



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

Steven Grossman
Treasurer and Receiver General

December 3, 2013

The Honorable Stephen M. Brewer, 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 Brewer 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 2014.

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 2014 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 balance.

Highlights of Fiscal Year 2014

Fiscal year 2014 is based upon the General Appropriation Act (GAA) signed on July 12, 2013; all supplemental appropriations filed, enacted or anticipated and includes all prior appropriations continued into fiscal year 2014. Fiscal year 2014 projections are based on actual spending and revenue through October 2013, and estimates for the remainder of fiscal year 2014.

Total spending in the fiscal year 2014 budget approved by the Governor amounts to approximately \$34.063 billion. The fiscal year budget assumes tax revenues of \$22.797 billion, reflecting the consensus tax estimate of \$22.334 billion, adjusted for the impact of revenue initiatives enacted as part of the budget, most notably a one-year delay of the FAS 109 deductions (additional \$45.9 million), enhanced tax enforcement initiatives (additional \$35.0 million) and an Amazon agreement (additional \$36.7 million), as well as approximately \$370.0 million in tax revenues included in the transportation finance legislation enacted on July 24, 2013. The tax estimate also reflects the estimated cost of the subsequently enacted two-day sales tax holiday held on August 10-11, 2013 (\$24.3 million). (The enacting legislation for the sales tax holiday required that proceeds of one-time settlements and judgments that otherwise

"The use of the term "fiscal year" is generic, meaning the period from July 1, 2013 to June 30, 2014, rather than as the term is specifically defined for budget purposes. This is because for cash purposes the "fiscal year" includes "accounts payable" activity for fiscal year 2013, and excludes "accounts payable" activity for fiscal year 2014.

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would have been transferred to the Commonwealth Stabilization Fund, be used to reimburse the General Fund for foregone tax revenue as a result of the holiday.) Approximately \$1.060 billion of the \$22.797 billion tax estimate is assumed to be generated from taxes on capital gains. Approximately \$37.0 million of that amount will be deposited into the Stabilization Fund and will not be available for budgetary purposes pursuant to the certification released by the Department of Revenue on December 28, 2012, that established a fiscal year 2014 capital gains threshold of \$1.023 billion.

The State Lottery Commission is projecting net operating revenues of \$1.0359 billion for fiscal year 2014.

The Commonwealth's five-year capital investment plan, which is reviewed annually, calls for fiscal year 2014 capital spending of approximately \$2.85 billion, which includes \$2.0 billion in bond cap for fiscal year 2014, \$704.0 million for the Accelerated Bridge Program and \$151.9 million for project finance spending. To date, the Commonwealth has issued both general obligation bonds (July) and special obligation bonds for the Accelerated Bridge Program (November) this fiscal year. Based on a preliminary financing schedule, future borrowings are expected to generate approximately \$1.5 billion in bond proceeds and are expected to take place in December 2013, March 2014 and May 2014.

On September 18, 2013, the Commonwealth completed the sale of \$800.0 million in short-term revenue anticipation notes (RANs) to help reinforce the State's available cash given anticipated fluctuations in tax revenue collections.

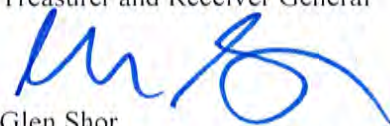
The sale was noteworthy both for the reduced amount of borrowing compared to recent years and the record low interest rate at which the notes were sold. The average interest cost for the RANs was 5.4 basis points or .054 percent, compared to an average interest cost of 9.7 basis points when the Commonwealth sold RANs in 2012, which was then a record low yield. A number of factors, including above-benchmark revenue collections, drove the need for a smaller than usual borrowing. The Commonwealth has borrowed \$1.2 billion annually in RANs for the last four fiscal years. These two factors contributed to an estimated budgetary savings of \$6.7 million.

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 experience by enhancing the Commonwealth's cash flow forecast with additional features. An estimate to actual variance analysis was added in the preceding forecast, and in this forecast we are introducing a glossary that we hope will facilitate a greater understanding of the document. Please feel free to contact our respective staffs if you require additional information.

