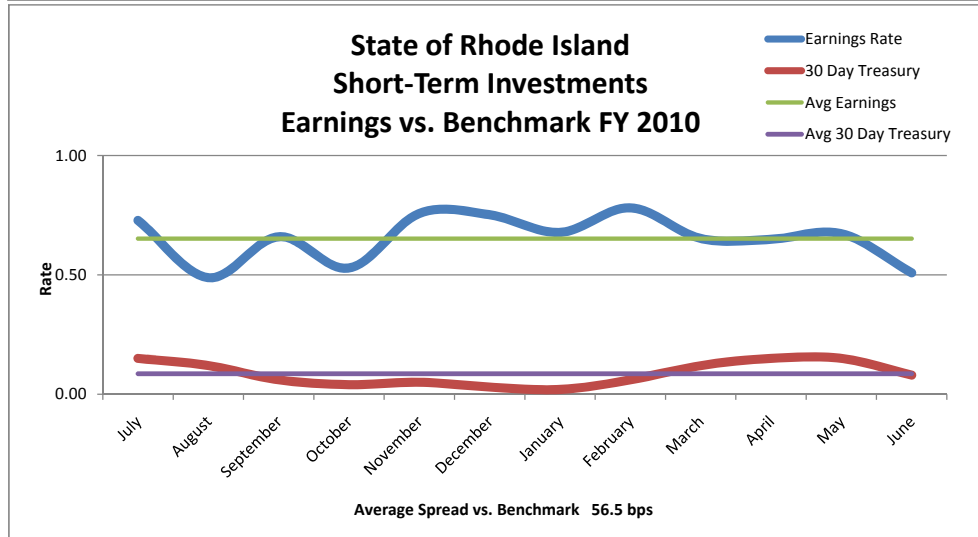
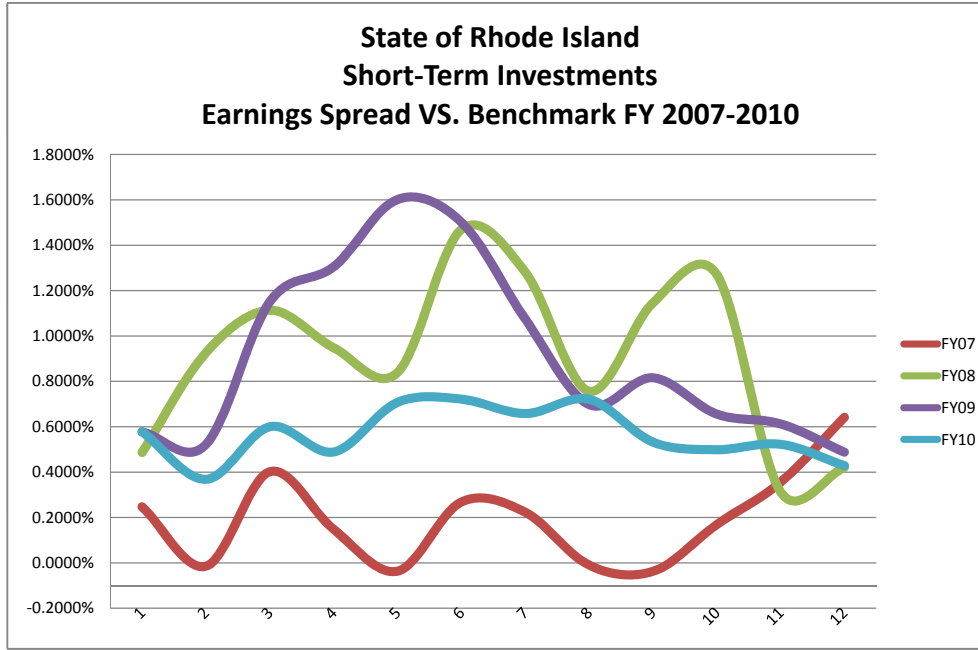
Fund	Count	Amt. Matured	Interest Earned	(W)Avg Interest Rate	(W)Avg Duration
GeneralFund	394	\$ 5,262,614,209.93	\$ 2,991,144.32	5.15%	2.39
Pension C	294	\$ 193,407,079.18	\$ 42,920.82	5.10%	1.57
Payroll A	238	\$ 216,551,362.43	\$ 58,637.57	5.13%	1.90
TANS Proceeds	7	\$ 82,434,725.82	\$ 997,132.91	5.14%	
Health Insurance Fund	166	\$ 712,425,951.98	\$ 1,068,928.17	5.12%	6.94
GeneralFund HAVA	33	\$ 103,962.37	\$ 88,432.53	6.23%	
General Fund Historic Preservation	7	\$ 3,424,319.46	\$ 24,941.00	5.14%	51.11
Highway/ISTEA	188	\$ 678,055,953.67	\$ 407,470.77	5.19%	1.59
University College	179	\$ 345,000,662.52	\$ 117,667.75	5.12%	2.32
Auto Equipment	24	\$ 9,377,948.20	\$ 71,841.27	5.12%	7.00
TDI Reserve	299	\$ 750,829,545.77	\$ 5,078,200.14	5.20%	8.94
Permanent School Fund	29	\$ 21,846,045.82	\$ 39,251.15	5.18%	12.48
Employees Retirement	171	\$ 542,779,826.93	\$ 1,129,129.79	5.17%	13.32
Municipal Employees Retirement	98	\$ 51,611,123.83	\$ 131,149.95	5.18%	15.38
RI Clean Water	24	\$ 7,826,547.25	\$ 119,379.23	5.15%	8.55
Bond Capital	67	\$ 114,599,329.03	\$ 133,107.11	5.91%	5.66
RI State Lottery	326	\$ 1,707,060,047.02	\$ 1,172,005.90	5.14%	4.76
Industrial Bldg. and Mortgage Ins	13	\$ 558,891.60	\$ 61,351.06	5.05%	
Higher Education	7	\$ 7,997,728.61	\$ 2,271.39	5.13%	
Total Short Term Investments	2564	\$ 10,708,505,261.42	\$ 13,734,962.83	5.16%	4.13

Source: Data acquired from the State's Investment Management Software, si50.

