



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

*Deborah B. Goldberg*  
*Treasurer and Receiver General*

September 6, 2018

The Honorable Joan B. Lovely, Vice Chair  
Senate Ways and Means Committee  
State House, Room 212  
Boston, MA 02133

The Honorable Jeffrey Sánchez, Chair  
House Ways and Means Committee  
State House, Room 243  
Boston, MA 02133

Dear Senator Lovely and Representative Sánchez:

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 2019 (FY19).

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 FY19 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 2019***

On July 26, 2018, the Governor signed the FY19 budget into law, providing \$41.2 billion in spending after accounting for \$37.6 million in net line-item vetoes, and excluding transfers to the Medical Assistance Trust Fund and other transfers. As signed, the budget projects a net deposit of \$368.0 million to the Stabilization Fund.

In May 2018, the Governor announced the five-year capital investment plan for fiscal 2019 through 2023. The plan projects \$4.51 billion in FY19 spending on capital projects, including \$2.34 billion of bond cap spending, \$1.093 billion of spending from other sources including special obligation

\*For cash purposes, the use of "fiscal year" includes "accounts payable" activity for fiscal year 2018 and excludes "accounts payable" activity for fiscal year 2019.

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The Honorable Joan B. Lovely, Chair  
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bonds, anticipating savings or revenues generated by the projects, and other non-commonwealth sources such as contributions from campuses, and \$1.076 billion of spending supported by federal reimbursements and grants.

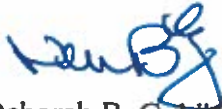
For cash flow needs for FY19, the State Treasurer issued \$1.5 billion of revenue anticipation notes (RANs) in August 2018. As in previous years, the RANs will be repaid in April, May and June 2019.

