

The Commonwealth of Massachusetts
Office of the State Treasurer
State House
Boston, Massachusetts 02133

Deborah B. Goldberg
Treasurer and Receiver General

September 1, 2015

The Honorable Karen E. Spilka, Chair
Senate Ways and Means Committee
State House, Room 212
Boston, MA 02133

The Honorable Brian S. Dempsey, Chair
House Ways and Means Committee
State House, Room 243
Boston, MA 02133

Dear Senator Spilka and Representative Dempsey:

Pursuant to Massachusetts General Laws Chapter 10, Section 10, the Office of the State Treasurer and Receiver General and the Executive Office for Administration and Finance hereby submit the current cash flow forecast for fiscal year 2016.

Certain cash items, such as the balance of the Stabilization Fund as well as a number of other funds, are required to be categorized as segregated and do not contribute to the Commonwealth's "pool" of non-segregated cash balances. These segregated items are statutorily restricted for a specific purpose.

Please note that the fiscal year 2016 cash flow forecast project monthly cash closing balances. Given the variable nature of state cash expenditures and revenues, the daily cash balances often differ greatly from the projected monthly closing balance.

Highlights of Fiscal Year 2016

The fiscal year 2016 budget is approximately \$38.2 billion, or 3.4%, greater than fiscal year 2015 estimated spending levels, including veto overrides of \$97.9 million. (This calculation assumes that a \$565.5 million transfer from the General Fund to the Medical Assistance Trust Fund, which has been delayed into fiscal year 2016 to await necessary Federal approval, is counted as fiscal year 2015 actual spending.)

The fiscal year 2016 budget relies on approximately \$609.0 million in one-time resources to support recurring spending. Among the one-time resources assumed as part of the fiscal year 2016 budget are: projected \$300.0 million in capital gains tax revenues retained in the General

*For cash purposes, this use of "fiscal year" includes "accounts payable" activity for fiscal year 2015, and excludes "accounts payable" activity for fiscal year 2016.

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Fund, projected \$116.0 million of MassHealth cash management, projected \$80.0 million from a non-filer tax amnesty program, \$73.0 million to fund the fiscal year 2016 OPEB transfer, \$67.0 million transfer from the Commonwealth Care Trust Fund, and \$46.0 million from FAS 109 delay. The fiscal year 2016 budget also assumes savings for fiscal year 2016 debt service attributable to the \$140.0 million debt defeasance proposed in the final fiscal year 2015 supplemental appropriation bill.

The fiscal year 2016 capital plan programs \$4.107 billion of spending on capital projects, including \$2.125 billion of bond cap spending, \$405.9 million of spending authorized under the accelerated bridge program, \$394.0 million in special obligation spending, \$716.6 million in Federal reimbursements and grants, \$98.6 million of spending on projects funded by anticipated savings or revenues, \$168.0 million in non-commonwealth borrowings such as contributions from campuses, and \$198.0 million in pay-as-you go capital funded by tolls.

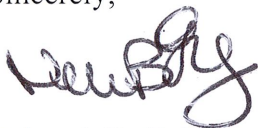
For cash flow needs for fiscal year 2016, the Treasurer's office plans to issue \$1.2 billion in revenue anticipation notes (RANs) on September 30, 2015. As in previous years, the RANs will be repaid in April, May and June 2016.

Ongoing Cash Management Practices

Treasury, Administration and Finance and Comptroller staffs continue to meet regularly to monitor the status of the Commonwealth's cash position. In addition, this group actively seeks to improve the reader's experience by enhancing the Commonwealth's cash flow forecast with additional features.

Please feel free to contact our respective staff members if you have any questions or require additional information.

