

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

June 14, 2019

The Honorable Michael J. Rodrigues, Chair Senate Ways and Means Committee State House, Room 212 Boston, MA 02133

The Honorable Aaron Michlewitz, Chair House Ways and Means Committee State House, Room 243 Boston, MA 02133

Dear Senator Rodrigues and Representative Michlewitz:

Pursuant to Massachusetts General Laws Chapter 10, Section 10B, the Office of the State Treasurer and Receiver General and the Executive Office for Administration and Finance hereby submit the current cash flow forecasts for fiscal year 2019 (FY19) and fiscal year 2020 (FY20).

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 and FY20 cash flow forecasts 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 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. Subsequently, the Legislature passed overrides to the Governor's vetoes with an aggregate net budgetary impact of \$37.6 million.

In May 2018, the Governor announced the five-year capital investment plan for fiscal years 2019 through 2023. The plan projects \$4.51 billion in FY19 spending on capital projects, including

\*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 Michael J. Rodrigues, Chair The Honorable Aaron Michlewitz, Chair June 14, 2019 Page 2 of 2

\$2.34 billion of bond cap spending, \$1.093 billion of spending from other sources including special obligation bonds, anticipating savings or revenues generated by the projects, and other non-commonwealth sources such as contributions from municipalities, 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. The first two tranches were repaid in April and May 2019. The final tranche will be repaid on June 20, 2019.

# Highlights of Fiscal Year 2020

On January 23, 2019, the Governor filed his FY20 budget recommendation, providing for a total of \$42.7 billion in state spending, excluding \$481.3 million in projected transfers to the Medical Assistance Trust Fund, which represents an increase of 1.5% over FY19 projected spending. The budget proposal also includes modernization proposals to improve compliance with current tax laws and update collection processes, primarily involving the room occupancy and sales taxes.

The Governor's FY20 budget proposal projects a net deposit of \$296.7 million into the Commonwealth Stabilization Fund. House 1 relies on less than \$30.0 million in one-time revenue, building on several years of structural balance.

For cash flow needs for FY20, the State Treasurer plans to issue \$1.5 billion of revenue anticipation notes (RANs) in August 2019. As in previous years, the RANs will be repaid in April, May and June 2020.

Cash flow estimates do not yet incorporate year-end transfers to the Stabilization Fund above budgeted amounts; based on tax collections through May, such transfers are likely and may be substantial.