***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



Michael J. Heffernan  
Secretary of Administration and Finance

Enclosures

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Total FY 2019
	Act	Est	Est	Est	Est	Est	Est	Est	Est	Est	Est	Est	Est
<b>OPENING NON-SEGREGATED OPERATING CASH BALANCE.</b>	\$3,607.9	\$2,843.2	\$3,000.0	\$3,987.8	\$2,935.2	\$2,229.2	\$2,810.6	\$3,037.1	\$2,227.8	\$2,896.3	\$3,552.1	\$2,765.6	\$3,807.8
<b>OPERATING ACTIVITIES:</b>													
<b>Budgetary Funds:</b>													
Tax Revenue	\$1,851.8	\$1,870.0	\$3,015.0	\$2,024.0	\$1,875.0	\$3,192.0	\$3,024.0	\$1,849.0	\$2,800.0	\$3,752.0	\$2,128.0	\$3,004.0	\$30,577.8
Federal Reimbursements	\$1,088.8	\$853.5	\$965.8	\$873.6	\$1,207.5	\$838.7	\$984.2	\$1,118.8	\$827.0	\$828.3	\$1,164.8	\$772.8	\$11,504.8
Other Budgetary Revenue	\$252.4	\$290.0	\$720.3	\$498.8	\$353.5	\$389.1	\$427.0	\$349.8	\$416.3	\$645.3	\$384.7	\$634.2	\$5,304.8
Transfer from/to Stabilization Fund	(\$513.9)	\$0.0	\$0.0	\$0.0	(\$15.7)	(\$0.7)	(\$0.7)	(\$0.7)	(\$0.7)	(\$0.7)	(\$0.7)	(\$0.7)	(\$534.5)
Total Budgetary Revenues/Inflows	\$2,769.1	\$3,013.5	\$4,001.1	\$3,398.4	\$3,420.3	\$4,420.1	\$4,434.1	\$3,316.7	\$4,045.6	\$5,334.8	\$3,685.8	\$4,500.7	\$48,911.3
Local Aid	\$7.3	\$996.2	\$504.6	\$507.0	\$518.4	\$491.2	\$828.4	\$508.9	\$482.2	\$521.1	\$500.9	\$490.7	\$6,088.9
Tax Refunds	\$59.1	\$48.7	\$78.0	\$127.0	\$78.0	\$98.0	\$28.0	\$546.0	\$474.0	\$408.0	\$141.0	\$141.0	\$2,212.8
Debt Service for General Obligation (including CMT)	\$189.2	\$440.5	\$90.1	\$235.3	\$290.1	\$136.8	\$205.7	\$125.8	\$162.7	\$140.3	\$187.3	\$98.5	\$2,234.4
Debt Service for Special Obligations	\$15.1	\$0.0	\$0.0	\$0.0	\$0.0	\$65.0	\$39.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$251.8
Debt Service for GANS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$17.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$33.7
Other Budgetary Expenditures	\$3,142.7	\$3,478.8	\$2,877.9	\$2,729.8	\$2,862.9	\$2,890.2	\$2,884.4	\$2,635.8	\$1,858.5	\$2,653.8	\$2,827.4	\$2,207.7	\$32,948.8
Total Budgetary Expenditures/Outflows	\$3,393.4	\$4,964.2	\$3,537.8	\$3,589.3	\$3,717.4	\$3,488.1	\$3,897.4	\$3,817.2	\$3,087.4	\$3,724.2	\$3,828.8	\$3,067.8	\$43,739.2
Net Budgetary Funds	(\$624.3)	(\$1,950.7)	\$1,083.5	(\$209.9)	(\$297.1)	\$932.0	\$536.7	(\$500.5)	\$958.2	\$1,610.7	\$857.0	\$1,432.7	\$3,172.0
Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):													
Lottery Revenue	\$142.7	\$188.3	\$150.6	\$150.6	\$188.3	\$150.6	\$150.6	\$150.6	\$188.3	\$150.6	\$188.3	\$150.6	\$1,850.4