Sincerely,



Deborah B. Goldberg
Treasurer and Receiver General



Kristen Lepore
Secretary of Administration and Finance

Enclosures

(presented in millions)		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Total FY 2016
		Actual	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.	
OPENING NON-SEGREGATED OPERATING CASH BALANCE:														
OPERATING ACTIVITIES:														
Budgetary Funds:														
Tax Revenue		\$1,743.4	\$1,756.0	\$2,605.0	\$1,802.0	\$1,723.0	\$2,397.0	\$2,596.0	\$1,883.0	\$2,661.0	\$3,333.0	\$1,986.0	\$2,831.0	\$27,316.4
Federal Reimbursements		\$1,186.0	\$807.2	\$743.1	\$729.8	\$743.0	\$903.4	\$754.7	\$785.8	\$991.9	\$763.6	\$967.1	\$768.4	\$10,440.0
Other Budgetary Revenue		\$329.3	\$273.8	\$296.2	\$434.1	\$334.5	\$313.7	\$418.1	\$368.4	\$360.8	\$684.4	\$490.0	\$490.0	\$4,607.0
Transfer from/(to) Stabilization Fund		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Budgetary Revenue/Inflows		\$3,258.7	\$2,837.0	\$3,644.3	\$2,965.9	\$2,800.5	\$3,614.1	\$3,768.8	\$2,956.5	\$4,013.7	\$4,781.0	\$3,337.5	\$4,089.4	\$42,067.4
Local Aid		\$478.4	\$463.9	\$463.9	\$463.9	\$463.9	\$463.9	\$463.9	\$463.9	\$463.9	\$463.9	\$463.9	\$463.9	\$3,581.3
Tax Refunds		\$47.5	\$60.0	\$50.0	\$190.0	\$60.0	\$22.0	\$86.0	\$419.0	\$340.0	\$283.0	\$84.0	\$76.0	\$1,707.5
Debt Service for General Obligation (including CA/T)		\$87.4	\$529.1	\$217.3	\$146.8	\$325.9	\$187.4	\$108.4	\$172.5	\$70.0	\$80.7	\$123.5	\$86.6	\$2,136.9
Debt Service for Special Obligations		\$16.7	\$0.0	\$0.0	\$0.0	\$0.0	\$37.1	\$37.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$177.9
Debt Service for GANS		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$26.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$74.8
Other Budgetary Expenditures		\$3,320.2	\$2,486.9	\$3,103.4	\$2,352.9	\$2,629.4	\$2,580.6	\$2,455.8	\$2,500.0	\$2,650.6	\$2,457.6	\$2,482.0	\$1,612.7	\$30,661.5
Total Budgetary Expenditures/Outflows		\$3,950.3	\$3,539.9	\$3,476.2	\$3,143.6	\$3,476.2	\$3,318.0	\$3,152.9	\$3,585.8	\$3,524.5	\$3,153.4	\$3,285.2	\$2,373.4	\$40,340.0
Net Budgetary Funds		(\$691.6)	(\$702.9)	(\$190.3)	(\$177.7)	(\$675.7)	\$296.1	\$615.9	(\$629.3)	\$489.2	\$1,495.8	\$184.1	\$1,716.0	\$1,727.5
Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):														
Lottery Revenue		\$119.8	\$137.8	\$137.8	\$172.3	\$137.8	\$137.8	\$172.3	\$137.8	\$137.8	\$172.3	\$137.8	\$137.8	\$1,739.3
Pension Receipts (PRIM and Annuity Receipts)		\$251.6	\$230.7	\$230.7	\$230.7	\$230.7	\$230.7	\$230.7	\$230.7	\$230.7	\$230.7	\$230.7	\$230.7	\$2,788.9
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments		\$485.8	\$679.5	\$365.0	\$325.0	\$325.0	\$365.0	\$340.0	\$330.0	\$370.0	\$330.0	\$330.0	\$370.0	\$4,615.3
Non Budgetary Tax Receipts		\$35.3	\$39.0	\$41.0	\$46.0	\$29.0	\$31.0	\$24.0	\$22.0	\$60.0	\$49.0	\$41.0	\$47.0	\$464.3
Other Non Budgetary Revenue		\$26.6	\$127.2	\$234.2	\$124.2	\$175.2	\$267.2	\$137.2	\$104.2	\$68.2	\$378.2	\$154.2	\$201.2	\$2,295.4
Total Non Budgetary Revenue/Inflows		\$1,218.9	\$1,244.2	\$1,008.7	\$898.1	\$897.7	\$1,031.7	\$904.1	\$824.7	\$864.7	\$1,160.1	\$893.7	\$986.6	\$11,903.1
Lottery Payments		\$79.1	\$56.3	\$45.1	\$45.1	\$56.3	\$45.1	\$45.1	\$56.3	\$45.1	\$45.1	\$56.3	\$45.1	\$619.9
MBTA Sales Tax		\$75.1	\$82.1	\$82.1	\$82.1	\$82.1	\$82.1	\$82.1	\$82.1	\$82.1	\$82.1	\$82.1	\$82.1	\$978.2
MBTA Assessments		\$13.6	\$13.3	\$13.3	\$13.3	\$13.3	\$13.3	\$13.3	\$13.3	\$13.3	\$13.3	\$13.3	\$13.3	\$159.9
MSBA Payments		\$70.1	\$67.0	\$67.0	\$67.0	\$67.0	\$67.0	\$67.0	\$67.0	\$67.0	\$67.0	\$67.0	\$67.0	\$807.0
Pension Payments		\$392.3	\$395.0	\$395.0	\$395.0	\$395.0	\$395.0	\$395.0	\$395.0	\$395.0	\$395.0	\$395.0	\$395.0	\$4,737.3
Non Pooled / Trust / Fiduciary Fund Expenditures		\$363.7	\$340.0	\$365.0	\$325.0	\$325.0	\$365.0	\$340.0	\$330.0	\$370.0	\$330.0	\$330.0	\$370.0	\$4,153.7
Other Non Budgetary Expenditures		\$173.0	\$74.0	\$181.0	\$109.0	\$96.0	\$126.5	\$131.0	\$74.0	\$181.0	\$109.0	\$94.5	\$181.0	\$1,562.5
Total Non Budgetary Expenditures/Outflows		\$1,166.8	\$1,027.7	\$1,148.5	\$1,036.5	\$1,034.7	\$1,126.5	\$1,073.5	\$1,017.7	\$1,153.5	\$1,041.5	\$1,038.2	\$1,153.5	\$13,018.4
Net Non Budgetary Funds		\$52.1	\$186.4	(\$139.8)	(\$138.3)	(\$137.1)	(\$94.8)	(\$168.3)	(\$167.7)	(\$288.8)	\$118.7	(\$144.5)	(\$166.8)	(\$1,011.3)
Undesignated Revenue/Inflows and Expenditures/Outflows:														
General Fund Investment Earnings		\$1.3	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$12.3
Net Undesignated Revenue/Inflows and Expenditures/Outflows		\$1.3	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$12.3
NET OPERATING ACTIVITIES		(\$638.2)	(\$515.5)	(\$229.1)	(\$315.1)	(\$815.8)	\$202.4	\$447.5	(\$821.3)	\$207.4	\$1,615.5	\$40.5	\$1,550.1	\$624.4
FEDERAL GRANTS:														
Total Federal Grants Revenue/Inflows		\$155.5	\$170.0	\$190.0	\$185.0	\$190.0	\$185.0	\$190.0	\$185.0	\$190.0	\$185.0	\$190.0	\$185.0	\$2,230.5
Total Federal Grants Expenditures/Outflows		\$193.1	\$213.7	\$191.3	\$168.7	\$191.3	\$198.7	\$236.3	\$168.7	\$221.3	\$178.7	\$210.3	\$198.6	\$2,370.7
NET FEDERAL GRANTS		(\$37.7)	(\$43.7)	(\$1.3)	\$16.3	(\$1.3)	(\$13.7)	(\$46.3)	\$16.3	(\$31.3)	\$6.3	(\$20.3)	\$16.4	(\$140.3)
CAPITAL FUNDS:														
Capital Revenue/Inflows:														
Capital Inflow from Federal Reimbursements		\$49.1	\$50.1	\$52.9	\$52.8	\$53.7	\$52.8	\$54.3	\$51.0	\$55.2	\$57.0	\$58.4	\$73.5	\$660.8
Capital Inflow from Financing Activities:														
Total Capital Revenue/Inflows		\$235.2	\$61.3	\$279.0	\$338.0	\$225.0	\$225.0	\$225.0	\$225.0	\$225.0	\$225.0	\$250.0	\$240.0	\$2,753.6
Capital Inflow to General Fund from Segregated Bond Funds		\$284.3	\$111.4	\$331.9	\$390.8	\$278.7	\$277.8	\$279.3	\$276.0	\$280.2	\$282.0	\$308.4	\$313.5	\$3,414.4
Total Capital Expenditures/Outflows		\$368.8	\$255.5	\$267.6	\$267.3	\$271.6	\$267.2	\$276.2	\$258.4	\$279.4	\$288.3	\$294.9	\$370.3	\$3,465.5
NET CAPITAL FUNDS		(\$84.5)	(\$144.1)	\$64.3	\$123.5	\$7.1	\$10.6	\$3.1	\$17.6	\$0.8	(\$6.3)	\$13.5	(\$56.8)	(\$51.2)
FINANCING ACTIVITIES:														
Cash Flow Financing Activities Inflows:														
Commercial Paper		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Revenue Anticipation Notes (RANS)		\$0.0	\$0.0	\$1,200.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,200.0
Total Cash Flow Financing Activities Inflows		\$0.0	\$0.0	\$1,200.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,200.0
Cash Flow Financing Activities Outflows:														
Commercial Paper - (Principal + Interest)		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
RANS - (Principal + Interest)		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Cash Flow Financing Activities Outflows		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
NET FINANCING ACTIVITIES		\$0.0	\$0.0	\$1,200.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,200.0
ENDING NON-SEGREGATED OPERATING CASH BALANCE:		\$1,380.2	\$677.0	\$1,610.9	\$1,435.6	\$627.6	\$826.9	\$1,231.2	\$443.8	\$614.7	\$1,827.1	\$1,457.9	\$2,563.6	\$2,563.6
Capital Budget Bonding Activity:														
Opening Balance Segregated Bond Funds		\$668.8	\$615.5	\$554.2	\$275.2	\$437.2	\$262.2	\$307.2	\$582.2	\$407.2	\$232.2	\$57.2	\$457.2	\$2,602.0
Bonds		\$282.0	\$0.0	\$0.0	\$500.0	\$50.0	\$270.0	\$500.0	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0	\$2,602.0
Segregated Bond Funds Available		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Bond / BANS Proceeds Allocated		\$650.8	\$615.5	\$554.2	\$775.2	\$487.2	\$532.2	\$907.2	\$632.2	\$457.2	\$282.2	\$707.2	\$657.2	\$2,753.6
Ending Balance Segregated Bond Funds		\$35.2	\$61.3	\$279.0	\$338.0	\$225.0	\$225.0	\$225.0	\$225.0	\$225.0	\$225.0	\$250.0	\$240.0	\$2,753.6

