



# The Commonwealth of Massachusetts

## OFFICE OF THE STATE TREASURER

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TREASURER AND RECEIVER GENERAL

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December 2, 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 projects 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 balances.

### ***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 at the time of its approval. (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.) Subsequent to the fiscal year 2016 budget's approval, the legislature passed veto overrides of \$97.9 million.

The fiscal year 2016 budget relies on approximately \$629.0 million in one-time resources and other solutions to support recurring spending. Among the one-time resources assumed as part of

\*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.

the fiscal year 2016 budget are: projected \$300.0 million in capital gains tax revenues retained in the General Fund, projected \$116.0 million of MassHealth cash management, projected \$100.0 million from a non-filer tax amnesty program, \$67.0 million transfer from the Commonwealth Care Trust Fund, and \$46.0 million from FAS 109 delay. The fiscal year 2016 budget assumes \$113.0 million in fiscal year 2016 debt service defeasance included 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, approximately \$405.0 million of spending authorized under the accelerated bridge program, approximately \$394.0 million in special obligation spending for rail enhancement projects, approximately \$716.0 million in federal reimbursements and grants, approximately \$98.0 million of spending on projects funded by anticipated savings or revenues, approximately \$168.0 million from non-commonwealth sources such as contributions from campuses, and approximately \$205.0 million in pay-as-you-go capital funded by operating funds, including tolls.

For cash flow needs for fiscal year 2016, the State Treasurer issued \$1.2 billion in revenue anticipation notes (RANs) on September 29, 2015. As in previous years, the RANs will be repaid in April, May and June 2016. The State Treasurer issued \$200.0 million in bond anticipation notes (BANs) on November 24, 2015, and plans to repay the notes in April 2016. The BANs were issued to provide the Commonwealth with additional flexibility.