**State of Rhode Island
Office of the General Treasurer
General Fund Interest Earnings / Average Rate
FY 2001 - FY 2010**



Source Data: Investment Earnings information and Average Rate information are obtained from the State Investment Software: APS2. The Average Rate is the Weighted Average interest rate for an entire fiscal year's short-term investments.



Source Data: This Avg Earnings and Earnings Rate are derived from the State Investment System: APS2. The Benchmark is the 30 Day Treasury Bill. The Benchmark data is derived from the Federal Reserve Board Statistical release, H15

Commentary: The State's Short-Term Investments outperformed their benchmark, the 30-Day T-Bill, in 12 out of 12 months for FY2010, with an average spread over the benchmark of 56.5 basis points.

III. Issuer Compliance with SIC Guidelines

As a result of the slow economic recovery from the events of 2008, each short-term investment issuer could not be in full compliance with the standards set forth by the State Investment Commission. In response to this situation, the Office of the General Treasurer instituted a formal policy requiring the collateralization of the uninsured balance of all deposits held by financial institutions on behalf of the State, regardless of their duration. This policy took effect during fiscal 2009, but was formally adopted by the SIC at the commencement of fiscal 2010. This policy applies to all depository accounts under the management of the Office of the General Treasurer. Under the policy, each financial institution is required to pledge collateral valued at no less than 102% of the uninsured balance of the deposit account.

Treasury staff continuously strives to add, or replace non-active investment issuers with additional qualified issuers to improve the short term competitive bid process and enhance investment performance and portfolio diversification.

Pursuant to the "Rhode Island Collateralization of Public Deposits Act (RIPL 35-10.1-1), the Cash Management staff monitors the compliance by the financial institutions on an ongoing basis.

A financial institution is required to post collateral on State deposits in excess of \$100,000 per account if the maturity of the deposit is over 60 days or if the institution fails to meet capital requirements as prescribed by its regulator. A quarterly report is required on any State deposit in excess of \$100,000. All banks holding such deposits submitted collateral reports for the four quarters ending June 30, 2009.

As of June 30, 2010, each bank was in compliance with the Policy's 102% collateral requirement. In addition, all local banks with which the State does business are well capitalized and substantially exceed the risk-based minimum total capital ratio.

State of Rhode Island
Office of the General Treasurer
Collateralization of State Bank Deposits
Quarterly Report
As of June 30, 2010

Bank	Account Name	Deposit Balance	Collateral Amount	Percentage of Collateral	Term	Collateral Report Filed	VERIBANC Rating	Moody's Long Term Bank Deposit/ Bank Financial Strength	S&P LT Local Issuer Rating	Collateral Required
Citizens Bank						Y	Yellow**	Aa3/B	A-	Y
	Bond Capital	103,081.80	105,143.44	102%	DDA					
	RI Clean Water Act	168,686.22	172,059.94	102%	DDA					
	Auto Equipment	423,418.24	431,886.60	102%	DDA					
	Correctional Industries	1,307,488.89	1,333,638.67	102%	DDA					
	Employment Security Benefit	2,893,917.67	2,951,796.02	102%	DDA					
	Disbursement Account	23,960,392.69	24,439,600.54	102%	DDA					
	Tax Refund	3,547,189.15	3,618,132.93	102%	DDA					
	Tax Refund Direct Deposit	1,047,143.40	1,068,086.27	102%	DDA					
	State Police Retirement	768,039.91	783,400.71	102%	DDA					
	Judicial Retirement	544.83	555.73	102%	DDA					
	Employee Retirement	2,807,168.99	2,863,312.37	102%	DDA					
	Municipal Employees Retirement	142,304.93	145,151.03	102%	DDA					
	Child Support	5,747,778.52	5,862,734.09	102%	DDA					
	Rite Care/Rite Share	12,180.28	12,423.89	102%	DDA					
	Merchant Deposit Account	203,491.89	207,561.73	102%	DDA					
	DOT - Intersurface Transport Fund	4,162,193.82	4,245,437.70	102%	DDA					
	Total	47,295,021.23	48,240,921.65	102%						
Bank RI						Y	Green***	N/R	N/R	Y
	Internal Services	3,343,037.74	3,409,898.49	102%	DDA					
	Permanent School	197,159.81	201,103.01	102%	DDA					
	Higher Education	139,792.64	142,588.49	102%	DDA					
	RI Public Telecommunications	5,539.11	5,649.89	102%	DDA					
	Industrial Building Mtg Fund	127,300.28	129,846.29	102%	DDA					
	Total	3,812,829.58	3,889,086.17	102%						
Sovereign Bank						Y	Green***	A3/C-	A	Y
	Health Insurance Fund	397,228.52	405,173.09	102%	DDA					
	Retiree Health Fund	206,807.96	210,944.12	102%	DDA					
	BOG Retiree Health Fund	644,303.49	657,189.56	102%	DDA					
	RIPTA Retiree Health Fund	1,498,760.23	1,528,735.43	102%	DDA					
	Teacher Retiree Health Fund	580,228.41	591,832.98	102%	DDA					
	Fleet Replacement Loan	1,230,684.53	1,255,298.22	102%	DDA					
	Assessed Fringe	98,175.60	100,139.11	102%	DDA					
	Employer Pension Contribution	2,182,697.30	2,226,351.25	102%	DDA					
	Total	6,838,886.04	6,975,663.76	102%						
Washington Trust						Y	Green***	N/R	N/R	Y
	Recreational Area	231,826.88	236,463.42	102%	DDA					
	Real Estate Escrow Account	692,650.00	706,503.00	102%	DDA					
	Dredging Fund	107,392.07	109,539.91	102%	DDA					
	RICAP Fund	1,102,363.91	1,124,411.19	102%	DDA					
	Total	2,134,232.86	2,176,917.52	102%						
Bank of America						Y	Green***	Aa3/D	A+	Y
	General Fund	1,692,488.86	1,726,338.64	102%	DDA					
	Recreational Area	5,808.75	5,924.93	102%	DDA					
	TRA & JTP Benefit Disbursement	-	0.00	102%	DDA					
	Infra Structure Bank Fund	1,418,797.96	1,447,173.92	102%	DDA					
	TDI Reserve	17,851,451.65	18,208,480.68	102%	DDA					
	TDI Benefit	-	0.00	102%	DDA					
	Lottery Fund	246,280.81	251,206.43	102%	DDA					
	Record Center	197,282.60	201,228.25	102%	DDA					
	E. T. Clearance	13,446.72	13,715.65	102%	DDA					
	University College	785,226.38	800,930.91	102%	DDA					
	Lottery Prize Account	-	0.00	102%	DDA					
	General Public Assistance	19,613.50	20,005.77	102%	DDA					
	Supportive Services Payroll	4,035.00	4,115.70	102%	DDA					
	Department of Human Services Payroll	1,864,800.04	1,902,096.04	102%	DDA					
	Special Payroll	11,675.94	11,909.46	102%	DDA					
	Pension C	3,312,992.84	3,379,252.80	102%	DDA					
	Pension Direct Deposit	6,259.49	6,384.68	102%	DDA					
	Payroll A	703,134.36	717,197.05	102%	DDA					
	Employee Direct Deposit	930.37	948.98	102%	DDA					
	Combined Tax	73,937.15	75,415.89	102%	DDA					
	Total	28,208,162.52	28,772,325.77	102%						
Webster Bank						Y	Green***	A2/C+	BBB	Y
	General Fund - Taxation Credit	8,447,541.45	8,616,492.28	102%	DDA					
	RI Public Rail Corporation Fund	53,855.14	54,932.24	102%	DDA					
	Total	8,501,396.59	8,671,424.52	102%						
Grand Total		96,790,528.82	98,726,339.40	102%						