(presented in millions)															Total FY 2015
OPENING NON-SEGREGATED OPERATING CASH BALANCE:															
OPERATING ACTIVITIES:															
Budgetary Funds:															
Tax Revenue															
Federal Reimbursements															
Other Budgetary Revenue															
Transfer from/to) Stabilization Fund															
Total Budgetary Revenue/Inflows															
Local Aid															
Tax Refunds															
Debt Service for General Obligation (including CWT)															
Debt Service for Special Obligations															
Debt Service for GANS															
Other Budgetary Expenditures															
Total Budgetary Expenditures/Outflows															
Net Budgetary Funds															
Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):															
Lottery Revenue															
Pension Receipts (PRIM and Annuity Receipts)															
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments															
Non Budgetary Tax Receipts															
Other Non Budgetary Revenue															
Total Non Budgetary Revenue/Inflows															
Lottery Payments															
MBTA Sales Tax															
MBTA Assessments															
MSBA Payments															
Pension Payments															
Non Pooled / Trust / Fiduciary Fund Expenditures															
Other Non Budgetary Expenditures															
Total Non Budgetary Expenditures/Outflows															
Net Non Budgetary Funds															
Undesignated Revenue/Inflows and Expenditures/Outflows:															
General Fund Investment Earnings															
Net Undesignated Revenue/Inflows and Expenditures/Outflows															
NET OPERATING ACTIVITIES															
FEDERAL GRANTS:															
Total Federal Grants Revenue/Inflows															
Total Federal Grants Expenditures/Outflows															
NET FEDERAL GRANTS															
CAPITAL FUNDS:															
Capital Revenue/Inflows:															
Capital Inflow from Federal Reimbursements															
Capital Inflow from Financing Activities:															
Capital Inflow to General Fund from Segregated Bond Funds															
Total Capital Revenue/Inflows															
Total Capital Expenditures/Outflows															
NET CAPITAL FUNDS															
FINANCING ACTIVITIES:															
Cash Flow Financing Activities Inflows:															
Commercial Paper															
Revenue Anticipation Notes (RANS)															
Total Cash Flow Financing Activities Inflows															
Cash Flow Financing Activities Outflows:															
Commercial Paper - (Principal + Interest)															
RANS - (Principal + Interest)															
Total Cash Flow Financing Activities Outflows															
NET FINANCING ACTIVITIES															
ENDING NON-SEGREGATED OPERATING CASH BALANCE:															
Capital Budget Bonding Activity:															
Opening Balance Segregated Bond Funds															
Bonds															
BANs															
Segregated Bond Funds Available															
Bond / BANs Proceeds Allocated															
Ending Balance Segregated Bond Funds															