### ***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



	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
(presented in millions)	Actual	Actual	Actual	Actual	Est	Est	Est	Est	Est	Est	Est	Est	
<b>OPENING NON-SEGREGATED OPERATING CASH BALANCE:</b>	\$2,140.6	\$1,380.2	\$551.4	\$1,951.6	\$1,620.0	\$900.0	\$1,036.2	\$1,293.5	\$639.6	\$673.5	\$1,920.5	\$1,457.5	\$2,140.6
<b>OPERATING ACTIVITIES:</b>													
<b>Budgetary Funds:</b>													
Tax Revenue	\$1,743.4	\$1,803.2	\$2,701.6	\$1,838.0	\$1,708.0	\$2,415.9	\$2,613.9	\$1,900.9	\$2,678.9	\$3,350.9	\$2,003.9	\$2,847.9	\$27,606.2
Federal Reimbursements	\$1,186.0	\$1,079.8	\$593.6	\$757.8	\$827.6	\$984.6	\$848.1	\$875.0	\$1,097.2	\$713.4	\$1,009.7	\$749.1	\$10,722.0
Other Budgetary Revenue	\$329.3	\$264.1	\$256.0	\$344.1	\$340.2	\$328.0	\$424.1	\$299.2	\$334.1	\$643.4	\$410.4	\$511.8	\$4,484.7
Transfer from/(to) Stabilization Fund	\$0.0	(\$0.1)	\$0.0	\$0.0	(\$123.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$123.6)
<b>Total Budgetary Revenue/Inflows</b>	<b>\$3,258.7</b>	<b>\$3,146.9</b>	<b>\$3,551.1</b>	<b>\$2,939.9</b>	<b>\$2,752.3</b>	<b>\$3,728.5</b>	<b>\$3,886.1</b>	<b>\$3,075.1</b>	<b>\$4,110.2</b>	<b>\$4,707.7</b>	<b>\$3,424.0</b>	<b>\$4,108.8</b>	<b>\$42,689.2</b>
Local Aid	\$478.4	\$451.9	\$529.7	\$463.3	\$464.2	\$464.2	\$464.2	\$464.2	\$464.2	\$464.2	\$464.2	\$464.2	\$5,636.9
Tax Refunds	\$47.5	\$64.6	\$78.7	\$166.2	\$108.0	\$42.0	\$86.0	\$419.0	\$340.0	\$283.0	\$84.0	\$77.0	\$1,796.0
Debt Service for General Obligation (including CA/T)	\$87.4	\$527.9	\$225.7	\$145.7	\$325.9	\$187.4	\$109.4	\$172.5	\$70.0	\$80.7	\$123.5	\$86.6	\$2,142.9
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	\$86.3	\$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	\$47.9	\$74.8
Other Budgetary Expenditures	\$3,320.2	\$2,311.7	\$2,227.3	\$2,803.9	\$2,973.0	\$2,763.5	\$2,693.0	\$2,446.9	\$2,998.1	\$2,336.1	\$2,627.1	\$1,823.2	\$31,324.1
<b>Total Budgetary Expenditures/Outflows</b>	<b>\$3,950.3</b>	<b>\$3,356.1</b>	<b>\$3,061.5</b>	<b>\$3,579.1</b>	<b>\$3,871.1</b>	<b>\$3,521.2</b>	<b>\$3,390.4</b>	<b>\$3,502.6</b>	<b>\$3,872.3</b>	<b>\$3,164.0</b>	<b>\$3,298.8</b>	<b>\$2,585.2</b>	<b>\$41,152.7</b>
<b>Net Budgetary Funds</b>	<b>(\$691.6)</b>	<b>(\$209.2)</b>	<b>\$489.7</b>	<b>(\$639.3)</b>	<b>(\$1,118.8)</b>	<b>\$207.3</b>	<b>\$495.7</b>	<b>(\$427.5)</b>	<b>\$237.8</b>	<b>\$1,543.7</b>	<b>\$125.2</b>	<b>\$1,523.5</b>	<b>\$1,536.5</b>
<b>Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):</b>													
Lottery Revenue	\$119.8	\$181.9	\$123.9	\$131.1	\$137.9	\$137.9	\$172.4	\$137.9	\$137.9	\$172.4	\$137.9	\$137.9	\$1,728.8
Pension Receipts (PRIM and Annuity Receipts)	\$251.6	\$258.3	\$256.1	\$265.7	\$230.7	\$230.7	\$230.7	\$230.7	\$230.7	\$230.7	\$230.7	\$230.6	\$2,876.9
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	\$485.8	(\$45.2)	(\$84.2)	\$112.6	\$562.4	\$365.0	\$340.0	\$330.0	\$370.0	\$330.0	\$330.0	\$370.0	\$3,466.4
Non Budgetary Tax Receipts	\$35.3	\$39.7	\$42.1	\$41.1	\$29.0	\$31.0	\$24.0	\$22.0	\$60.0	\$49.0	\$41.0	\$47.0	\$461.2
Other Non Budgetary Revenue	\$326.6	\$400.3	\$362.7	\$679.4	\$175.2	\$267.2	\$137.2	\$104.2	\$66.2	\$378.2	\$154.2	\$201.2	\$3,252.3