# **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	Jen-19	Feb-19	Mar-19	Aer-19	-	Junte	Total EY 2019
OPENING NOW, SECRETATED OPENING CARLLESS ASSESSMENT	Vet	Act	Act	Act	Act	Act	Act	Act	Act	Act	T.	-	-
OPERATION CONTINUE CASH BALANCE:	8.709.E3	\$2,269.5	\$3,143.8	\$4,125.0	\$3,645.3	\$2,592.1	\$2,816,3	\$3,276.0	S 2 590.5	\$2,913.6	124,600.0	\$4,300,0	8 20 807 B
Published Roads					To the same				0		1000	Basica Control	
							The second second	Section 1					
Total Original Control of the Contro	R LCR Le	ST 904.1	12,223.8	\$2,009.2	*	\$2,673.4	\$2,846.1	\$1,964.7	\$3,096.8	\$4,703.4	\$2,136.6	13,006.1	\$31,741.9
Other Budgeter Devente	91,000.8	C.128	\$1,034.5	2590.0		\$1,228.2	\$829.7	\$810.7	\$1,013.0	8.00.8	\$1,482.7	\$972.8	\$11,881.1
Transfer from the Ctehilmenton Const	\$252.4	\$321.0	\$380.4	\$357.2	\$308.6	\$529.3	\$485.3	1315.1	\$180.7	\$595.7	\$468.9	\$759.7	\$4,984.4
Total Business Davascaded rung	(\$513.9)	0.03	\$0.0	\$0.0	(\$209.3)	\$0.0	\$0.0	\$0.0	80.0	\$0.0	\$0.0	\$0.0	(\$723.2)
Potential And	\$2,759.1	23,216.6	\$4,748.7	\$3,346.5	\$2,777.7	\$4,428.9	\$4,161.0	\$3,090.4	\$4,290.5	\$6,130.0	\$4,087.2	F4.827.7	\$47,864.3
	27.3	2869.5	\$462.1	\$548.7	\$463.5	\$500.5	\$473.7	\$476.5	\$500.0	\$478.1	\$491.2	\$478.3	\$5.929.4
Charles Constant for Constant	159.1	20.5	\$54.7	\$182.1	\$80.4	\$128.3	\$41.7	\$485.1	\$389.6	\$472.2	\$125.7	\$138.6	\$2,222.0
Dati Service for General Congadon including CATT	\$169.2	2465	284.9	\$238.6	\$231.8	\$131.8	\$204.3	8177.0	\$152.2	\$121.1	\$138.3	\$89.3	\$2.178.8
Debt Cention for Openior Congarons	\$15.1	0.05	0.08	20.0	20.0	\$63.8	\$39.5	\$0.0	\$0.0	80.0	\$0.0	\$125.3	\$243.6
Control Council Counci	20.0	20.0	20.0	\$0.0	80.0	\$15.2	80.0	80.0	20.0	80.0	20.0	\$15.0	\$30.2
Other Budgetary Expenditures	\$3,142.7	\$2,828.4	\$2,638.6	\$2,496.0	\$2,833.6	\$2,498.4	\$2,534.0	\$2,488.9	\$2,592.5	\$2.574.2	53311.3	22 406 7	\$32.341.5
oral Budgetary Expenditures/Outflows	\$3,390.4	\$4,302.9	\$3,238.2	\$3,465.4	\$3,629,5	\$3,385.8	\$3,283,3	\$3 627 5	£3 634 3	\$3.845.B	SA DAR S	£1 261 1	442 QAE E
Net Budgetary Funds	(\$634.4)	(\$1,086.3)	\$1,510.5	(\$118.9)	(\$851.8)	\$1,002.8	S867 B	(85.97.1)	CRER 2	\$2 484 E	C 1003		0 0 0 0 0
Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):						Ī	Ī			1		0.1/6/10	47.010.0
Lottery Revenue	\$142.7	\$184.0	\$98.0	£ 727.3	\$1903	\$139.0	6183 3	4470 1	. 1010	9440 E	0.400.0	1	
Pension Receipts (PRIM and Annuty Receipts)	\$251.2	\$264.0	1 2263	1 5363	4.282.5	67402	6747	9000	1010	9 140.3	9 100 0	2148./	91,962./
Transfers in & out for Non Pooled / Trust   Fiduciary Fund Investment	(\$185.2)	28017	16150 01	16.170 Z	6747	7.0476	0/470	B1528	£258.4	2250.2	*223.4	\$233.4	\$3,028.1
	2000	6447	O Portol	(10170)	3/4.6	(\$150.6)	(\$61.5)	\$115.4	(\$123.6)	(5164.3)	\$1,040.3	\$385.0	\$1,096.8
Other Non Bushelan Revenue	2 1007		000	243.0	7	1357	\$29.3	\$25.2	\$8.3	\$80.B	120.4	\$43.5	\$478.1
Total Non Budanton Commentation	222	76705	8034.5	\$651.0	\$478.4	\$533.4	\$466.6	\$503.5	\$466.0	\$520.6	\$65.0	875.0	\$5,453.3
CMOUNTED AND A PROPERTY OF THE	1083.7	2 719.7	\$889.1	\$905.7	\$1,050.3	\$799.5	\$844.7	\$1,073.9	\$770.2	\$833.8	\$1,560.9	\$885.6	\$12,017.0
MOTE CALL TO	\$67.2	\$62.9	\$63.2	841.5	573.7	\$69.6	\$88.8	\$49.3	\$60.8	875.0	\$48.1	\$48.1	\$748.1
100 Carte   6x	0.083	\$96.5	288.0	\$87.3	\$87.5	\$87.5	\$87.5	2.862	\$79.8	878.0	206.3	1,082	\$10442
Mile A Assessments	\$13,8	\$14.5	\$0.0	\$28.4	\$14.2	\$14.2	20.0	\$28.4	\$34.2	\$14.2	STAR	844.8	£188.0
MSBA Payments	879.6	\$72.6	\$74.7	\$71.6	\$74.2	\$74.2	\$74.2	2003	288.5	254.7	922		2007
Pension Payments	\$450.1	\$458.2	\$459.7	2465 1	£457.4	2,000,3	6457 B	6459.0			2000	200	9000
Non Pooled / Trust / Fiduciary Fund Expenditures	\$354.0	\$345.6	\$617.2	24007	63000	2000	0.000		2002	21046	100	47074	\$5,634.6
Other Non Budgetary Expenditures	K180 S	4140.2	4.000	2420.3	2720		8428.8	112	23/8/	\$368.6	2485.0	2365.0	\$4,939.1