Pension Receipts (PRM and Annuity Receipts)	\$251.2	\$240.8	\$242.9	\$242.9	\$242.9	\$242.9	\$242.9	\$242.9	\$242.9	\$242.9	\$242.9	\$242.9	\$2,820.8
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	\$188.8	\$1,535.4	\$320.0	\$385.0	\$360.0	\$320.0	\$325.0	\$325.0	\$325.0	\$325.0	\$440.0	\$325.0	\$5,224.0
Non Budgetary Tax Receipts	\$41.3	(\$47.5)	\$28.2	\$27.2	\$29.1	\$97.1	\$27.8	\$23.7	\$38.5	\$40.8	\$36.4	\$43.5	\$386.9
Other Non Budgetary Revenue	\$1,057.5	\$1,971.8	\$807.7	\$810.7	\$910.3	\$935.6	\$901.1	\$862.0	\$949.7	\$924.3	\$972.8	\$75.0	\$11,098.8
Total Non Budgetary Revenues/Inflows	\$1,481.5	\$3,898.2	\$2,151.8	\$2,116.5	\$2,466.9	\$2,166.1	\$2,148.4	\$2,148.4	\$2,466.9	\$2,466.9	\$2,466.9	\$2,148.4	\$24,500.9
MBTA Sales Tax	\$83.0	\$86.3	\$86.3	\$86.3	\$86.3	\$86.3	\$86.3	\$86.3	\$86.3	\$86.3	\$86.3	\$86.3	\$1,042.1
MBTA Assessments	\$13.9	\$13.9	\$13.9	\$13.9	\$13.9	\$13.9	\$13.9	\$13.9	\$13.9	\$13.9	\$13.9	\$13.9	\$164.4
MSBA Payments	\$79.6	\$73.0	\$73.0	\$73.0	\$73.0	\$73.0	\$73.0	\$73.0	\$73.0	\$73.0	\$73.0	\$73.0	\$882.1
Pension Payments	\$450.1	\$450.8	\$450.8	\$450.8	\$450.8	\$450.8	\$450.8	\$450.8	\$450.8	\$450.8	\$450.8	\$450.8	\$5,529.3
Non Pooled / Trust / Fiduciary Fund Expenditures	\$354.0	\$375.0	\$370.0	\$385.0	\$435.0	\$440.0	\$375.0	\$370.0	\$375.0	\$385.0	\$490.0	\$375.0	\$4,728.0
Other Non Budgetary Expenditures	\$182.5	\$104.0	\$156.0	\$54.0	\$137.0	\$168.0	\$70.0	\$131.0	\$104.0	\$112.0	\$198.0	\$135.0	\$1,537.5
Total Non Budgetary Expenditures/Outflows	\$1,242.1	\$1,188.8	\$1,206.6	\$1,132.5	\$1,251.6	\$1,111.9	\$1,124.3	\$1,180.3	\$1,158.3	\$1,190.2	\$1,365.3	\$1,180.9	\$14,807.5
Net Non Budgetary Funds	(\$760.6)	\$2,709.4	(\$45.8)	(\$216.0)	(\$344.7)	(\$47.8)	(\$323.1)	(\$318.0)	(\$308.6)	(\$308.9)	(\$392.7)	(\$351.0)	(\$3,028.9)
Undesignated Revenues/Inflows and Expenditures/Outflows:													
General Fund Investment Earnings	\$7.7	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$68.2
Net Undesignated Revenues/Inflows and Expenditures/Outflows	\$7.7	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$5.5	\$68.2
<b>NET OPERATING ACTIVITIES</b>	(\$809.5)	(\$1,132.0)	\$671.1	(\$58.4)	(\$431.9)	(\$451.2)	(\$429.9)	(\$873.1)	(\$866.2)	(\$1,240.3)	(\$327.0)	(\$1,069.3)	\$213.3
<b>FEDERAL GRANTS:</b>													
Total Federal Grants Revenue/Inflows	\$158.8	\$170.0	\$175.0	\$140.0	\$180.0	\$185.0	\$185.0	\$180.0	\$180.0	\$200.0	\$185.0	\$185.0	\$2,176.8