Note: Items in Bold in Bank Rating column denotes a downgrade

Moody's Long-Term Bank Deposit Ratings:

Aaa Highest Rating, exceptional credit quality and smallest degree of risk.
Aa Excellent credit quality, susceptibility of long term risks appear somewhat greater.
A Good credit quality, could suggest a susceptibility to impairment over the long term.
Baa Adequate credit quality, certain protective elements may be lacking over a great length of.
Ba Questionable credit quality, ability to punctually meet deposit obligations may be uncertain.
B Poor credit quality, assurance of punctual payment deposit obligations over time is small.
Caa Extremely poor credit quality, could be in default, danger with regard to financial capacity.
Ca Usually in default on their deposit obligations.
C Usually in default and potential recovery values are low.

Modifiers:

1 = Bank is at higher end of its letter-rating category;**2**- indicates a mid-range ranking;**3**- indicates the bank is in the lower end of its letter-rating category

S&P Long-Term Debt Ratings:

AAA Highest rating, extremely strong.
AA Differs slightly from highest rating, very strong.
A Somewhat more susceptible to adverse effects of change in economic condition, strong.
BBB Exhibits adequate protection parameters.
BB, B Have significant speculative characteristics. BB least speculative, B highest degree.
CCC, CC, C Have significant speculative characteristics. CCC least speculative, C highest degree.
D Payment default

Modifiers:

+ or - show relative standing within the category.

VERIBANC Ratings:

GREEN The institution's equity exceeds a modest percentage of its assets and had positive net income during the most recent reporting period.
YELLOW The institution's equity is at a minimal percentage of its assets or it incurred a net loss during the most recent reporting period.
RED The institution's equity is less than a minimal percentage of its assets or it incurred a significant net loss during the most recent reporting period (or both).

Modifiers -

******* Very Strong
****** Strong
***** Moderate
No Stars Poor

Moody's Bank Financial Strength Rating Definitions

A Banks rated A possess superior intrinsic financial strength.
B Banks rated B possess strong intrinsic financial strength.
C Banks rated C possess adequate intrinsic financial strength.
D Banks rated D display modest intrinsic financial strength, potentially requiring outside support.
E Banks rated E display very modest intrinsic financial strength, with high likelihood of outside support.

State of Rhode Island
Office of the General Treasurer
FY2010

SIC MINIMUM RISK-BASED TOTAL CAPITAL RATIO: 8.00%

LOCAL BANKS REPORTED RATIOS AS OF 06/30/10

Bank of America	14.87%
Bank RI	13.48%
Citizens Bank	14.91%
Sovereign Bank	13.93%
The Washington Trust Company	13.48%
Webster Bank	14.87%

The risk-based capital ratio is a federal and state regulatory requirement that banks maintain a minimum ratio of estimated total capital to estimated risk-weighted assets equal to at least 8%. Credit unions are insured/governed by the National Credit Union Administration and are not subject to the minimum capital standards.