Total Non Budgetary Expenditures/Purflows	64 740 7	4 4 4 4 4 4 4 4	\$230.U	\$100.3	\$1/8.2	8.706.8	\$168.4	\$123.1	\$94.6	(\$36.8)	\$196.0	\$135.0	\$1,888.3
Net Non Bucketson Ends	2042716	6 /91 16	\$1.540.6	\$1,248.9	\$1,275.2	\$1,557.7	\$1,305.7	\$1,222.2	\$1,155.7	\$1,025.7	\$1,356.9	\$1,191.1	\$15,305.6
	(3:000(0))	2275	(385)	(\$34) 2)	(\$224.9)	(\$758.2)	(\$460 9)	(\$148.3)	(\$385.6)	(\$192.0)	\$204.0	(\$305.6)	(\$3.288 6)
Control of the second of the s	1		,										
Ceneral Fund Investment Earlings	\$7.7.	\$37.9	\$10.8	\$15.6	\$14.5	\$13.4	\$15.7	\$14.0	\$14.0	\$15.7	8100	8100	\$1703
Net Undesignated Revenue/Inflows and Expanditures/Outflows	87.7	\$37.9	\$10.8	\$15.6	\$14.5	\$13.4	\$15.7	\$14.0	\$140	\$15.7	8400	0.019	64703
NET OPERATING ACTIVITIES	(\$1.183.2)	(\$516,3)	\$369.6	(\$444.6)	(\$1.062.2)	\$268.1	\$422.8	(\$671.4)	22847	\$7 308 2	877.63	64 270.0	ed Book
FEDERAL GRANTS	100	Ī	Ī			İ	İ			3.000 TO		21.6/2.0	1,000
Total Federal Grants Revenue follows	6466	6180.4	0.100.0										
Total Faderal Create Liverage Control of the Contro	9130.0	\$ 103.4	\$160.6	\$156.8	\$241.1	\$189.4	\$205.9	\$208.1	\$271.5	\$164.2	\$185.0	\$220.0	\$2,330.8
Not beneat Coante	\$208.8	\$212.0	\$125.7	\$176.8	\$219.0	\$225.2	\$201.7	\$232.8	\$212.5	\$210.6	\$188.5	\$219.0	\$2,432.6
NET FEDERAL GRANIS	(\$52.0)	(\$42.7)	\$34.9	(\$18.1)	\$22.1	(\$35.7)	\$4.2	(\$24.7)	\$58.1	(\$48.5)	(\$3.5)	\$1.0	(\$101.8)
CAPITAL FUNDS:												İ	
Capital Revenuedinflows:							_						
Capital Inflow from Fillderal Rembursements	\$51.3	\$45.9	\$56.7	\$47.5	\$75.4	\$693	8 C22	1 803	434.2	6.36.1	5002	0.000	
Capital inflow from Financing Activities								i			-		#21C#
Capital Inflow to General Fund from Segregated Bond Funds	\$191.8	\$282.3	\$234.3	\$188.9	\$238.6	\$ 1603	82778	6148.1	8434 8	61210	2 7000		
Total Capital Revenue/Inflows	\$243.1	\$328.2	\$291.1	\$246.4	83140	6720 A	6774 B	6478.5	0.101.0	0 104.0	C.1516	21613	77,355.3
Total Capital Expenditures/Outflows	\$346.2	\$384.8	\$214.4	\$263.6	1 7223	\$257 B	22017	\$487 B	C 189 A	6000	0.0126	27.18.3	87,267.8
MET CAPITAL FUNDS	(\$103.2)	(\$88.7)	2.878	(\$17.2)	(\$13.1)	(\$28.2)	8 225	\$13.8	(823 B)	1859.21	1410.81	/E 4B BI	(622a 4)
FINANCING ACTIVITIES					Ī	I	İ	I	İ				1
Cash Flow Financing Activities Inflows:													
Commercial Paper	80.0	20.0	80.0	\$0.0	\$0.0	0.03	80.0	80.0	20.0	0.02	000	200	5
Revenue Anticipation Notes (RANS)	20.0	\$1,500.0	\$0.0	\$0.0	\$0.0	80.0	\$0.0	80.0	005	20.0	008	8	£1 500 0
Lotal Cash Flow Financing Activities Inflows	\$0.0	\$1,500.0	\$0.0	\$0.0	\$0.0	0.08	0.08	\$0.0	0.0%	20.0	005	g	\$15000
Cash Flow Financing Activities Outflows:			-	B									
Commercial Paper - (Principal + Interest)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	80.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.08
TANS = (FINGS) + (Nerest)	20.0	0.03	\$0.0	80.0	\$0.0	\$0.0	\$0.0	\$0.0	20.0	\$513.2	\$514.7	\$516.2	\$1,544.1
NET FINANCIAG ACTUATION	200	0.03	0.03	20.0	0.08	0.03	0.03	\$0.0	\$0.0	\$513.2	\$514.7	\$516.2	\$1,544.1
ENGINE NON COURT OF THE COURT O	200	\$1,500.0	20.0	20.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$513.2)	(\$514.7)	(\$516.2)	(\$44.1)
Control Distance Ballet OPERATING CASH BALANCE:	\$2,269.5	£3,143.8	\$4,125.0	\$3,645.3	\$2,582,1	\$2,816.3	\$3,276.D	\$2,593.5	\$2,913.6	14,603.0	\$4,300.0	\$5,045.0	\$5,045.0
Opening Balance Secretary Bond Funds					1000	100000	00000				0777		
Bonds Bonds	2.003.7	8/11/8	\$437 B	\$786.0	1.7B24	\$348.4	\$188.2	\$612.6	\$464.5	\$332.7	\$196.1	\$840.4	
BANS	0.00	- C	\$582.5	0.00	0.03	0.03	\$698.3	\$0.0	\$0.0	\$0.0	\$623.8	\$0.0	\$2,110.7
Segregated Bond Funds Available	2000	0.00	0.03	000	20.0	20.0	\$0.0	\$0.0	80.0	80.0	\$0.0	80.0	
Bond / BANs Proceeds Allocated	2503.7	8720.0	\$1,020.3	\$786.0	\$587.1	\$348.4	\$884.4	\$612.6	\$464.5	\$332.7	\$1,021.9	\$840.4	
Ending Balance Segregated Bond Funds	\$191.B	\$282.3	\$234.3	\$198.9	238.6	\$160.3	\$271.8	\$148.1	\$131.8	\$134.6	\$181.5	\$181.3	\$2,355.3
	# 11.7¢	2437.B	\$786.0	\$587.1	\$348.4	\$188.2	\$612.6	\$464.5	\$332.7	\$198.1	\$840.4	1,958	