Total Federal Grants Expenditures/Outflows	\$208.8	\$175.5	\$179.5	\$174.8	\$174.8	\$220.0	\$183.9	\$181.0	\$203.0	\$184.0	\$187.0	\$187.0	\$2,289.4
Net Federal Grants	(\$50.0)	(\$5.5)	(\$4.5)	(\$34.8)	(\$5.8)	(\$35.0)	(\$1.0)	(\$1.0)	(\$23.0)	(\$16.0)	(\$2.0)	(\$1.0)	(\$112.6)
<b>CAPITAL FUNDS</b>													
Capital Revenue/Inflows:													
Capital Inflow from Federal Reimbursements	\$51.3	\$88.8	\$98.1	\$64.8	\$82.8	\$90.9	\$38.9	\$38.9	\$71.5	\$34.1	\$35.6	\$42.5	\$740.0
Capital Inflow from Financing Activities													
Capital Inflow to General Fund from Segregated Bond Funds	\$181.8	\$282.3	\$232.7	\$235.7	\$232.6	\$131.6	\$251.4	\$219.3	\$188.1	\$188.3	\$232.6	\$181.3	\$2,537.6
Total Capital Revenue/Inflows	\$243.1	\$371.9	\$330.8	\$300.5	\$315.4	\$222.5	\$290.3	\$258.2	\$259.6	\$226.4	\$268.2	\$222.8	\$3,278.6
Total Capital Expenditures/Outflows	\$348.2	\$377.8	\$439.2	\$397.4	\$403.7	\$257.3	\$285.8	\$203.8	\$233.1	\$299.9	\$221.1	\$244.8	\$3,679.5
Net Capital Funds	(\$105.1)	(\$5.9)	(\$108.4)	(\$96.9)	(\$88.3)	(\$34.8)	(\$95.5)	(\$45.6)	(\$73.5)	(\$73.5)	(\$52.5)	(\$62.3)	(\$400.9)
<b>FINANCING ACTIVITIES:</b>													
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	\$1,500.0
Revenue Anticipation Notes (RANS)	\$0.0	\$1,400.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,500.0
Total Cash Flow Financing Activities Inflows	\$0.0	\$1,400.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,500.0
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	\$1,400.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,500.0
<b>ENDING NON-SEGREGATED OPERATING CASH BALANCE:</b>	\$2,843.2	\$3,000.0	\$3,987.8	\$2,935.2	\$2,229.2	\$2,810.6	\$3,037.1	\$2,227.8	\$2,896.3	\$3,552.1	\$2,765.6	\$3,285.9	\$3,807.8
<b>Capital Budget Bonding Activity:</b>													
Opening Balance Segregated Bond Funds	\$903.7	\$711.9	\$437.8	\$787.6	\$551.9	\$319.3	\$187.7	\$336.4	\$317.1	\$129.0	\$570.6	\$338.0	\$2,015.7
Bonds	\$0.0	\$8.1	\$582.5	\$0.0	\$0.0	\$0.0	\$900.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$225.0
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	\$0.0
Segregated Bond Funds Available	\$903.7	\$720.0	\$1,020.3	\$787.6	\$551.9	\$319.3	\$787.7	\$538.4	\$317.1	\$129.0	\$570.6	\$338.0	\$2,537.6
Bond / BANS Proceeds Allocated	\$181.8	\$282.3	\$232.7	\$235.7	\$232.6	\$131.6	\$251.4	\$219.3	\$188.1	\$188.3	\$232.6	\$181.3	\$2,537.6
Ending Balance Segregated Bond Funds	\$711.9	\$437.8	\$787.6	\$551.9	\$319.3	\$187.7	\$336.4	\$317.1	\$129.0	\$570.6	\$338.0	\$391.7	\$2,537.6