May 2015 in Millions

	May 2015 Forecast	May 2015 Actual
OPENING NON-SEGREGATED OPERATING CASH BALANCE:	1,861,000	1,860,988
OPERATING ACTIVITIES:		
Budgetary Funds:		
Tax Revenue	1,600,000	1,972,517
Federal Reimbursements	850,900	908,200
Other Budgetary Revenue	493,300	278,474
Transfer from/(to) Stabilization Fund		1,044
Total Budgetary Revenue/Inflows	2,944,200	3,160,235
Local Aid	451,400	415,313
Tax Refunds	96,000	94,740
Debt Service for General Obligation (including C/A/T)	110,700	110,735
Debt Service for Special Obligations		
Debt Service for GANS		
Other Budgetary Expenditures	2,407,200	2,358,011
Total Budgetary Expenditures/Outflows	3,065,300	2,978,799
Net Budgetary Funds	(121,100)	181,436
Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):		
Lottery Revenue	150,000	207,067
Pension Receipts (PRIM and Annuity Receipts)	238,500	165,679
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	849,800	156,317
Non Budgetary Tax Receipts	39,000	25,453
Other Non Budgetary Revenue	105,000	417,886
Total Non Budgetary Revenue/Inflows	1,382,300	972,402
Lottery Payments	56,000	53,617
MBTA Sales Tax	80,000	79,871
MBTA Assessments	13,100	13,345
MSBA Payments	68,000	66,538
Pension Payments	363,000	381,680
Non Pooled / Trust / Fiduciary Fund Expenditures	360,000	218,417
Other Non Budgetary Expenditures	94,500	160,123
Total Non Budgetary Expenditures/Outflows	1,034,600	973,590
Net Non Budgetary Funds	347,700	(1,188)
Undesignated Revenue/Inflows and Expenditures/Outflows:		
General Fund Investment Earnings	1,400	1,510
Net Undesignated Revenue/Inflows and Expenditures/Outflows	1,400	1,510
NET OPERATING ACTIVITIES	229,000	181,757
FEDERAL GRANTS:		
Total Federal Grants Revenue/Inflows	230,000	192,581
Total Federal Grants Expenditures/Outflows	140,300	184,850
NET FEDERAL GRANTS	89,700	7,730
CAPITAL FUNDS:		
Capital Revenue/Inflows:		
Capital Inflow from Federal Reimbursements	34,700	23,659
Capital Inflow from Financing Activities:		
Capital Inflow to General Fund from Segregated Bond Funds	300,100	300,150
Total Capital Revenue/Inflows	334,800	323,809
Total Capital Expenditures/Outflows	335,600	279,123
NET CAPITAL FUNDS	(800)	44,685
FINANCING ACTIVITIES:		
Cash Flow Financing Activities Inflows:		
Commercial Paper		
Revenue Anticipation Notes (RANS)		
Total Cash Flow Financing Activities Inflows		
Cash Flow Financing Activities Outflows:		
Commercial Paper – (Principal + Interest)		
RANS – (Principal + Interest)	403,900	403,945
Total Cash Flow Financing Activities Outflows	403,900	403,945
NET FINANCING ACTIVITIES	(403,900)	(403,945)
ENDING NON-SEGREGATED OPERATING CASH BALANCE:	1,775,000	1,691,216