(prozented in mellions)	Jul-18	Aug-19	Sep-18	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total FY 2020
OPENING NON-SEGREGATED OPERATING CASH BALANCE	\$5,045.0			A 500 3	A THE	A 445 T			3	ŭ	_,	Est	100
OPERATING ACTIVITIES:				64,308.3	2,700.1	2.113.7	83,528.0	24, 153.4	\$3,548.2	\$3,621.4	\$4,778.4	\$3,788.2	\$5,045.0
Budgetary Funds:											0		
Tax Revenue	\$2009.0	\$1 042 A	42 mm n	22 2000	00000						The same of	The same and the	
Federal Reimbursements	\$1 208 1	E757 E	0 0.200	2000	0.040	2,402.0	43,127,3	31,823.0	17. SEC. 4	23,824.0	\$2,221.0	\$3,214.5	\$31,941.9
Other Budgetary Revenue	SAID 2	8.70B.0	6.000.3		0.00		200	\$1 102.D	\$427.0	2029.0	\$1,180.0	\$731.0	\$11,470.6
Transfer from/ to) Stabilization Fund	008	88	15489 65	9	200		4	2002	7424.0	\$7250	0. P. C.	\$659.0	\$5,789.5
Total Budgetary Revenue/Inflows	£3 648 3	27 GG7 E	C4 KOK B		0 100 00		0.00		0.02	002	20.0	\$0.0	(\$488.5)
Local Aid	1350 A	C246.D	0.000.0	2000	277	0 /00	84.50G.5	83.400 C	24.4	25,608.0	\$3,782.0	\$4,604.5	\$48,713.5
Tax Refunds			7.70	9208.0	207	\$521.0	\$527.0	\$522.0	\$515.0	\$539.2	\$515.3	\$498.7	\$6,305.2
Debt Service for General Obligation finducing CAT		976.0	200	2134.0	283.0	2104.0	\$31.0	\$569.0	\$494.0	\$425.0	\$133.0	\$147.0	\$2,281.0
Debt Service for Special Obligations		28/87	2103.7	2243	- F	\$187.1	1250.8	\$90.3	\$106.5	\$134.8	8143.8	\$109.9	\$2,263.7
Debt Seprice for DaMS	14.4	0.03	9	0.03	9	268.7	\$37.8	20.0	20.0	\$0.0	80.0	\$140.2	\$281.1
	0.04	\$0.0	\$0.0	80.0	0.08	\$15.4	\$0.0	\$0.0	\$0.0	20.0	80.0	\$15.2	\$30.8
The Budgetay Expendences	\$3.877.3	\$3,339.0	\$2,635.4	\$2,812.8	\$2,763.6	\$2,749.2	\$2,812.8	\$2 564.2	\$2.746.5	\$2.647.2	23 BAB 2	\$2 7.W.S	S-24 472 7
Total buggetary Expenditures/Outflows	\$4,478.2	\$4,514.2	\$3,515.1	競	-	\$3,645.3	\$3,008.4	23,745.5	£3 RA7 0	49.749.2	6.070	2	646 674 9
Net Budgetary Funds	(\$829.9)	(\$1,516.7)	\$1,080.7		te	\$1,012.2	2005	INTACES.	Care		10000	200	840,074,3
Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):		The State of St		Succession and Company				1000		91,001.0	240.3	21.45/.E	\$3.138.Z
Lottery Revenue	\$14R 7	\$105.0	44407	0440	0.400						To Comment of		
Pension Receipts (PRIM and Annuty Receipts)		0	200	9	9.00.0	\$14m./	\$185.8	\$148.7	\$148.7	\$148.7	\$185.8	\$148.7	\$1,832.7
Transfers in & out for Non Pooled   Trust   Figureary Find Investment	0.0363	2000		0.00	9778	2230.0	2236.0	\$236.0	\$236.0	\$236.0	\$236.0	\$230.0	\$2,831.5
Non Budgetary Tax Receipts	20000	2043.0	2070	**02.0	2380.0	2080	2485.0	\$390.0	\$435.0	2305.0	\$850.0	\$485.0	\$5,356.0
Other Non Rudostaw Revenue	91020	(0000	2000	228.0	2000	\$100.0	\$28.0	\$24.0	240.0	842.0	\$37.0	\$45.0	\$457.0
Total Non Burkerian December	801.8	\$168.1	\$248.3	878.6	\$145.0	\$28.0	\$67.5	\$48.0	\$20.0	\$81.5	\$31.5	\$110.5	\$1,086.8
	V 1063	\$363.9	\$1,263.0	\$591.3	\$386.8	\$920.6	\$1,002.3	\$846.6	\$879.6	\$903.1	\$1.140.3	\$1 025 1	\$11 664 D
Collety Payments	248.1	748.1	1:094	\$40.1	\$48.1	1.095	\$48.1	548.1	1 090	£48.1	. 873	. 000	e acae
MELA Cales lax	8.98	\$59.6	\$189.6	\$88.8	\$60.8	280.8	E 685	280 8	280.8	8 080		3 8	9023.0
MBTA Assessments	\$10.6	\$10.6	\$10.0	\$10.6	\$10.6	810.8	210.8	630.6	8 05.5		2 0 0	0 60	0.770.4
MSBA Payments	\$78.4	\$78.4	\$78.4	\$78.4	2.78.4	7 84.5				9 10.0		410.0	217.0
Pension Payments	24500	\$457.0	00000	0.000			910.4	2010	9104	8/B.4	\$/0°	\$78.4	2817.0
Non Pooled   Trust   Fiduciary Fund Expenditures	C ESES	SAMO	00000	2	0.000	2000	n og de	200	2456.0	7455.0	2505.0	\$455.0	\$5,673.0
Other Non Budgetary Expenditures	2,000	2000	2000	2007.0	2300.0	1	2485.0	\$380.D	2435.0	2365.0	\$650.0	\$485.0	\$5,356.0