May 2018 in Millions

	May 2018 Forecast	May 2018 Actual	Variance
<b>OPENING NON-SEGREGATED OPERATING CASH BALANCE:</b>	<b>2,897,465</b>	<b>2,897,374</b>	<b>(0.091)</b>
<b>OPERATING ACTIVITIES:</b>			
Budgetary Funds:			
Tax Revenue	1,654,200	2,078,169	423,969
Federal Reimbursements	1,142,200	1,097,392	(44,808)
Other Budgetary Revenue	475,600	291,349	(184,251)
Transfer from/(to) Stabilization Fund			
<b>Total Budgetary Revenue/Inflows</b>	<b>3,272,000</b>	<b>3,466,909</b>	<b>194,909</b>
Local Aid	478,500	463,621	(14,879)
Tax Refunds	98,000	148,004	50,004
Debt Service for General Obligation (including CA/T)	119,405	119,405	
Debt Service for Special Obligations			
Debt Service for GANS	2,799,100	2,340,063	(459,037)
Other Budgetary Expenditures	3,493,005	3,071,093	(421,912)
<b>Total Budgetary Expenditures/Outflows</b>	<b>(21,005)</b>	<b>395,816</b>	<b>616,821</b>
<b>Net Budgetary Funds</b>	<b>1,838,300</b>	<b>1,225,958</b>	<b>(612,341)</b>
<b>Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):</b>			
Lottery Revenue	142,200	205,259	63,059
Pension Receipts (PRIM and Annuity Receipts)	222,900	261,758	38,858
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	1,419,200	78,532	(1,340,668)
Non Budgetary Tax Receipts	39,000	37,905	(1,095)
Other Non Budgetary Revenue	15,000	642,505	627,505
<b>Total Non Budgetary Revenue/Inflows</b>	<b>1,838,300</b>	<b>1,225,958</b>	<b>(612,341)</b>
Lottery Payments	46,057	77,373	31,316
MBTA Sales Tax	83,497	80,864	(2,633)
MBTA Assessments	13,575	13,867	292
MSBA Payments	70,552	67,530	(3,022)
Pension Payments	438,800	442,596	3,796
Non Pooled / Trust / Fiduciary Fund Expenditures	325,000	485,432	160,432
Other Non Budgetary Expenditures	196,000	149,980	(46,020)
<b>Total Non Budgetary Expenditures/Outflows</b>	<b>1,173,481</b>	<b>1,317,642</b>	<b>144,161</b>
<b>Net Non Budgetary Funds</b>	<b>664,820</b>	<b>(91,683)</b>	<b>(756,502)</b>
<b>Undesignated Revenue/Inflows and Expenditures/Outflows:</b>			
General Fund Investment Earnings	1,800	9,917	8,117
Net Undesignated Revenue/Inflows and Expenditures/Outflows	1,800	9,917	8,117
<b>NET OPERATING ACTIVITIES</b>	<b>445,615</b>	<b>314,050</b>	<b>(131,565)</b>
<b>FEDERAL GRANTS:</b>			
Total Federal Grants Revenue/Inflows	205,000	192,492	(12,508)
Total Federal Grants Expenditures/Outflows	187,000	193,322	6,322
<b>NET FEDERAL GRANTS</b>	<b>18,000</b>	<b>(0,830)</b>	<b>(18,830)</b>
<b>CAPITAL FUNDS:</b>			
Capital Revenue/Inflows:			
Capital Inflow from Federal Reimbursements	41,000	23,815	(17,185)
Capital Inflow from Financing Activities:			
Capital Inflow to General Fund from Segregated Bond Funds	169,817	169,817	
Total Capital Revenue/Inflows	210,817	193,632	(17,185)
Total Capital Expenditures/Outflows	262,000	230,275	(31,725)
<b>NET CAPITAL FUNDS</b>	<b>(51,183)</b>	<b>(36,643)</b>	<b>14,539</b>
<b>FINANCING ACTIVITIES:</b>			
Cash Flow Financing Activities Inflows:			
Commercial Paper			
Revenue Anticipation Notes (RANS)			
Total Cash Flow Financing Activities Inflows	507,781	507,781	
Cash Flow Financing Activities Outflows:			
Commercial Paper - (Principal + Interest)			
RANS - (Principal + Interest)			
Total Cash Flow Financing Activities Outflows	507,781	507,781	
<b>NET FINANCING ACTIVITIES</b>	<b>(507,781)</b>	<b>(507,781)</b>	
<b>ENDING NON-SEGREGATED OPERATING CASH BALANCE:</b>	<b>\$2,802,116</b>	<b>\$2,666,169</b>	<b>(135,947)</b>