DEFINITION CATEGORIES:

Well Capitalized	10% or Better
Adequately Capitalized	8% or Better
Under Capitalized	< 8%
Significantly Undercapitalized	< 6%
Critically Undercapitalized	<=2%

Source: The Federal Financial Institutions Examination Council: <http://www.ffiec.gov>

IV. Financial and Other Cash Management Highlights

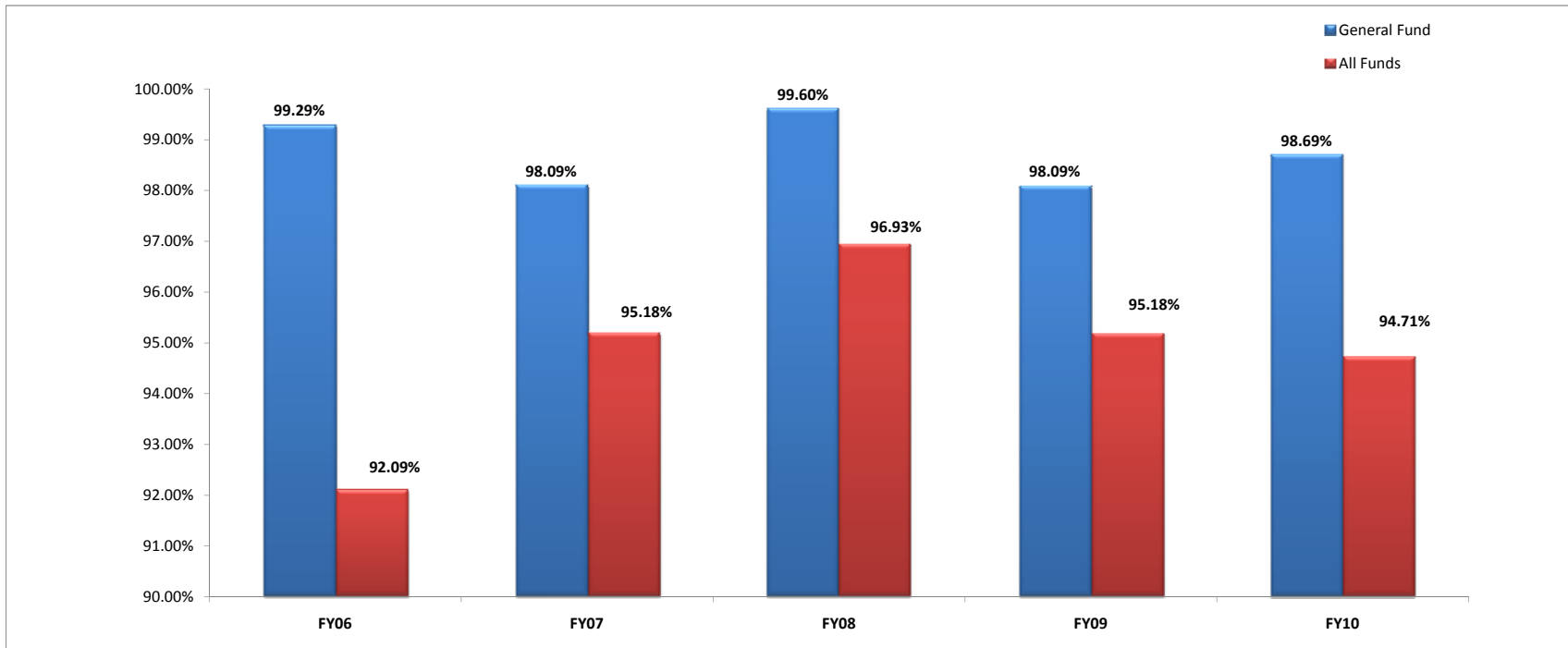
- General Fund investment purchases in FY10 totaled 2.5 billion, compared to 2.5 billion during FY09. Investment purchases across all funds totaled 5.7 billion for FY10, compared to 8.14 billion for FY09. This reduction was a result of both a continued decline in short-term investment interest rates and strategic decisions. For example, the “earnings credit rate” (ECR) on bank deposits was often higher than available short-term interest rates. In these cases, Treasury staff elected to keep excess funds on deposit rather than invest. This resulted in substantially lower bank fees—which are netted against interest earnings—and overall, higher investment earnings.
- In Fiscal Year 2010, Treasury staff shifted its asset allocation almost exclusively to Government Money Market Funds and Collateralized Deposit accounts. These accounts have no fixed maturity, resulting in significantly fewer trades than in prior fiscal years.
- General Fund investments earned an average of 0.65% in FY10 compared to 1.07% in FY09. While the decrease is due in large part to a significant decrease in interest rates, FY10’s General Fund investments enjoyed a 56.5 basis point premium over its benchmark compared to an 84 basis point premium for FY09.
- In 2010, Treasury worked in conjunction with the Division of Taxation to create a retail lockbox to accept and process the state’s tax receipts. This project eliminated an upcoming capital expenditure for Taxation and significantly reduced collection float. As an adjunct to the lockbox project, Treasury staff negotiated new rates for the receipt of electronic payments as well, reducing these costs by 40%.
- Treasury worked in conjunction with the Department of Health to obtain and implement a new banking product, Remote Deposit Capture. The agency now uses an optical scanner to process license fee payments. Some of the benefits of this new implementation are improved efficiency, reduced collection float, and lower bank fees.

**State of Rhode Island
Office of the General Treasurer
Cash Management Summary
All Funds, FY 2007 - FY 2010**

	<u>FY2010</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>FY 2007</u>
Average Daily Cash Position	\$ 210,030,288	\$ 301,165,598	\$ 361,690,620	\$ 287,864,043
Average Daily Bank Balance	\$ 11,845,840	\$ 15,424,041	\$ 11,620,154	\$ 15,053,120
Percent of Cash Invested	94.71%	95.18%	96.93%	95.07%
Percent of GF Cash Invested	98.69%	98.09%	99.60%	98.89%
Average Maturity of Portfolio	5.59 Days	3.24 Days	3.69 Days	4.45 Days
Spread to Benchmark	56.5 Basis Points	84.9 Basis Points	105.3 Basis Points	19.6 Basis Points
Average Rate of Return	0.54%	1.28%	3.84%	5.16%

Note: "Cash Position" includes all operating fund investments, inclusive of TANS.