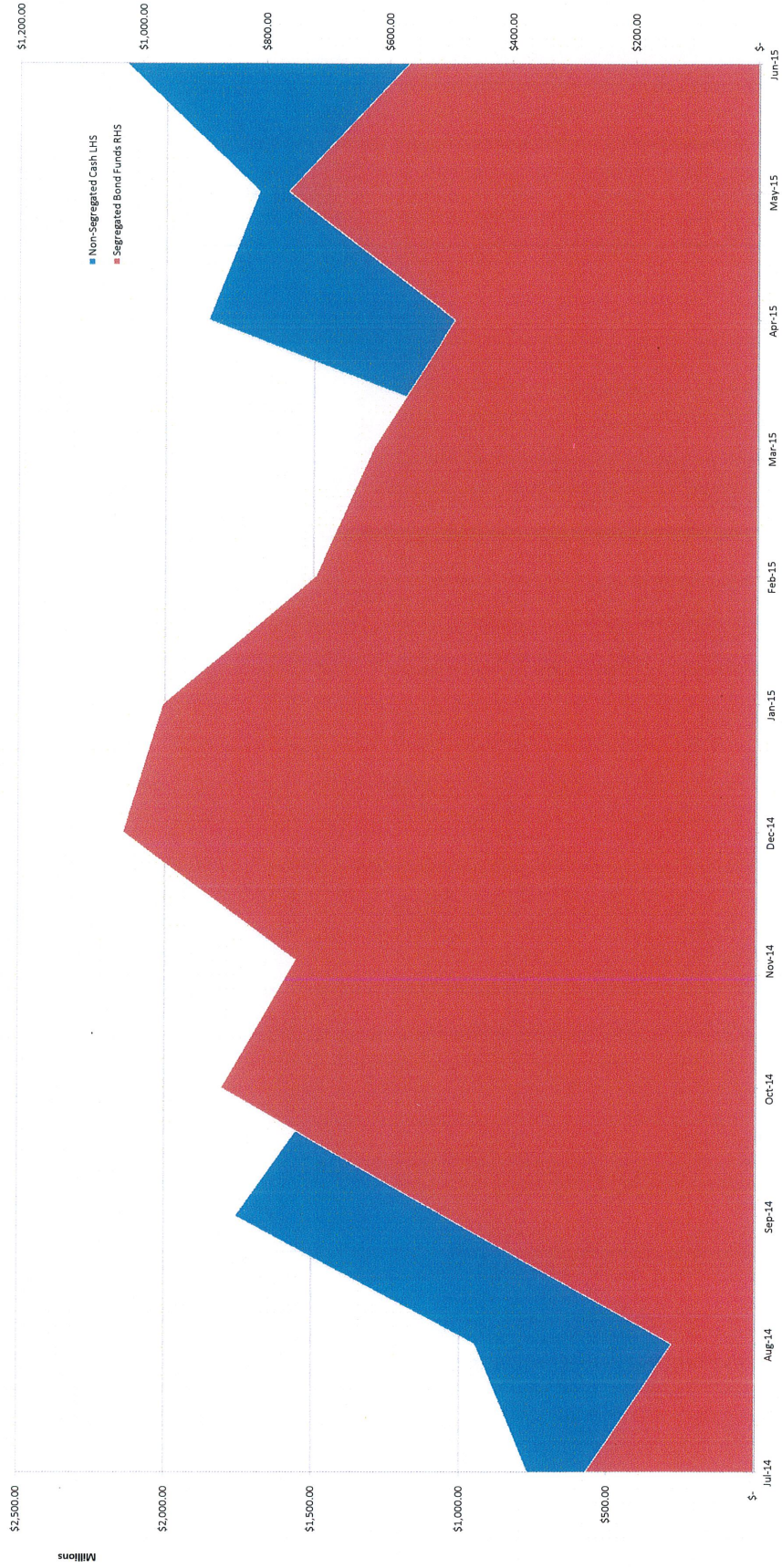
June 2015 in Millions

	June 2015 Forecast	June 2015 Actual
OPENING NON-SEGREGATED OPERATING CASH BALANCE:	1,775,000	1,691,216
OPERATING ACTIVITIES:		
Budgetary Funds:		
Tax Revenue	2,702,400	2,801,159
Federal Reimbursements	675,700	668,853
Other Budgetary Revenue	613,000	388,815
Transfer from/(to) Stabilization Fund		
Total Budgetary Revenue/Inflows	3,991,100	3,858,827
Local Aid	451,400	478,009
Tax Refunds	45,000	89,165
Debt Service for General Obligation (including C/A/T)	81,725	81,728
Debt Service for Special Obligations	86,000	85,963
Debt Service for GANS	20,677	20,677
Other Budgetary Expenditures	1,900,200	1,533,638
Total Budgetary Expenditures/Outflows	2,585,002	2,289,179
Net Budgetary Funds	1,406,098	1,569,648
Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):		
Lottery Revenue	120,000	144,437
Pension Receipts (PRIM and Annuity Receipts)	246,400	320,480
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	420,000	(724,653)
Non Budgetary Tax Receipts	45,000	37,184
Other Non Budgetary Revenue	102,000	459,438
Total Non Budgetary Revenue/Inflows	933,400	236,887
Lottery Payments	65,000	57,940
MBTA Sales Tax	88,400	78,396
MBTA Assessments	13,100	13,345
MSBA Payments	78,100	65,063
Pension Payments	398,600	405,204
Non Pooled / Trust / Fiduciary Fund Expenditures	420,000	321,247
Other Non Budgetary Expenditures	161,000	295,140
Total Non Budgetary Expenditures/Outflows	1,224,200	1,236,335
Net Non Budgetary Funds	(290,800)	(999,448)
Undesignated Revenue/Inflows and Expenditures/Outflows:		
General Fund Investment Earnings	1,400	2,281
Net Undesignated Revenue/Inflows and Expenditures/Outflows	1,400	2,281
NET OPERATING ACTIVITIES	1,116,700	572,481
FEDERAL GRANTS:		
Total Federal Grants Revenue/Inflows	225,000	524,935
Total Federal Grants Expenditures/Outflows	176,600	251,209
NET FEDERAL GRANTS	48,400	273,727
CAPITAL FUNDS:		
Capital Revenue/Inflows:		
Capital Inflow from Federal Reimbursements	75,000	203,235
Capital Inflow from Financing Activities:		
Capital Inflow to General Fund from Segregated Bond Funds	200,000	204,565
Total Capital Revenue/Inflows	275,000	407,800
Total Capital Expenditures/Outflows	377,600	400,244
NET CAPITAL FUNDS	(102,600)	7,556
FINANCING ACTIVITIES:		
Cash Flow Financing Activities Inflows:		
Commercial Paper		
Revenue Anticipation Notes (RANS)		
Total Cash Flow Financing Activities Inflows		
Cash Flow Financing Activities Outflows:		
Commercial Paper – (Principal + Interest)	404,405	404,405
RANS – (Principal + Interest)	404,405	404,405
Total Cash Flow Financing Activities Outflows	404,405	404,405
NET FINANCING ACTIVITIES	(404,405)	(404,405)
ENDING NON-SEGREGATED OPERATING CASH BALANCE:	2,433,000	2,140,574