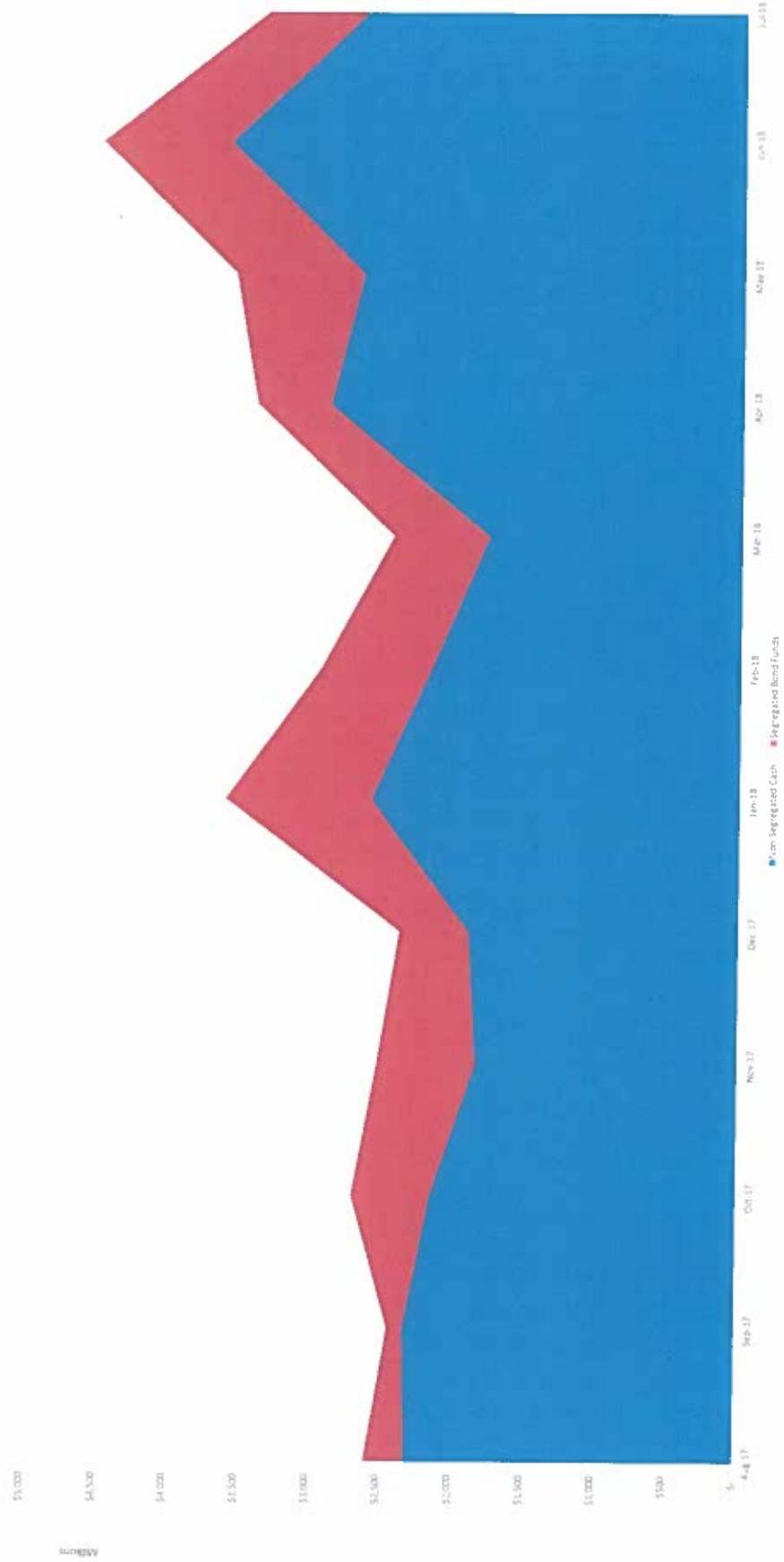
June 2018 in Millions

	June 2018 Forecast	June 2018 Actual	Variance
<b>OPENING NON-SEGREGATED OPERATING CASH BALANCE:</b>	<b>2,802,116</b>	<b>2,666,169</b>	<b>(135,947)</b>
<b>OPERATING ACTIVITIES:</b>			
Budgetary Funds:			
Tax Revenue	2,756,600	3,270,111	513,511
Federal Reimbursements	803,500	865,354	61,854
Other Budgetary Revenue	692,400	625,879	(66,521)
Transfer from/(to) Stabilization Fund			
<b>Total Budgetary Revenue/Inflows</b>	<b>4,252,500</b>	<b>4,761,344</b>	<b>508,844</b>
Local Aid	465,500	524,522	59,022
Tax Refunds	45,000	122,845	77,845
Debt Service for General Obligation (including CA/T)	116,494	110,879	(5,615)
Debt Service for Special Obligations	121,914	121,914	
Debt Service for GANS	18,110	16,433	(1,678)
Other Budgetary Expenditures	2,213,400	2,282,769	69,369
<b>Total Budgetary Expenditures/Outflows</b>	<b>2,980,418</b>	<b>3,179,361</b>	<b>198,943</b>
<b>Net Budgetary Funds</b>	<b>1,272,082</b>	<b>1,581,983</b>	<b>309,901</b>
<b>Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):</b>			
Lottery Revenue	177,751	135,220	(42,530)
Pension Receipts (PRIM and Annuity Receipts)	232,900	262,689	29,789
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	(183,300)	143,146	326,446
Non Budgetary Tax Receipts	45,000	42,381	(2,619)
Other Non Budgetary Revenue	35,000	688,484	653,484
<b>Total Non Budgetary Revenue/Inflows</b>	<b>307,351</b>	<b>1,271,920</b>	<b>964,570</b>
Lottery Payments	46,057	75,690	29,633
MBTA Sales Tax	83,497	86,002	2,505
MBTA Assessments	13,575	13,867	292
MSBA Payments	70,552	72,669	2,117
Pension Payments	448,900	458,833	9,933
Non Pooled / Trust / Fiduciary Fund Expenditures	275,000	544,046	269,046