State of Rhode Island
Office of the General Treasurer
Short-Term Percentage Invested
FY 2006-2010



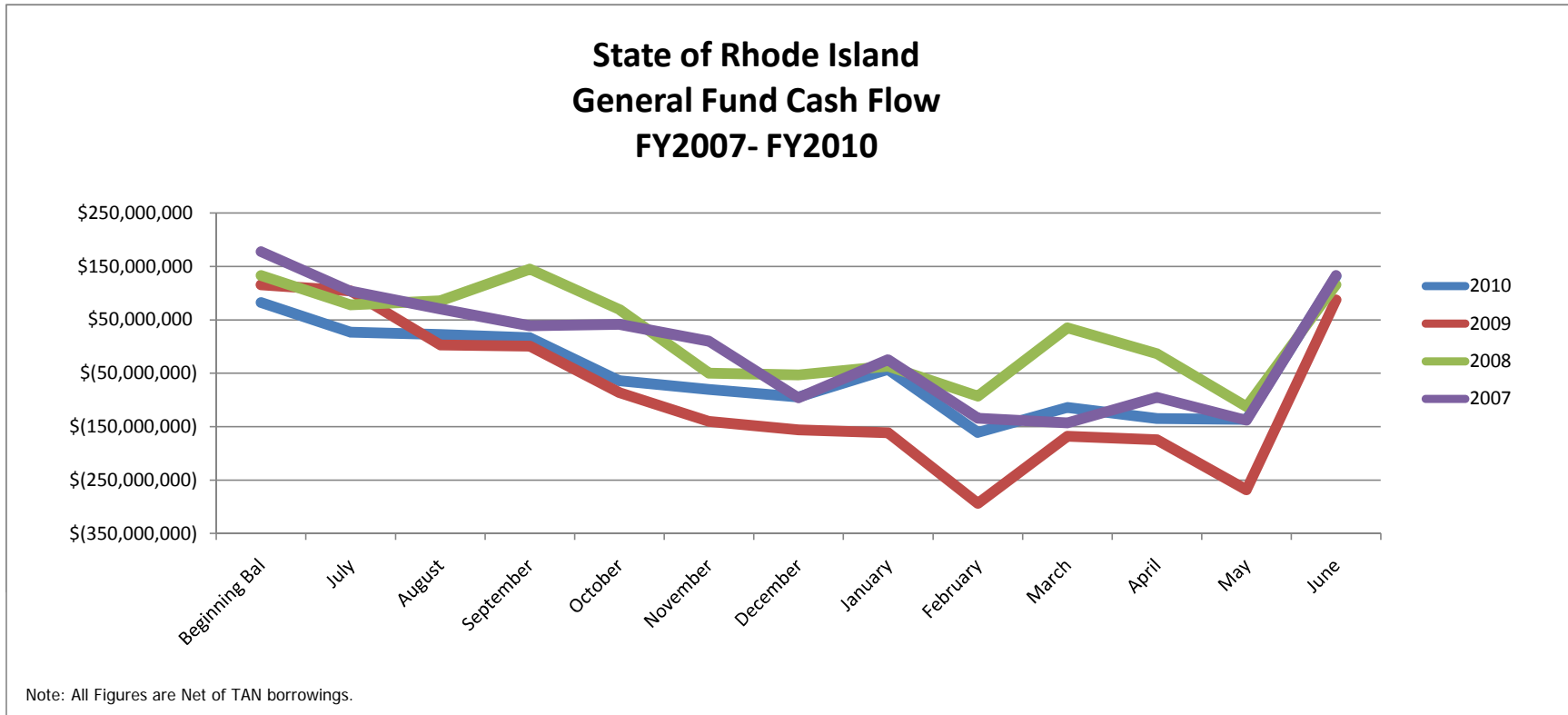
Source Data: This data is derived by calculating the ratio of Invested Balances to Invested Balances + Cash Balances (obtained from reconciliation data from the Business Office).

Commentary: The ratio of General Fund Cash invested for FY2010 remained high, with an increase of 0.60% from FY2009. The ratio of All Funds Cash Invested for FY2010 also remained high, only off its peak by 2.22%. Treasury staff also strategically elected to increase bank balances in order to earn a more favorable Earnings Credit, thus decreasing banking fees. The gap in performance between the General Fund ratio vs. the All Funds ratio is largely the result of statutory provisions on the investment of certain funds. For example, certain allocations of Federal funds are prohibited from being invested by Cash Management. Therefore, All Funds Cash Invested cannot be regarded as a performance metric, but it is presented for illustrative purposes.

