

# CASH FLOW MANAGEMENT

Your money working sooner and longer

*Providing a complete and accurate cash flow picture, allowing investment of reserves based on sound, reliable data.*

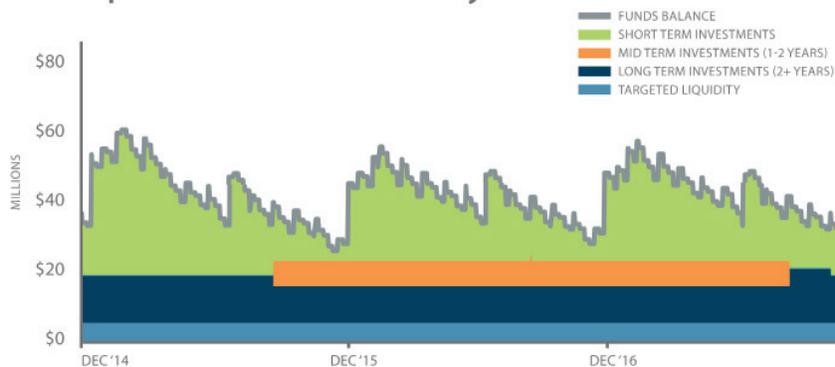
## BENEFITS

- Maximize invested cash
- Match expenditure obligations
- Extend maturities to increase yield

## Overview

PMA's Cash Flow Management Program analyzes large fields of data, draws reliable conclusions and creates value from the newfound insight. The process begins with a thorough investigation of a public body's historical cash flow. From this process, PMA gains a complete picture from which investment strategies are formulated. Once the cash flow plan has been constructed, PMA builds an investment schedule that optimizes a public entity's returns and helps extend maturity lengths to take advantage of higher yields that are generally available longer out on the yield curve.

## Sample Cash Flow Analysis



\*The analysis or information presented here is based on hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results will be achieved.

## The Power of a Good Plan

The result of the analysis and collaborative planning process is a daily cash flow plan and investment schedule. The investment schedule matches investments with the critical need dates to meet payroll, accounts payable, bond payments and other anticipated expenses.

## The Process

PMA's Cash Flow Management Program gives finance officers the ability to steer things from the top while leaving the analysis and time consuming details to a professional portfolio advisor. This analysis is based on proprietary methods that review historical data, determine trends and project future needs.

### 1. HISTORICAL DATA ANALYSIS

PMA's detailed investigation of a school district's historic cash flow data ultimately provides a complete and reliable picture from which investment decisions are based. This historical analysis includes:

- Reviewing three-years of cash-based historical monthly data by fund.
- Determining trends.
- Isolating anomalies.
- Incorporating district-specific information (e.g., A/P cycle, payroll cycle, summer payroll, debt schedules, school calendar, etc. to ensure the plan is as accurate as possible.

### 2. DAILY CASH FLOW CONSTRUCTION

Once the historical data analysis has been performed, monthly revenue and expenditure (r/e) percentages are applied to your current fiscal year budget to project monthly r/e figures for the current and future years. Finally, specific dates and amounts (e.g., accounts payable, debt schedules, state aid payments, property tax dates) are identified, placed on the calendar and included in the final daily cash flow plan.

### 3. INVESTMENT SCHEDULE CREATION

Once the cash flow plan has been constructed, PMA builds an investment schedule (right) that optimizes your school district's returns beginning with the next fiscal year. This investment schedule allows for efficient execution of investments and helps extend maturity lengths in order to capitalize on the longer end of the yield curve.

### 4. COMPETITIVE BIDDING

PMA's portfolio advisors work closely with a school district to competitively bid investments across PMA's extensive network of over 1,800 financial institutions. This ensures that a school district obtains the most competitive rates in the country without the hassle of shopping around.

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