Other Non Budgetary Expenditures	135,000	307,877	172,877
<b>Total Non Budgetary Expenditures/Outflows</b>	<b>1,072,581</b>	<b>1,558,983</b>	<b>486,403</b>
<b>Net Non Budgetary Funds</b>	<b>(765,230)</b>	<b>(287,063)</b>	<b>478,167</b>
<b>Undesignated Revenue/Inflows and Expenditures/Outflows:</b>			
General Fund Investment Earnings	1,800	24,983	23,183
Net Undesignated Revenue/Inflows and Expenditures/Outflows	1,800	24,983	23,183
<b>NET OPERATING ACTIVITIES</b>	<b>508,652</b>	<b>1,319,902</b>	<b>811,251</b>
<b>FEDERAL GRANTS:</b>			
Total Federal Grants Revenue/Inflows	220,000	292,067	72,067
Total Federal Grants Expenditures/Outflows	224,000	240,150	16,150
<b>NET FEDERAL GRANTS</b>	<b>(4,000)</b>	<b>51,917</b>	<b>55,917</b>
<b>CAPITAL FUNDS:</b>			
Capital Revenue/Inflows:			
Capital Inflow from Federal Reimbursements	60,000	131,475	71,475
Capital Inflow from Financing Activities:			
Capital Inflow to General Fund from Segregated Bond Funds	220,941	257,140	36,199
Total Capital Revenue/Inflows	280,941	388,615	107,674
Total Capital Expenditures/Outflows	342,000	309,989	(32,011)
<b>NET CAPITAL FUNDS</b>	<b>(61,059)</b>	<b>78,626</b>	<b>139,685</b>
<b>FINANCING ACTIVITIES:</b>			
Cash Flow Financing Activities Inflows:			
Commercial Paper			
Revenue Anticipation Notes (RANS)			
Total Cash Flow Financing Activities Inflows	508,740	508,740	
Cash Flow Financing Activities Outflows:			
Commercial Paper - (Principal + Interest)			
RANS - (Principal + Interest)			
Total Cash Flow Financing Activities Outflows	508,740	508,740	
<b>NET FINANCING ACTIVITIES</b>	<b>(508,740)</b>	<b>(508,740)</b>	
<b>ENDING NON-SEGREGATED OPERATING CASH BALANCE:</b>	<b>2,736,968</b>	<b>3,607,874</b>	<b>870,906</b>