**State of Rhode Island
Office of the General Treasurer
Cash Flow Analysis Summary
Fiscal 2010**

	July July 1, 1905	August July 1, 1905	September July 1, 1905	October July 1, 1905	November July 1, 1905	December July 1, 1905	January July 2, 1905	February July 2, 1905	March July 2, 1905	April July 2, 1905	May July 2, 1905	June July 2, 1905	TOTAL July 2, 1905
Estimated Beginning Balance	82,647,786	27,044,525	22,782,439	31,909,003	81,939,286	97,722,237	99,910,394	151,534,663	88,611,276	156,873,336	136,066,536	134,526,666	82,647,786
Prior Day Deposits/Adjustments													
Taxation Check Receipts	48,010,159	37,360,828	57,401,616	50,591,096	28,696,974	34,033,243	57,707,949	33,824,819	68,676,724	3,481,832	0	0	419,785,229
Motor Vehicles	9,064,836	9,554,409	10,241,351	8,979,364	7,444,731	7,588,936	7,035,693	6,533,073	11,958,644	11,389,357	11,495,184	13,481,172	114,766,750
Eleanor Slater / MHRH	660,939	644,399	940,499	2,173,482	2,085,362	1,261,850	607,048	1,606,812	474,210	2,420,432	982,005	1,276,389	15,133,427
Dept Bus Reg	949,057	1,419,244	801,594	1,448,928	766,339	1,817,003	1,609,209	808,291	1,370,598	1,339,626	1,205,155	1,912,807	15,447,850
Secretary of State	318,179	327,244	441,230	431,262	397,034	327,653	417,358	486,315	557,531	297,735	278,102	283,645	4,563,485
DEM	849,469	779,659	394,437	810,659	974,437	675,412	974,573	805,340	1,080,769	1,022,394	984,604	1,069,457	10,411,210
Health	294,327	145,732	836,492	695,016	386,600	116,559	53,800	158,440	167,194	249,536	75,939	68,320	3,247,954
Miscellaneous Receipts	16,587,968	16,601,285	22,888,268	18,118,304	15,669,760	13,876,199	13,004,930	10,713,232	8,277,570	10,702,921	14,512,833	21,652,697	182,605,967
Federal Grants	257,094,369	136,408,582	150,214,548	169,903,157	193,185,743	157,474,257	217,347,624	183,715,975	175,375,209	209,852,801	16,118,522	208,999,403	2,220,756,890
Interest	120,279	41,489	9,064	21,891	27,470	73,875	72,289	96,837	60,576	79,447	95,473	89,076	787,766
Plus: Receipts/Wires Current Day													
Advance Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
Lottery	0	28,700,000	31,238,241	27,300,000	30,013,042	26,253,814	25,833,736	27,798,796	28,630,589	30,770,500	29,650,000	58,636,139	344,824,857
Payroll	18,361,974	18,105,138	17,964,772	20,974,301	18,058,096	17,918,740	18,103,608	17,968,671	17,942,058	20,911,976	17,827,963	17,653,565	221,790,862
Trsfr - DOT	10,337,506	6,243	1,496	3,181	10,339,033	3,181	3,605	1,434	1,211	3,546	2,487	20,222,511	40,922,252
Trsfr - University / College	26,208,071	26,116,541	26,811,084	40,614,250	26,882,044	27,718,018	26,579,255	26,933,509	26,813,553	40,337,222	22,829,074	24,482,960	342,315,581
Trsfr - Bond Capital	0	0	23,505	7,286	4,980	3,405	288,971	1,962	1,643	0	6,950,487	17,003,412	24,285,650
TANS Proceeds	0	0	15,500,000	130,585,635	32,267,509	16,000,000	0	55,000,000	21,600,000	0	18,200	85,722,961	356,694,305
Taxation EFT	254,103,981	143,697,721	149,540,144	147,295,874	145,090,084	194,650,237	165,253,039	147,078,055	247,013,604	209,659,401	209,562,305	343,435,135	2,356,379,580
Miscellaneous	8,186,508	9,028,382	5,323,826	4,255,771	5,522,805	2,678,623	16,466,602	4,449,266	4,424,683	5,297,505	10,546,789	16,264,028	92,444,786
Total Available Cash	733,495,408	455,975,177	513,359,352	656,116,772	589,415,476	610,529,084	651,269,684	669,505,487	703,037,641	707,712,732	626,722,531	968,368,873	6,856,887,858
Less: Disbursements													
TANF	3,507,375	3,521,496	3,400,542	3,520,312	3,434,985	3,423,574	3,392,328	3,945,665	3,265,942	3,305,406	3,297,863	3,316,567	40,775,058
Pension	11,637,297	12,864,486	10,765,683	10,712,172	10,786,992	17,638,934	22,634,890	15,293,538	17,004,721	27,533,759	10,929,929	10,951,005	178,783,406
SSI	3,497,000	1,821,000	1,835,000	1,874,000	1,940,205	1,840,000	1,810,000	1,801,000	1,796,000	1,846,000	0	1,877,000	21,937,205
Medicaid	296,779,692	150,151,114	150,456,871	156,698,120	156,855,277	153,370,482	163,525,114	158,778,684	149,298,842	158,400,735	149,916,157	165,284,270	2,009,515,358
Trsfr to Other Fd	7,611,930	1,098,472	7,048,472	6,667,933	6,760,078	19,616,003	13,839,021	23,979,176	8,960,149	9,148,095	23,649,266	9,078,370	137,456,964
Trsfr to Univ College	20,929,510	20,929,509	20,929,508	8,969,790	5,979,860	6,479,859	8,316,467	8,330,930	8,330,932	12,496,398	8,369,419	7,244,913	137,307,096
Personal / Corp. Income tax	11,829,193	4,046,293	5,164,647	5,416,801	9,067,265	22,575,626	6,253,262	54,631,891	63,645,892	19,780,642	27,709,160	32,964,674	263,085,346
Debt Service	20,127,315	36,182,054	18,616,271	11,144,345	26,249,976	1,761,950	2,130,876	32,681,321	9,924,467	7,310,322	45,525,323	363,154,522	574,808,751
TANS & TDI Repayment	0	0	0	0	0	0	0	0	0	0	0	356,694,304	0
DHS - Block Mothers	5,732,062	4,126,243	4,189,196	3,683,134	3,825,121	6,013,113	4,003,415	3,877,584	3,875,210	3,805,279	3,780,479	6,119,954	52,996,105
Payroll/ FICA/ Misc	65,275,493	65,452,249	56,105,090	86,247,946	72,105,262	65,402,188	62,507,253	62,945,911	62,703,419	84,717,306	63,705,045	74,996,817	818,055,688
Payroll/ Workers Comp	2,445,898	2,462,299	2,469,480	3,635,389	2,384,723	2,382,750	2,963,652	2,703,312	2,699,645	4,112,704	0	1,415,939	29,405,791
Payroll/ Health Insurance	16,930,631	17,047,025	17,048,124	25,383,548	16,858,805	16,892,487	16,894,941	16,848,894	16,831,521	25,294,252	3,793,831	10,677,647	200,502,278
Payroll/ Retirement Contribution	14,131,876	14,215,559	14,309,205	21,034,080	13,812,000	13,916,487	13,781,819	13,824,555	13,824,445	13,780,337	3,981,434	9,044,177	161,687,514
Trsfr ISTE/A/Split Deposit	11,372,424	12,613,967	12,710,919	12,208,030	11,874,426	12,634,302	11,628,743	10,825,086	10,965,456	242,177	5,591	12,309,169	119,390,290
Other	5,397,798	7,777,412	12,004,322	11,267,842	3,981,078	7,152,094	6,953,960	6,884,622	6,992,462	6,808,316	19,931,503	7,150,770	102,302,178
Disbursements/ACH's	209,545,389	78,883,561	135,569,416	205,714,046	145,777,187	159,518,841	158,881,474	163,483,074	166,901,377	206,649,632	125,990,581	120,454,944	1,877,369,522
State Mun/School Aid	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Disbursements	706,750,883	433,192,738	481,450,350	574,177,487	491,693,239	510,618,690	499,735,021	580,894,211	546,164,305	571,646,196	492,195,866	836,829,564	6,725,348,549
Overall Cash Position	27,044,525	22,782,439	31,909,003	81,939,286	97,722,237	99,910,394	151,534,663	88,611,276	156,873,336	136,066,536	134,526,666	131,539,309	131,539,309