<b>Total Non Budgetary Revenue/Inflows</b>	<b>\$1,218.9</b>	<b>\$834.9</b>	<b>\$700.6</b>	<b>\$1,230.0</b>	<b>\$1,135.1</b>	<b>\$1,031.7</b>	<b>\$904.2</b>	<b>\$824.7</b>	<b>\$864.7</b>	<b>\$1,160.2</b>	<b>\$893.7</b>	<b>\$986.7</b>	<b>\$11,785.6</b>
Lottery Payments	\$79.1	\$57.8	\$65.9	\$47.5	\$59.6	\$47.7	\$47.7	\$59.6	\$47.7	\$59.6	\$47.7	\$59.6	\$667.5
MBTA Sales Tax	\$75.1	\$85.9	\$88.4	\$76.8	\$82.1	\$82.1	\$82.1	\$82.1	\$82.1	\$82.1	\$83.0	\$83.5	\$985.2
MBTA Assessments	\$13.6	\$13.6	\$13.6	\$0.0	\$13.3	\$13.3	\$13.3	\$13.3	\$13.3	\$13.3	\$13.3	\$13.3	\$147.1
MSBA Payments	\$70.1	\$72.6	\$65.8	\$63.5	\$67.0	\$67.0	\$67.0	\$67.0	\$67.0	\$67.0	\$65.0	\$65.0	\$803.9
Pension Payments	\$392.3	\$402.0	\$412.0	\$416.3	\$403.0	\$405.3	\$403.0	\$403.0	\$403.0	\$403.0	\$403.0	\$403.0	\$4,848.9
Non Pooled / Trust / Fiduciary Fund Expenditures	\$363.7	\$375.6	\$171.6	\$219.6	\$325.0	\$365.0	\$340.0	\$330.0	\$370.0	\$330.0	\$330.0	\$370.0	\$3,890.5
Other Non Budgetary Expenditures	\$173.0	\$138.5	\$223.1	\$100.2	\$96.0	\$159.0	\$131.0	\$74.0	\$181.0	\$109.0	\$94.5	\$181.0	\$1,660.3
<b>Total Non Budgetary Expenditures/Outflows</b>	<b>\$1,166.8</b>	<b>\$1,145.8</b>	<b>\$1,040.5</b>	<b>\$923.8</b>	<b>\$1,046.0</b>	<b>\$1,139.4</b>	<b>\$1,084.1</b>	<b>\$1,029.0</b>	<b>\$1,164.1</b>	<b>\$1,052.1</b>	<b>\$1,048.4</b>	<b>\$1,163.5</b>	<b>\$13,003.4</b>
<b>Net Non Budgetary Funds</b>	<b>\$52.1</b>	<b>(\$310.9)</b>	<b>(\$340.0)</b>	<b>\$306.2</b>	<b>\$89.1</b>	<b>(\$107.6)</b>	<b>(\$179.9)</b>	<b>(\$204.3)</b>	<b>(\$299.3)</b>	<b>\$108.1</b>	<b>(\$154.7)</b>	<b>(\$176.8)</b>	<b>(\$1,217.9)</b>
<b>Undesignated Revenue/Inflows and Expenditures/Outflows:</b>													
General Fund Investment Earnings	\$1.3	\$1.7	\$15.9	\$1.6	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$28.5
<b>Net Undesignated Revenue/Inflows and Expenditures/Outflows</b>	<b>\$1.3</b>	<b>\$1.7</b>	<b>\$15.9</b>	<b>\$1.6</b>	<b>\$1.0</b>	<b>\$1.0</b>	<b>\$1.0</b>	<b>\$1.0</b>	<b>\$1.0</b>	<b>\$1.0</b>	<b>\$1.0</b>	<b>\$1.0</b>	<b>\$28.5</b>
<b>NET OPERATING ACTIVITIES</b>	<b>(\$638.2)</b>	<b>(\$518.4)</b>	<b>\$165.6</b>	<b>(\$331.5)</b>	<b>(\$1,028.7)</b>	<b>\$100.7</b>	<b>\$316.8</b>	<b>(\$630.7)</b>	<b>(\$60.5)</b>	<b>\$1,652.8</b>	<b>(\$28.5)</b>	<b>\$1,347.8</b>	<b>\$347.1</b>
<b>FEDERAL GRANTS:</b>													
<b>Total Federal Grants Revenue/Inflows</b>	<b>\$155.5</b>	<b>\$177.8</b>	<b>\$200.3</b>	<b>\$143.0</b>	<b>\$190.0</b>	<b>\$185.0</b>	<b>\$190.0</b>	<b>\$185.0</b>	<b>\$190.0</b>	<b>\$185.0</b>	<b>\$190.0</b>	<b>\$215.0</b>	<b>\$2,206.6</b>
<b>Total Federal Grants Expenditures/Outflows</b>	<b>\$193.1</b>	<b>\$203.8</b>	<b>\$139.3</b>	<b>\$166.7</b>	<b>\$191.3</b>	<b>\$198.7</b>	<b>\$236.3</b>	<b>\$168.7</b>	<b>\$221.3</b>	<b>\$178.7</b>	<b>\$210.3</b>	<b>\$198.6</b>	<b>\$2,306.7</b>
<b>NET FEDERAL GRANTS</b>	<b>(\$37.7)</b>	<b>(\$25.9)</b>	<b>\$61.0</b>	<b>(\$23.7)</b>	<b>(\$1.3)</b>	<b>(\$13.7)</b>	<b>(\$46.3)</b>	<b>\$16.3</b>	<b>(\$31.3)</b>	<b>\$6.3</b>	<b>(\$20.3)</b>	<b>\$16.4</b>	<b>(\$100.2)</b>
<b>CAPITAL FUNDS:</b>													
<b>Capital Revenue/Inflows:</b>													
Capital Inflow from Federal Reimbursements	\$49.1	\$58.4	\$74.2	\$30.5	\$68.6	\$72.2	\$66.6	\$59.1	\$56.3	\$75.2	\$73.9	\$91.9	\$776.0