July 2018 in Millions

	July 2018 Forecast	July 2018 Actual	Variance
<b>OPENING NON-SEGREGATED OPERATING CASH BALANCE:</b>	<b>2,736,968</b>	<b>3,607,874</b>	<b>870,906</b>
<b>OPERATING ACTIVITIES:</b>			
Budgetary Funds:			
Tax Revenue	1,970,000	1,951,772	(18,228)
Federal Reimbursements	1,272,800	1,068,791	(203,809)
Other Budgetary Revenue	308,900	252,408	(56,492)
Transfer from/(to) Stabilization Fund			
<b>Total Budgetary Revenue/Inflows</b>	<b>3,551,500</b>	<b>2,759,062</b>	<b>(792,438)</b>
Local Aid	502,100	7,320	(494,780)
Tax Refunds	11,000	59,142	48,142
Debt Service for General Obligation (including CA/T)	187,023	169,181	(17,842)
Debt Service for Special Obligations	15,063	15,063	
Debt Service for GANS	2,568,200	3,142,711	574,511
Other Budgetary Expenditures	3,283,386	3,393,417	110,031
<b>Total Budgetary Expenditures/Outflows</b>	<b>268,114</b>	<b>(634,355)</b>	<b>(902,469)</b>
<b>Net Budgetary Funds</b>	<b>143,545</b>	<b>142,671</b>	<b>(0,874)</b>
<b>Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):</b>			
Lottery Revenue	287,300	251,225	(36,075)
Pension Receipts (PRIM and Annuity Receipts)	320,000	188,576	(131,424)
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	65,800	41,250	(24,550)
Non Budgetary Tax Receipts	55,000	433,737	378,737
Other Non Budgetary Revenue	871,645	1,057,459	185,814
<b>Total Non Budgetary Revenue/Inflows</b>	<b>61,200</b>	<b>67,156</b>	<b>5,955</b>
Lottery Payments	85,983	92,962	6,979
MBTA Sales Tax	13,867	13,867	
MBTA Assessments	71,575	79,629	8,054
MSBA Payments	453,600	450,086	(3,514)
Pension Payments	320,000	353,996	33,996
Non Pooled / Trust / Fiduciary Fund Expenditures	131,000	182,544	51,544
Other Non Budgetary Expenditures	1,137,226	1,240,239	103,013
<b>Total Non Budgetary Expenditures/Outflows</b>	<b>(265,581)</b>	<b>(182,780)</b>	<b>82,801</b>
<b>Net Non Budgetary Funds</b>	<b>5,500</b>	<b>7,675</b>	<b>2,175</b>
<b>Undesignated Revenue/Inflows and Expenditures/Outflows:</b>			
General Fund Investment Earnings	5,500	7,675	2,175
Net Undesignated Revenue/Inflows and Expenditures/Outflows	5,500	7,675	2,175
<b>NET OPERATING ACTIVITIES</b>	<b>8,033</b>	<b>(809,461)</b>	<b>(817,494)</b>
<b>FEDERAL GRANTS:</b>			
Total Federal Grants Revenue/Inflows	175,000	156,800	(18,200)
Total Federal Grants Expenditures/Outflows	191,000	208,815	17,815
<b>NET FEDERAL GRANTS</b>	<b>(16,000)</b>	<b>(52,015)</b>	<b>(36,015)</b>
<b>CAPITAL FUNDS:</b>			
Capital Revenue/Inflows:			
Capital Inflow from Federal Reimbursements	37,000	51,308	14,308
Capital Inflow from Financing Activities:			
Capital Inflow to General Fund from Segregated Bond Funds	282,003	191,752	(90,251)
Total Capital Revenue/Inflows	318,003	243,060	(75,943)
Total Capital Expenditures/Outflows	298,000	346,212	48,212
<b>NET CAPITAL FUNDS</b>	<b>21,003</b>	<b>(103,152)</b>	<b>(124,155)</b>
<b>FINANCING ACTIVITIES:</b>			
Cash Flow Financing Activities Inflows:			
Commercial Paper			
Revenue Anticipation Notes (RANS)			
Total Cash Flow Financing Activities Inflows	508,740	508,740	
Cash Flow Financing Activities Outflows:			
Commercial Paper - (Principal + Interest)			
RANS - (Principal + Interest)			
Total Cash Flow Financing Activities Outflows	508,740	508,740	
<b>NET FINANCING ACTIVITIES</b>	<b>(508,740)</b>	<b>(508,740)</b>	
<b>ENDING NON-SEGREGATED OPERATING CASH BALANCE:</b>	<b>2,750,005</b>	<b>2,643,247</b>	<b>(106,758)</b>

FY 18 & FY 19 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.