Total Non Budgetary Expenditume (Carthous	a rough	100.0	3210.U	\$210.0	2150.0	\$280.0	270.0	\$131.0	\$104.0	\$112.0	\$166.0	\$135.0	\$1,908.0
Net Non Budgetary Funds	81,16/.0	11/4/8	81.526.8	305	\$1,224.8	\$1,534.9	\$1,234.8	\$1,200.8	\$1,230.9	\$1,186.8	\$1,585.7	\$1,311.8	\$15,683.0
Indesignating the control of the con	(\$700 P)	(8/280.B)	(\$243.9)	(5411.6)	(\$238.0)	(\$614.2)	(\$232.5);	(\$354.2)	(\$351.2)	(\$283.7)	(\$425.4)	(\$298.6)	(\$4.018.9)
	1000		Tribut.	The second	000000	1,000	THE CASE OF THE						
Ceneral Pung Investment Earlings	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	2100	210.0	\$10.0	6100	41000
Wet Undesignated Revenue/Inflows and Expenditures/Outflows	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	2100	2100	8400	40.0	9	0.170.0
NET UPERATING ACTIVITIES	(\$1,106.3)	(\$1,797.6)	\$846.6	(\$690.7)	(\$688.7)	\$407.9	\$812.6	(\$689 Th	2412	S-1 F.00 4	JEARS TO	6 4 4 5 C	2150.0
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Total Federal Grants Expenditures/Outflows	2208.5	2 000	440	- 17e &	2000	9180.0	a ratio	D.C818	\$180.0	\$200.0	2165.0	\$220.0	\$2,290.0
NET FEDERAL GRANTS	/#5# E	/ene en	2.00.0	81/0.5	17 July 1	\$221.8	2188.2	\$177.6	\$183.0	\$168.1	\$204.6	\$185.4	\$2,307.1
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Capital Information Capital Control Control	A CONTRACTOR OF THE PERSON OF	1000	Section of the last	To Salarana									
Total Canital Revenued Advisor.	2216.1	\$156.0	\$296.9	\$200.0	\$260.0	\$278.0	\$225.0	\$225.0	\$225.0	\$225.0	\$225.0	\$225.0	\$2,725.9
Total Cantal From divisor Outland	1.004.1	\$247.0	87,967,9	\$314.0	\$362.0	\$389.0	\$319.0	\$296.0	\$311.0	\$296.0	\$324.0	0.000.0	\$3.895.9
NET CAPITAL FILMS	\$208.0	8287.0	\$383.0	\$300.0	\$326.0	\$356.0	\$302.0	\$229.0	\$278.0	\$228.0	1315.0	\$450.0	\$3.7280
FINANCING ACTIVITIES		(240.0)	Z.	(\$52.0)	\$34.0	\$33.0	\$17.0	\$67.0	\$35.0	\$68.0	0.63	(\$84.0)	\$167.9
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Total Oceh Floor Floors (RANS)	-	\$1,500.0	\$0.0	80.0	\$0.0	80.0	80.0	20.08	30.0	200	000	o us	81 500 B
Luci Cash Flow Financing Activities Inflows	0.08	\$1,500.0	\$0.0	\$0.0	\$0.0	\$0.0	0.03	008	0.02	008	8	9	1000
Cash Flow Financing Activities Outflows:													41.300.0
Commercial Paper - (Pencipal + interest)	0.08	20.0	0.08	80.0	20.0	20.0	20.0	200	000	900	400	e s	600
CANO - (Principal + Interest)	0.08	80.0	80.0	\$0.0	0.04	20.0	20.0	80.0	9	\$513 n	8514 B	6838.0	61 543.0
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CASH BALANCE	\$3,996.2	\$3,609.1	\$4,509.3	\$3,756.1	\$3,113.7	\$3,528.0	\$4,153.4	_	\$3,621.4	\$4.778.4	\$3,788.2	\$4 393 1	\$4.397.1
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Bonds	1.058-1	1463.1	\$288.1	\$571.2	\$371.2	\$916.2	\$638.2	81,063.2	2838.2	\$613.2	\$388.2	\$513.2	
BANS	2 2	9	\$550.0	000	\$306.0	\$0.0	\$400.0	\$0.0	900	80.0	\$650.0	\$225.0	\$2,880.0
Segregated Bond Funds Available	2 5		0 0		8	0.04		0.04	0.08	\$0.0	\$0.0	\$0.0	
Bond / BANs Proceeds Allocated			1.00		\$1,178.2	_	277	\$1,063.2	\$838.2		\$1,038.2	\$1,038.2	
Ending Balance Segregated Bond Funds	Z Z Z	2156.0	2000	2200.0	2260.0	\$278.0	\$225.0	\$225.0	\$225.0		\$225.0	\$225.0	\$2,725.9
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E: \$3,276.0  \$1,196.0  \$3,95.0  \$3,505.1  \$1,196.0  \$3,910.1  \$1,196.0  \$3,506.1  \$1,196.0  \$3,506.1  \$48.1  \$1,70.0  \$1,206.0		February 2019 in Millions
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	_	WS:
		(2)
		es inflows
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		iterest)
		es Outrows
1 110 00		
\$2.550.0	\$2.550.0	31