Capital Inflow from Financing Activities:													
Capital Inflow to General Fund from Segregated Bond Funds	\$235.2	\$65.3	\$207.1	\$237.5	\$358.4	\$310.8	\$229.8	\$175.2	\$330.3	\$463.0	\$256.2	\$272.1	\$3,140.9
<b>Total Capital Revenue/Inflows</b>	<b>\$284.3</b>	<b>\$123.7</b>	<b>\$281.3</b>	<b>\$268.0</b>	<b>\$427.0</b>	<b>\$383.0</b>	<b>\$296.4</b>	<b>\$234.3</b>	<b>\$386.6</b>	<b>\$538.2</b>	<b>\$330.1</b>	<b>\$364.0</b>	<b>\$3,916.9</b>
<b>Total Capital Expenditures/Outflows</b>	<b>\$368.8</b>	<b>\$408.3</b>	<b>\$307.7</b>	<b>\$244.4</b>	<b>\$317.0</b>	<b>\$333.7</b>	<b>\$309.6</b>	<b>\$273.8</b>	<b>\$360.9</b>	<b>\$347.3</b>	<b>\$341.3</b>	<b>\$423.4</b>	<b>\$3,936.1</b>
<b>NET CAPITAL FUNDS</b>	<b>(\$84.5)</b>	<b>(\$284.5)</b>	<b>(\$26.4)</b>	<b>\$23.6</b>	<b>\$110.0</b>	<b>\$49.3</b>	<b>(\$13.2)</b>	<b>(\$39.5)</b>	<b>\$125.7</b>	<b>\$190.9</b>	<b>(\$11.2)</b>	<b>(\$59.4)</b>	<b>(\$19.2)</b>
<b>FINANCING ACTIVITIES:</b>													
<b>Cash Flow Financing Activities Inflows:</b>													
Commercial Paper	\$0.0	\$0.0	\$0.0	\$0.0	\$200.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$200.0
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
<b>Total Cash Flow Financing Activities Inflows</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1,200.0</b>	<b>\$0.0</b>	<b>\$200.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1,400.0</b>
<b>Cash Flow Financing Activities Outflows:</b>													
Commercial Paper - (Principal + Interest)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$200.0	\$0.0	\$0.0	\$200.0
RANS - (Principal + Interest)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$403.0	\$403.0	\$404.0	\$1,210.0
<b>Total Cash Flow Financing Activities Outflows</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$603.0</b>	<b>\$403.0</b>	<b>\$404.0</b>	<b>\$1,410.0</b>
<b>NET FINANCING ACTIVITIES</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1,200.0</b>	<b>\$0.0</b>	<b>\$200.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>(\$603.0)</b>	<b>(\$403.0)</b>	<b>(\$404.0)</b>	<b>(\$10.0)</b>
<b>ENDING NON-SEGREGATED OPERATING CASH BALANCE:</b>	<b>\$1,380.2</b>	<b>\$551.4</b>	<b>\$1,951.6</b>	<b>\$1,620.0</b>	<b>\$900.0</b>	<b>\$1,036.2</b>	<b>\$1,293.5</b>	<b>\$639.6</b>	<b>\$673.5</b>	<b>\$1,920.5</b>	<b>\$1,457.5</b>	<b>\$2,358.3</b>	<b>\$2,358.3</b>
<b>Capital Budget Bonding Activity:</b>													
Opening Balance Segregated Bond Funds	\$568.8	\$615.5	\$550.2	\$352.4	\$114.9	\$316.1	\$605.3	\$375.5	\$200.3	\$570.0	\$807.0	\$550.8	
Bonds	\$282.0	\$0.0	\$9.2	\$0.0	\$559.5	\$600.0	\$0.0	\$0.0	\$700.0	\$700.0	\$0.0	\$500.0	\$3,350.7
BANs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Segregated Bond Funds Available	\$850.8	\$615.5	\$559.4	\$352.4	\$674.4	\$916.1	\$605.3	\$375.5	\$900.3	\$1,270.0	\$807.0	\$1,050.8	
Bond / BANs Proceeds Allocated	\$235.2	\$65.3	\$207.1	\$237.5	\$358.4	\$310.8	\$229.8	\$175.2	\$330.3	\$463.0	\$256.2	\$272.1	\$3,140.9
<b>Ending Balance Segregated Bond Funds</b>	<b>\$615.5</b>	<b>\$550.2</b>	<b>\$352.4</b>	<b>\$114.9</b>	<b>\$316.1</b>	<b>\$605.3</b>	<b>\$375.5</b>	<b>\$200.3</b>	<b>\$570.0</b>	<b>\$807.0</b>	<b>\$550.8</b>	<b>\$778.7</b>	