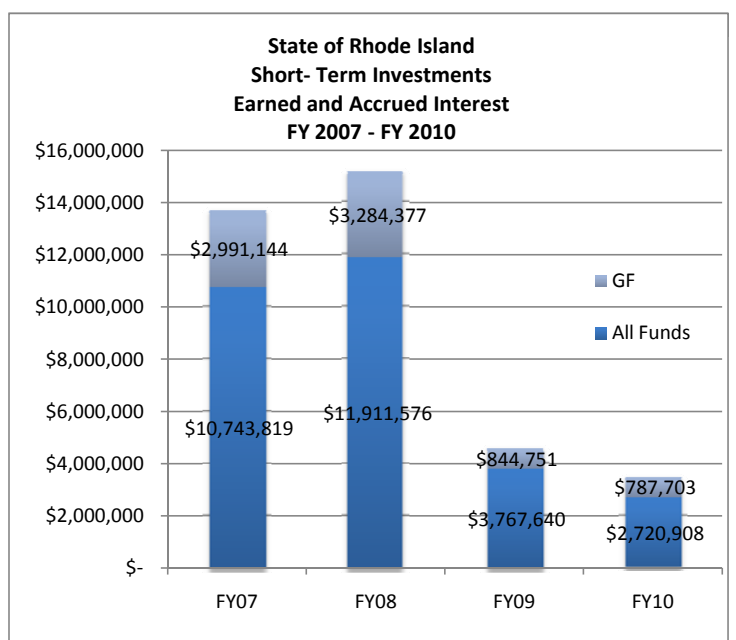
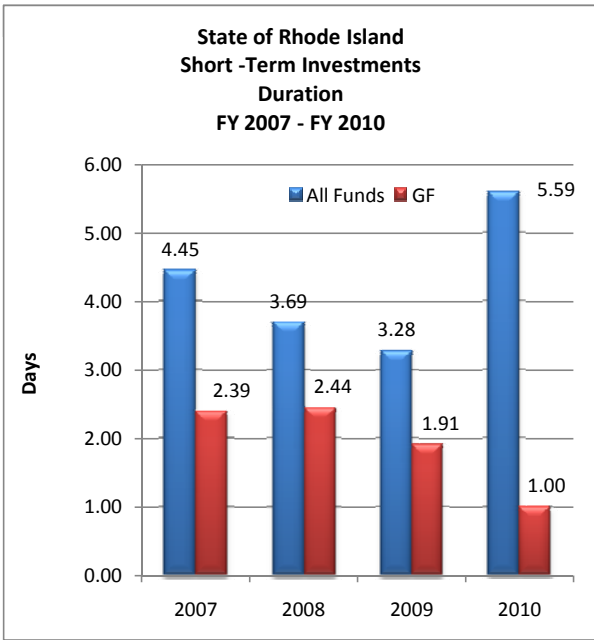
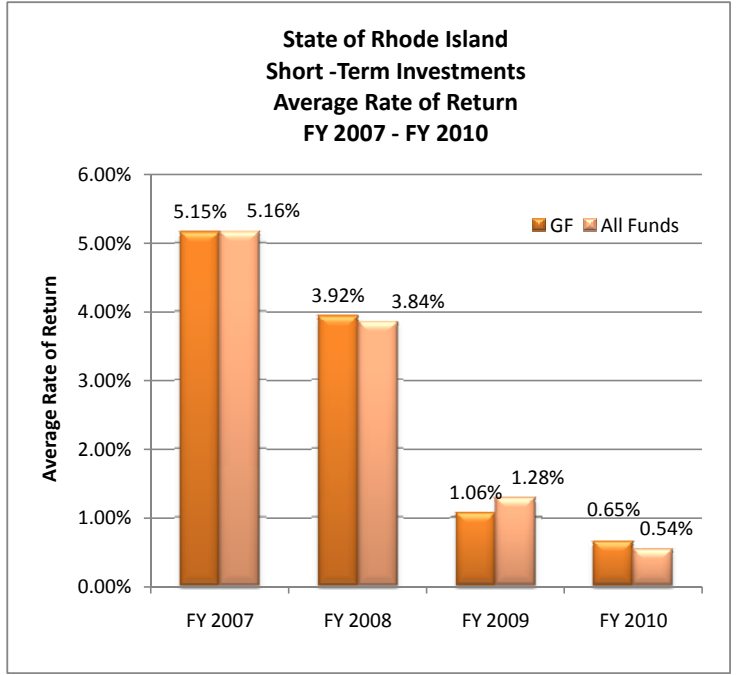
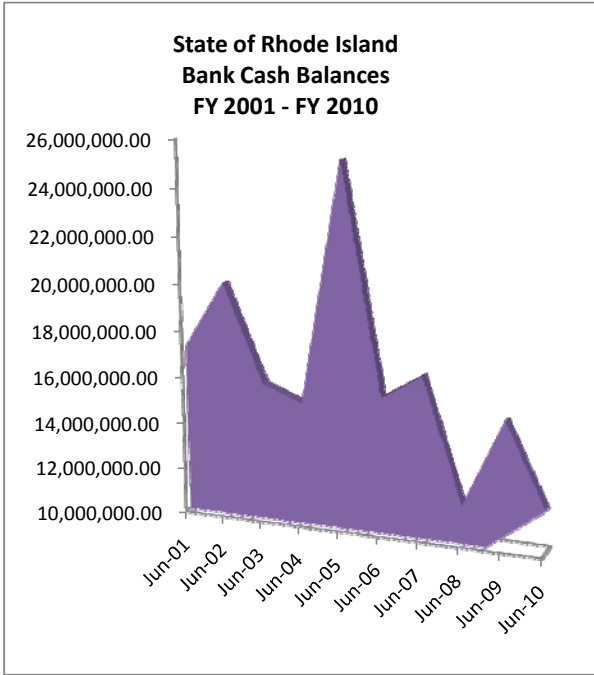
State of Rhode Island
 Office of the General Treasurer
 General Fund Cash Flow
 FY2007-FY2010