5	2013 #	2
March 2019 Forecast	March 2019 Actual	Variance
\$2,550.0	\$2,593.5	\$43.5
\$2.806.0	\$3,096.8	\$290.8
\$878.0	\$1,013.0	
\$433.0	\$180.7	(\$252.3)
-		
\$4,117.0	\$4,290.5	\$173.5
\$487.0	\$500.0	\$13.0
\$466.0	\$389.6	(\$76.4)
		5%
60 860 0	2 603 69	
\$3 967.2	63 674 3	162230
\$149.8	\$656.2	\$506.4
\$185.8	\$161.1	
\$242.9	\$258.4	
0.000		98098)
	5466.0	(330 /)
\$48.1	\$60.8	\$12.7
\$86.3		
\$455.0		
\$485.0	\$379.7	
\$1040	61 158 7	(59.4)
(\$257.2)	(\$385.5)	(\$128.3)
\$10.0	\$14.0	\$4.0
\$10.0	\$14.0	\$4.0
(\$97.4)	\$284.7	\$382.1
000	9 724 6	
\$204.5	\$212.5	58.0
(\$24.5)	\$59.1	\$83.6
\$54.0	\$33.2	(\$20.8)
5238.6	61640	(352.6)
\$227.0	\$188.6	
\$11.6	(\$23.6)	(\$35.2)
494467	C3 041 E	