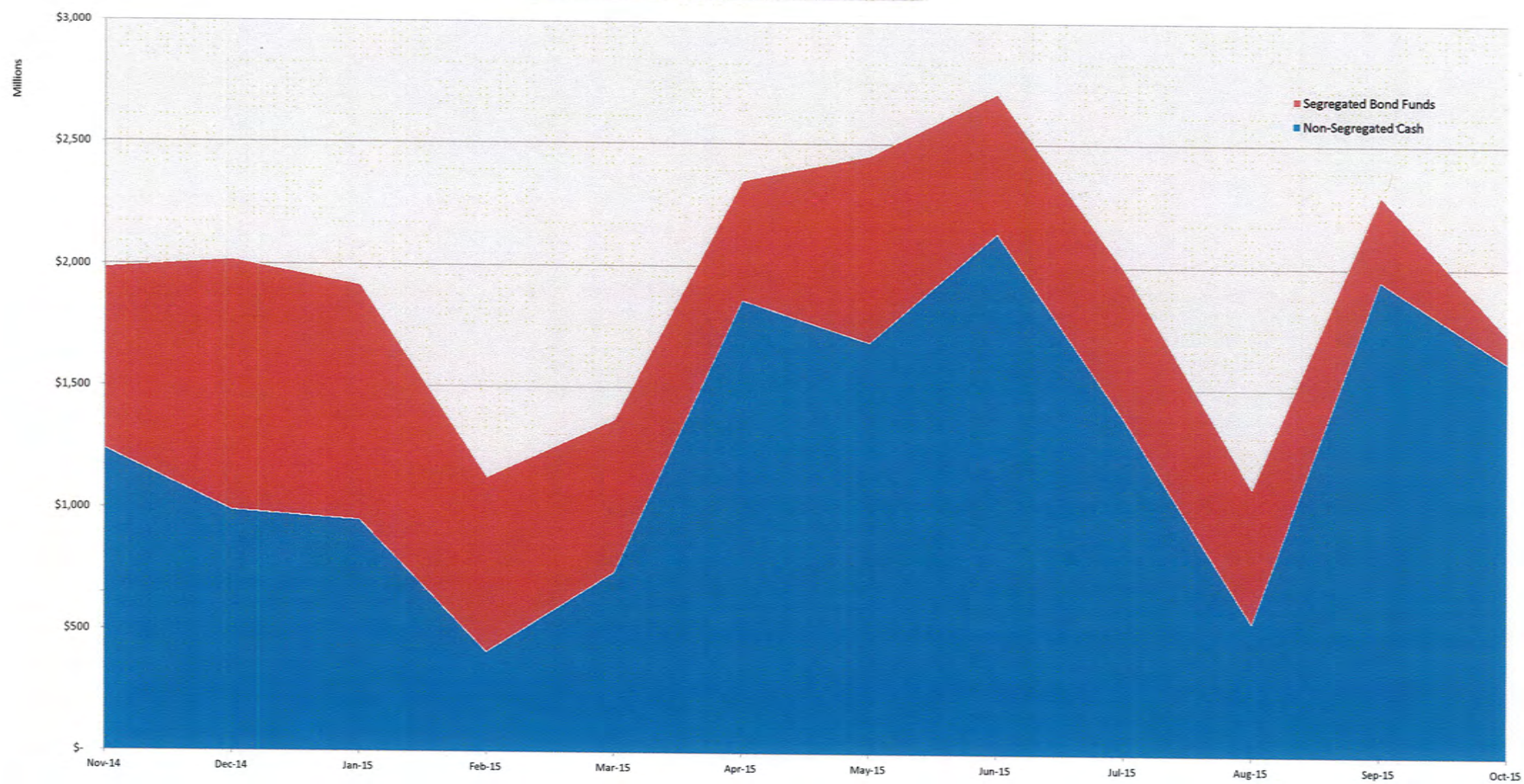
August 2015 in Millions				
	August 2015 Forecast	August 2015 Actual	Variance	
<b>OPENING NON-SEGREGATED OPERATING CASH BALANCE:</b>	<b>1,380.200</b>	<b>1,380.248</b>		
<b>OPERATING ACTIVITIES:</b>				
<b>Budgetary Funds:</b>				
Tax Revenue	1,756.000	1,803.215	47.215	
Federal Reimbursements	807.200	1,079.750	272.550	
Other Budgetary Revenue	273.800	264.113	(9.687)	
Transfer from/(to) Stabilization Fund		(0.135)	(0.135)	
<b>Total Budgetary Revenue/Inflows</b>	<b>2,837.000</b>	<b>3,146.944</b>	<b>309.944</b>	
Local Aid	463.900	451.882	(12.038)	
Tax Refunds	60.000	64.643	4.643	
Debt Service for General Obligation (including CA/T)	529.142	527.885	(1.257)	
Debt Service for Special Obligations				
Debt Service for GANS				
Other Budgetary Expenditures	2,486.900	2,311.716	(175.184)	
<b>Total Budgetary Expenditures/Outflows</b>	<b>3,539.942</b>	<b>3,356.106</b>	<b>(183.836)</b>	
<b>Net Budgetary Funds</b>	<b>(702.942)</b>	<b>(209.163)</b>	<b>493.780</b>	
<b>Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):</b>				
Lottery Revenue	137.832	181.862	44.030	
Pension Receipts (PRIM and Annuity Receipts)	230.670	258.271	27.601	
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	679.500	(45.246)	(724.746)	
Non Budgetary Tax Receipts	39.000	39.657	0.657	
Other Non Budgetary Revenue	127.200	400.327	273.127	
<b>Total Non Budgetary Revenue/Inflows</b>	<b>1,214.202</b>	<b>834.871</b>	<b>(379.331)</b>	
Lottery Payments	56.337	57.790	1.454	
MBTA Sales Tax	82.100	85.882	3.782	
MBTA Assessments	13.300	13.572	0.272	
MSBA Payments	66.992	72.557	5.566	
Pension Payments	395.000	402.007	7.007	
Non Pooled / Trust / Fiduciary Fund Expenditures	340.000	375.554	35.554	
Other Non Budgetary Expenditures	74.000	138.453	64.453	
<b>Total Non Budgetary Expenditures/Outflows</b>	<b>1,027.728</b>	<b>1,145.816</b>	<b>118.087</b>	
<b>Net Non Budgetary Funds</b>	<b>186.474</b>	<b>(310.944)</b>	<b>(497.419)</b>	
<b>Undesignated Revenue/Inflows and Expenditures/Outflows:</b>				
General Fund Investment Earnings	1.000	1.708	0.708	
<b>Net Undesignated Revenue/Inflows and Expenditures/Outflows</b>	<b>1.000</b>	<b>1.708</b>	<b>0.708</b>	
<b>NET OPERATING ACTIVITIES</b>	<b>(515.468)</b>	<b>(518.399)</b>	<b>(2.931)</b>	
<b>FEDERAL GRANTS:</b>				
<b>Total Federal Grants Revenue/Inflows</b>	<b>170.000</b>	<b>177.832</b>	<b>7.832</b>	
<b>Total Federal Grants Expenditures/Outflows</b>	<b>213.700</b>	<b>203.772</b>	<b>(9.928)</b>	
<b>NET FEDERAL GRANTS</b>	<b>(43.700)</b>	<b>(25.940)</b>	<b>17.760</b>	
<b>CAPITAL FUNDS:</b>				
<b>Capital Revenue/Inflows:</b>				
Capital Inflow from Federal Reimbursements	50.100	58.405	8.305	
Capital Inflow from Financing Activities:				
Capital Inflow to General Fund from Segregated Bond Funds	61.337	65.337	4.000	
<b>Total Capital Revenue/Inflows</b>	<b>111.437</b>	<b>123.742</b>	<b>12.305</b>	
<b>Total Capital Expenditures/Outflows</b>	<b>255.500</b>	<b>408.263</b>	<b>152.763</b>	
<b>NET CAPITAL FUNDS</b>	<b>(144.063)</b>	<b>(284.520)</b>	<b>(140.458)</b>	
<b>FINANCING ACTIVITIES:</b>				
<b>Cash Flow Financing Activities Inflows:</b>				
Commercial Paper				
Revenue Anticipation Notes (RANS)				
<b>Total Cash Flow Financing Activities Inflows</b>				
<b>Cash Flow Financing Activities Outflows:</b>				
Commercial Paper – (Principal + Interest)				
RANS – (Principal + Interest)				
<b>Total Cash Flow Financing Activities Outflows</b>				
<b>NET FINANCING ACTIVITIES</b>				
<b>ENDING NON-SEGREGATED OPERATING CASH BALANCE:</b>	<b>677.000</b>	<b>551.389</b>	<b>(125.611)</b>	