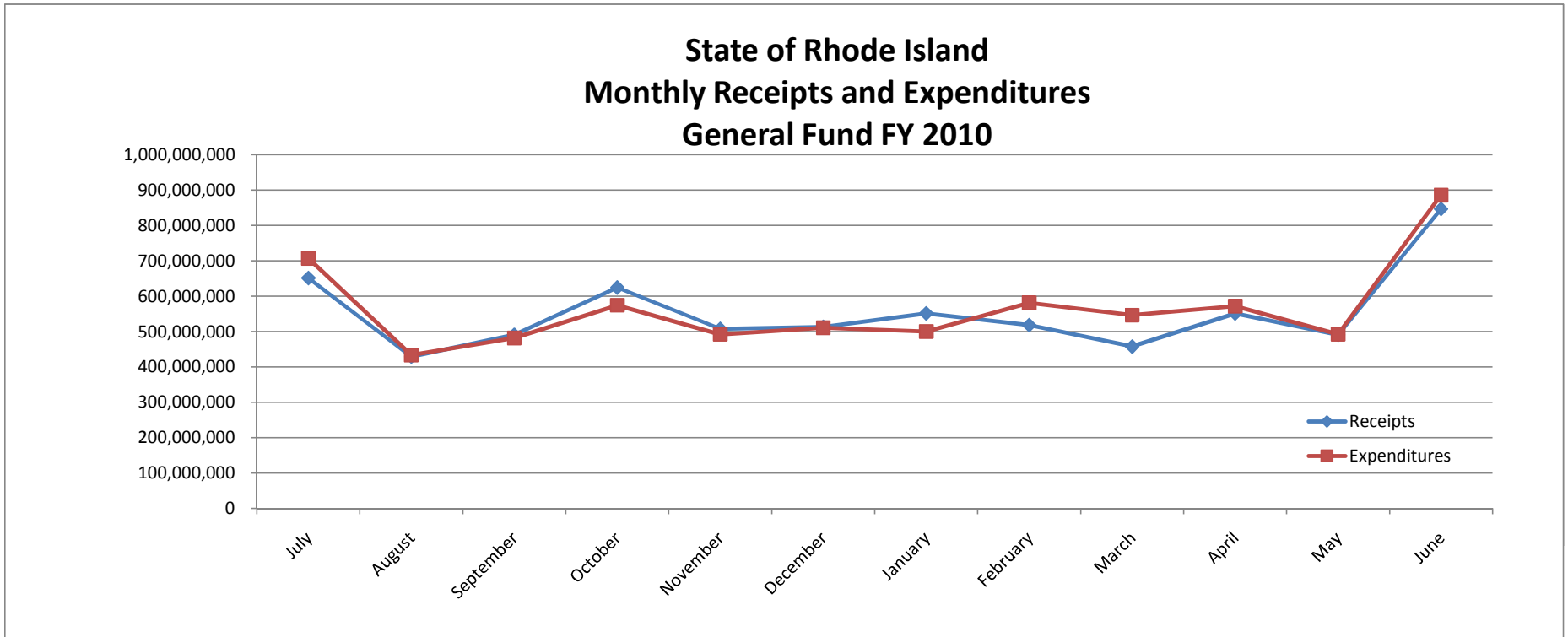
Source Data: Actual Cash Flow figures from daily Treasury operations. The Beginning Balance represents the Cash Balance at July 1st of each Fiscal Year; all other figures represent the balance at month-end.

Commentary: Though there is some variance, this chart demonstrates the very cyclical nature of the State's cash flow. Any proceeds from TANS have been removed from the data set to produce a more accurate history of cash flow as a function of revenue and expenditures.

State of Rhode Island
Office of the General Treasurer
Cash Management Summary
Fiscal Year 2010



State of Rhode Island
Office of the General Treasurer
Monthly Receipts and Expenditures
General Fund FY2010



Source Data: Actual Cash Flow figures from daily Treasury operations.

Commentary: Though there is some variance, this chart demonstrates the very cyclical nature of the State's Cashflow. The large increase in both receipts and expenditures during the month of June is attributable to the repayment of TANS proceeds, an increase in expenditures and a large increase in tax revenue.