July 2015 in Millions

	July 2015 Forecast	July 2015 Actual
OPENING NON-SEGREGATED OPERATING CASH BALANCE:	2,433,000	2,140,574
OPERATING ACTIVITIES:		
Budgetary Funds:		
Tax Revenue	1,676,500	1,743,400
Federal Reimbursements	880,800	1,186,000
Other Budgetary Revenue	301,600	329,300
Transfer from/(to) Stabilization Fund		
Total Budgetary Revenue/Inflows	2,858,900	3,258,700
Local Aid	463,100	478,400
Tax Refunds	45,200	47,500
Debt Service for General Obligation (including C/A/T)	87,400	87,400
Debt Service for Special Obligations	16,700	16,700
Debt Service for GANS		
Other Budgetary Expenditures	2,844,900	3,320,200
Total Budgetary Expenditures/Outflows	3,457,300	3,950,200
Net Budgetary Funds	(598,400)	(691,600)
Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):		
Lottery Revenue	166,500	119,800
Pension Receipts (PRIM and Annuity Receipts)	230,700	251,600
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	325,000	485,800
Non Budgetary Tax Receipts	34,000	35,300
Other Non Budgetary Revenue	169,200	326,600
Total Non Budgetary Revenue/Inflows	925,400	1,219,100
Lottery Payments	49,300	79,100
MBTA Sales Tax	82,100	75,100
MBTA Assessments	13,300	13,600
MSBA Payments	67,000	70,100
Pension Payments	395,000	392,300
Non Pooled / Trust / Fiduciary Fund Expenditures	325,000	363,700
Other Non Budgetary Expenditures	131,000	173,000
Total Non Budgetary Expenditures/Outflows	1,062,700	1,166,900
Net Non Budgetary Funds	(137,300)	53,200
Undesignated Revenue/Inflows and Expenditures/Outflows:		
General Fund Investment Earnings	1,000	1,300
Net Undesignated Revenue/Inflows and Expenditures/Outflows	1,000	1,300
NET OPERATING ACTIVITIES	(734,700)	(638,100)
FEDERAL GRANTS:		
Total Federal Grants Revenue/Inflows	190,000	155,500
Total Federal Grants Expenditures/Outflows	191,300	193,100
NET FEDERAL GRANTS	(1,300)	(37,700)
CAPITAL FUNDS:		
Capital Revenue/Inflows:		
Capital Inflow from Federal Reimbursements	63,300	49,100
Capital Inflow from Financing Activities:		
Capital Inflow to General Fund from Segregated Bond Funds	291,700	235,200
Total Capital Revenue/Inflows	355,000	284,300
Total Capital Expenditures/Outflows	381,200	368,800
NET CAPITAL FUNDS	(26,200)	(84,500)
FINANCING ACTIVITIES:		
Cash Flow Financing Activities Inflows:		
Commercial Paper		
Revenue Anticipation Notes (RANS)		
Total Cash Flow Financing Activities Inflows		
Cash Flow Financing Activities Outflows:		
Commercial Paper – (Principal + Interest)		
RANS – (Principal + Interest)		
Total Cash Flow Financing Activities Outflows		
NET FINANCING ACTIVITIES		
ENDING NON-SEGREGATED OPERATING CASH BALANCE:	1,670,800	1,380,200

Fiscal Year 2015 Monthly Cash and Investment Positions



Commonwealth of Massachusetts

Cash Flow Forecast Glossary

BUDGETARY SECTION

Tax Revenue

These tax revenue figures are gross, and do not account for tax refunds (which are captured in the budgetary outflow section of the forecast) and include amounts that are statutorily dedicated transfers to the Massachusetts Bay Transportation Authority, Massachusetts School Building Authority, etc.

Federal Reimbursements

Federal revenues are collected through reimbursements for the federal share of entitlement programs such as Medicaid and through block grants for programs such as Transitional Assistance to Needy Families (TANF). The amount of federal reimbursements to be received is determined by state expenditures for these programs. For example, the Commonwealth receives reimbursement for approximately 50% of its spending for Medicaid programs.