September 2015 in Millions		
September 2015 Forecast	September 2015 Actual	Variance
<b>677.000</b>	<b>551.389</b>	<b>(125.595)</b>
2,605.000	2,701.556	96.556
743.100	593.595	(149.505)
296.200	255.969	(40.231)
<b>3,644.300</b>	<b>3,551.119</b>	<b>(93.181)</b>
463.900	529.744	65.844
50.000	78.699	28.699
217.324	225.734	8.410
3,103.400	2,227.285	(876.115)
<b>3,834.624</b>	<b>3,061.462</b>	<b>(773.162)</b>
<b>(190.324)</b>	<b>489.657</b>	<b>679.981</b>
137.832	123.904	(13.928)
230.670	256.068	25.398
365.000	(84.190)	(449.190)
41.000	42.129	1.129
234.200	362.654	128.454
<b>1,008.702</b>	<b>700.566</b>	<b>(308.137)</b>
45.069	65.948	20.879
82.100	88.402	6.302
13.300	13.572	0.272
66.992	65.832	(1.160)
395.000	412.046	17.046
365.000	171.610	(193.390)
181.000	223.131	42.131
<b>1,148.461</b>	<b>1,040.541</b>	<b>(107.920)</b>
<b>(139.758)</b>	<b>(339.975)</b>	<b>(200.216)</b>
1.000	15.877	14.877
<b>1.000</b>	<b>15.877</b>	<b>14.877</b>
<b>(329.083)</b>	<b>165.559</b>	<b>494.641</b>
190.000	200.310	10.310
191.300	139.266	(52.034)
<b>(1.300)</b>	<b>61.044</b>	<b>62.344</b>
52.900	74.211	21.311
279.000	207.084	(71.916)
<b>331.900</b>	<b>281.295</b>	<b>(50.605)</b>
267.600	307.658	40.058
<b>64.300</b>	<b>(26.363)</b>	<b>(90.663)</b>
1,200.000	1,200.000	
<b>1,200.000</b>	<b>1,200.000</b>	
<b>1,200.000</b>	<b>1,200.000</b>	
<b>1,610.900</b>	<b>1,951.628</b>	<b>340.728</b>