R 201	9 April 2019	Variance
S2,439.7	Ac(ua) \$2.913.6	\$473.9
\$3.794.0	\$4,703.4	
\$697.0	\$595.7	(\$1013)
\$5,497.0	\$6,130.0	\$633.0
\$515.0	\$478.1	(\$36.9)
\$140.3		(\$19.2)
\$2,829.0	\$2,574.2	(\$254 8)
\$3,885.3	\$3,645.6	(\$239.7)
\$1,611.7	\$2,484.5	\$872.8
\$148.7	\$146.5	(\$2.2)
	\$250.2	
	(\$164.3)	(\$549.3)
\$55.0	\$80.8	\$39.8
		(\$38.8)
loi.		
\$863		
\$73.0	5647	30.0 (SR 3)
\$455.0		
\$385.0		
\$1.184.9	\$1 025.7	(\$148.9)
(\$312.4)	(\$192.0)	
2100	515/	55.7
\$1,309.3	\$2,308.2	\$998.9
\$200.0	\$164.2	(\$35.8)
\$7.0	(\$46.5)	(\$53.5)
\$37.0	\$36.1	(\$0.9)
\$114.0	\$134.6	\$20.6
\$151.0		
\$295.0	\$229.9	
		0.00
1		
\$513.2	\$513.2	
\$513.2	\$513.2	
(\$513.2)	(\$513.2);	

FY 18 & FY 19 Monthly Cash and Investment Positions

\$4,000

# 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.