Other Budgetary Revenue

This revenue reflects all non-tax and non-federal reimbursement revenue that is used to support the Commonwealth's operating budget. This includes departmental revenue collections (e.g., RMV fees and fines) as well as transfers of revenue from non budgetary funds to the General Fund (e.g., Tobacco Settlements are initially deposited into a non budgetary fund and then transferred to the General Fund. Unclaimed Property revenue is transferred from the Unclaimed Property Fund to the General Fund, etc.).

Transfer from/(to) Stabilization Fund

The Stabilization Fund is established by state finance law as a reserve of surplus revenues to be used for the purposes of covering revenue shortfalls, state or local losses of federal funds or for any event that threatens the health, safety or welfare of the people or the fiscal stability of the Commonwealth or any of its political subdivisions. The fund is sometimes referred to as the state's "rainy day fund", serving as a source of financial support for the state budget in times of slow or declining revenue growth and as the primary source of protection against having to make drastic cuts in state services in periods of economic downturns. The Stabilization Fund is a "segregated" fund, and balances in the fund do not contribute to Commonwealth's "pooled" cash.

Local Aid

This spending category represents local aid that is appropriated in the state budget and is primarily comprised of Chapter 70 (public education) local aid and unrestricted general government aid. These disbursements used to go out quarterly, but recently enacted legislation amended state finance law so that they are made on a monthly basis.

Tax Refunds

A tax refund is a refund to a taxpayer of amounts paid in excess of the full amount of tax, interest and penalties due from the taxpayer for a particular tax type and period. Under G.L. Chapter 62C, Section 36, the Commissioner can offset a tax refund for one tax type in order to pay amounts due from the taxpayer for another tax type.

Debt Service for General Obligation (including CA/T)

This line represents principal and interest payments on all of the Commonwealth's outstanding general obligation bonds. These payments, as general obligations of the Commonwealth, are secured by a pledge of the Commonwealth's full faith and credit. Within this line are payments on bonds and notes issued to finance the State's various capital expenditures. Debt service payments for general obligation bonds are made on a monthly basis.

Debt Service for Special Obligations

This line represents principal and interest payments on all of the Commonwealth's outstanding special obligation bonds. As special obligations of the Commonwealth, these payments are secured by specific revenue streams pursuant to the various trust agreements underlying each bond issuance. This line includes payments on bonds secured by motor vehicle fuels receipts, Commonwealth Transportation Fund ("CTF") revenues and a selection of tourism-related sales and excise taxes.

Debt Service for GANS

This line represents interest payments on Federal Grant Anticipation Notes (GANs). GANs are bonds issued by the Commonwealth that are secured by a pledge of future Federal Highway Trust Fund revenues and net CTF revenues. The Commonwealth's current outstanding GANs were issued to help finance the Central/Artery Tunnel Project as well as the Accelerated Bridge Program. GANs payments are made one year in advance of their scheduled release from the trustee and are made in December and June of each year.

Other Budgetary Expenditures

This captures all operating budget spending with the exception of Local Aid, Debt Service and the pension appropriation. This line includes: MassHealth spending, budgetary payroll

and other budgeted spending, either authorized in the GAA, supplemental budget legislation filed or enacted, or that may be anticipated.

NON BUDGETARY SECTION

Lottery Revenue

This revenue category represents the net operating revenues of the Massachusetts State Lottery Commission. It primarily consists of the sale of Lottery products minus prizes, commissions and bonuses that are paid by the Commission.

Pension Receipts (PRIM and Annuity Receipts)

Funds transferred from PRIM to reimburse the General Fund for the payment of monthly pension benefits and annuity payments and separation from state service.

Transfer in & out for Non Pooled / Trust / Fiduciary Fund Investments

Non budgetary funds are also referred to as Trust or Fiduciary funds. As defined in state finance law, "Trust fund", a fund into which are deposited monies held by the Commonwealth or state agencies in a trustee capacity and which must be expended in accordance with the terms of the trust. Funds held in trust earn interest, which accrues to the trust; so for cash flow purposes are categorized as non pooled cash. When a trust collects money it is recorded with the Treasury on MMARS (the Commonwealth's accounting system) then moved from the cash flow to a non pooled investment. When a trust spends money the investment is liquidated by the Treasury on MMARS and then moved from a non-pooled status back to the cash flow. Thus, the net amount of all non budgetary investments for a month could be a negative inflow.

Non Budgetary Tax Receipts

These taxes are collected by the Commonwealth but are deposited directly into non budgetary trust funds for dedicated purposes. For example, the Massachusetts Convention Center Fund annually receives dedicated hotel and sales taxes to support restricted purposes, such as the annual debt service expenses associated with the construction of the Boston Convention and Exhibition Center.

Other Non Budgetary Revenue

The recording of cash collections of all non budgetary funds, except Lottery, Pension and non budgetary tax receipts.

Lottery Payments

Payment of prizes, commissions and bonuses that are paid by the Commission.

MBTA Sales Tax

The MBTA receives 1% of the first 5% of sales tax receipts, excluding meals (MGL Chapter 10, Section 35T). The dedicated sales tax growth is capped at 3% annually (based on the inflation index), but has not been achieved in recent years. This revenue is drawn down from the Fund on a monthly basis with a quarterly true-up.

MBTA Assessments

The Local Assessments (MGL Chapter 161A, Section 9) are contributed by the 175 cities and towns that are served by the MBTA. Each share is based on a weighted percentage of the total population of all the communities as published by the most recent state census. The total Local Assessment is certified before March 1 of each year and is now drawn down from the Fund on a monthly basis.