October 2015 in Millions		
October 2015 Forecast	October 2015 Actual	Variance
<b>1,610.900</b>	<b>1,951.628</b>	<b>340.728</b>
1,802.000	1,837.978	35.978
729.800	757.840	28.040
434.100	344.053	(90.047)
<b>2,965.900</b>	<b>2,939.871</b>	<b>(26.029)</b>
463.900	463.283	(0.617)
180.000	166.227	(13.773)
146.832	145.702	(1.130)
2,352.900	2,803.926	451.026
<b>3,143.632</b>	<b>3,579.138</b>	<b>435.506</b>
<b>(177.732)</b>	<b>(639.267)</b>	<b>(461.535)</b>
172.291	131.148	(41.143)
230.670	265.677	35.007
325.000	112.636	(212.364)
46.000	41.113	(4.887)
124.200	679.428	555.228
<b>898.161</b>	<b>1,230.002</b>	<b>331.842</b>
45.069	47.504	2.435
82.100	76.786	(5.314)
13.300		(13.300)
66.992	63.453	(3.539)
395.000	416.295	21.295
325.000	219.636	(105.364)
109.000	100.171	(8.829)
<b>1,036.461</b>	<b>923.844</b>	<b>(112.617)</b>
<b>(138.300)</b>	<b>306.158</b>	<b>444.459</b>
1.000	1.561	0.561
<b>1.000</b>	<b>1.561</b>	<b>0.561</b>
<b>(315.032)</b>	<b>(331.548)</b>	<b>(16.515)</b>
185.000	142.967	(42.033)
168.700	166.665	(2.035)
<b>16.300</b>	<b>(23.699)</b>	<b>(39.999)</b>
52.800	30.517	(22.283)
338.000	237.458	(100.542)
<b>390.800</b>	<b>267.974</b>	<b>(122.826)</b>
267.300	244.395	(22.905)
<b>123.500</b>	<b>23.580</b>	<b>(99.920)</b>
<b>1,435.600</b>	<b>1,619.962</b>	<b>184.362</b>



**FY 16 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 15<sup>th</sup> 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.