MSBA Payments

The Massachusetts School Building Authority (“MSBA”) receives a dedicated sales tax revenue amount equal to 1% of receipts from sales, as defined by G.L. Chapter 64H and G.L. Chapter 64I (exclusive of taxes on sale of meals and sales in certain convention center districts). By the 15th business day of each month, the Department of Revenue (“DOR”) identifies the dedicated sales tax revenue amount from the gross receipts of sales and purchases received by the Commonwealth the previous month, and the Comptroller credits that identified amount to the School Modernization and Reconstruction Trust Fund (“SMART Fund”). Within two business days of the Comptroller crediting the identified amount for the previous month to the SMART Fund, the Office of the State Treasurer disburses that amount from the SMART Fund to the MSBA’s trustee.

Pension Payments

Payments to beneficiaries of the state and teachers retirement systems, payments of refunds for excess collections or separation from state service.

Non Pooled / Trust / Fiduciary Fund Expenditures

Any payments made from non pooled funds require cash on hand at the time of expenditure. These funds may be recently collected through Other Non Budgetary Revenue or may require liquidation of invested income.

Other Non Budgetary Expenditures

Non budgetary expenditures that are supported by pooled cash.

General Fund Investment Earnings

Interest earned from deposits at local banks and the Commonwealth's pooled investment trust, the Massachusetts Municipal Depository Trust.

FEDERAL GRANTS SECTION

Total Federal Grants Revenue/Inflows

This line represents the funds that have been authorized by federal agencies for federal grant expenditures/outflows that a state agency has incurred. Agencies must comply with regulations issued by the Comptroller for application and receipt of federal grants, which are generally then appropriated in section 2D of the General Appropriation Act.

Total Federal Grants Expenditures/Outflows

This line represents funds spent by state agencies from federal grant appropriation accounts. In accordance with the Cash Management Improvement Act (CMIA) all expenses are scheduled to be disbursed by the state agencies and then drawdowns from the federal funding agencies are made to time receipt with the payments clearing the bank.

CAPITAL SECTION

Capital Inflow from Federal Reimbursements

This line represents funds provided to the Commonwealth from federal agencies for capital expenditures that qualify for full or partial reimbursement. For example, the Federal Transit Authority typically reimburses the Commonwealth for approximately 80% of costs associated with maintaining state roads and bridges.

Capital Inflow to General Fund from Segregated Bond Funds

This line represents the allocated bond proceeds transferred from the segregated bond fund to the General Fund for reimbursement of General Fund expenditures on capital projects.

Total Capital Expenditures/Outflows

This line represents capital spending funded through the Commonwealth's "bond cap", which is based on an annual Debt-Affordability Study and is approved through the Commonwealth's Five-Year Capital Investment Plan, as well as gross federally-reimbursable spending, capital expenditures related to the Accelerated Bridge Program, which is secured through a separate stream of revenue that is not included in the Commonwealth's Debt-Affordability Study, and lastly, projects funded through the Clean Energy Investment Program, whereby the debt is secured by future savings related to increased energy efficiency.

Commercial Paper

This line item represents the proceeds from the Commonwealth's sale of commercial paper. Commercial paper is a short-term financial obligation of the Commonwealth that has a fixed maturity of no more than 270 days.

Revenue Anticipation Notes (RANS)

This line represents the proceeds from the sale of Commonwealth of Massachusetts revenue anticipation notes (RANS). RANS are general obligations of the Commonwealth, of which the State's full faith and credit is pledged, with a maturity of less than one year. RANS are issued in order to manage the cyclical variability in the Commonwealth's cash flow operations. Generally, they are issued in the beginning of a fiscal year, in anticipation of revenue to be received towards the end of the fiscal year.

Commercial Paper – (Principal + Interest)

This line item represents the principal and interest debt service payments on the Commonwealth's commercial paper. Commercial paper is a short-term financial obligation of the Commonwealth that has a fixed maturity of no more than 270 days.

RANS – (Principal + Interest)

This line item represents the principal and interest debt service payments on RANS issued by the Commonwealth. RANS are general obligations of the Commonwealth, of which the Commonwealth's full faith and credit is pledged, and carry a maturity of less than one year. RANS are issued in order to manage the cyclical variability in the Commonwealth's cash flow operations. Generally, they are issued in the beginning of a fiscal year, in anticipation of revenue to be received towards the end of the fiscal year.

Opening Balance Segregated Bond Funds

This line item represents the opening balance within the Commonwealth's segregated bond fund. The segregated bond fund is separate from the Commonwealth's operating and

budgetary funds and is only affected by the receipt of bond proceeds or the allocation of bond proceeds. The fund's opening balance at the beginning of a given day will be equal to the closing balance on the prior day.

Bonds

This line item represents the proceeds from the sale of Commonwealth bonds (both special obligation and general obligation).

BANs

This line item represents proceeds from the sale of bond anticipation notes. BANs allow the Commonwealth to access short-term liquidity for capital needs in anticipation of future longer-term borrowings.

Segregated Bond Funds Available

This represents the total sum of the fund's opening balance plus any bond or BAN proceeds.

Bond / BANs Proceeds Allocated

This represents any segregated funds allocated to the general fund for reimbursement of General Fund expenditures on capital costs.