Sincerely,



Steven Grossman
Treasurer and Receiver General



Glen Shor
Secretary of Administration and Finance

Enclosures

(presented in millions)	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Total FY 2014
	Actual	Actual	Actual	Actual	Est	Est	Est	Est	Est	Est	Est	Est	
OPENING NON-SEGREGATED OPERATING CASH BALANCE:	\$2,276.5	\$1,253.7	\$1,065.1	\$1,918.9	\$1,744.4	\$1,410.0	\$2,040.6	\$2,205.4	\$1,182.4	\$1,304.6	\$2,491.7	\$2,150.2	\$2,276.5
OPERATING ACTIVITIES:													
Budgetary Funds:													
Tax Revenue	\$1,639.1	\$1,481.3	\$2,603.6	\$1,774.6	\$1,515.0	\$2,208.0	\$2,373.0	\$1,495.0	\$2,373.0	\$3,188.0	\$1,578.0	\$2,626.0	\$24,854.5
Federal Reimbursements	\$622.1	\$891.7	\$603.7	\$534.2	\$617.5	\$853.1	\$570.6	\$651.8	\$885.0	\$648.2	\$831.5	\$799.2	\$8,508.6
Other Budgetary Revenue	\$343.5	\$236.9	\$316.2	\$316.2	\$285.0	\$350.5	\$347.0	\$267.9	\$363.9	\$626.0	\$389.6	\$428.7	\$4,173.6
Transfer from/(to) Stabilization Fund	(\$145.6)	\$350.0	(\$70.2)	\$0.0	\$0.0	\$60.7	\$0.0	\$0.0	\$1.4	\$0.0	\$0.0	\$1.4	\$197.8
Total Budgetary Revenue/Inflows	\$2,459.1	\$2,959.8	\$3,355.5	\$2,624.9	\$2,417.5	\$3,472.3	\$3,290.6	\$2,414.7	\$3,623.3	\$4,462.2	\$2,799.1	\$3,855.3	\$37,734.4
Local Aid	\$414.3	\$395.6	\$514.7	\$414.4	\$440.7	\$440.7	\$440.7	\$440.7	\$440.7	\$440.7	\$440.7	\$440.7	\$5,264.5
Tax Refunds	\$23.5	\$44.8	\$60.5	\$68.1	\$58.0	\$25.0	\$69.0	\$428.0	\$327.0	\$366.0	\$94.0	\$43.0	\$1,606.8
Debt Service for General Obligation (including CA/T)	\$82.9	\$468.9	\$139.2	\$88.4	\$468.8	\$112.4	\$193.2	\$164.8	\$110.8	\$78.6	\$95.7	\$77.4	\$2,081.9
Debt Service for Special Obligations	\$17.2	\$0.0	\$0.0	\$0.0	\$0.0	\$27.3	\$17.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$134.2
Debt Service for GANS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$5.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.3
Other Budgetary Expenditures	\$2,585.2	\$2,287.7	\$1,820.9	\$2,167.3	\$2,157.5	\$2,422.4	\$2,381.3	\$2,145.6	\$2,489.8	\$2,114.1	\$2,088.1	\$2,240.8	\$26,900.8
Total Budgetary Expenditures/Outflows	\$3,123.1	\$3,197.0	\$2,535.2	\$2,738.1	\$3,126.0	\$3,033.6	\$3,101.4	\$3,179.1	\$3,368.3	\$2,999.4	\$2,718.5	\$2,876.9	\$35,996.5
Net Budgetary Funds	(\$664.0)	(\$237.2)	\$820.3	(\$113.2)	(\$708.5)	\$438.7	\$189.2	(\$764.4)	\$255.1	\$1,462.8	\$80.6	\$978.4	\$1,737.9
Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):													
Lottery Revenue	\$152.9	\$181.0	\$95.6	\$157.5	\$110.0	\$160.0	\$320.0	\$90.0	\$110.0	\$140.0	\$160.0	\$110.0	\$1,787.0
Pension Receipts (PRIM and Annuity Receipts)	\$231.3	\$236.7	\$240.3	\$233.5	\$210.8	\$200.8	\$230.8	\$210.8	\$200.8	\$210.8	\$210.8	\$200.8	\$2,618.5
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	\$46.2	(\$82.7)	(\$163.9)	(\$106.7)	\$844.3	\$239.0	\$239.0	\$289.0	\$258.0	\$239.0	\$239.0	\$290.0	\$2,270.3
Non Budgetary Tax Receipts	\$29.5	\$164.1	\$83.4	\$24.2	\$53.0	\$42.0	\$43.0	\$26.0	\$75.0	\$44.0	\$44.0	\$42.0	\$662.3
Other Non Budgetary Revenue	\$399.0	\$467.2	\$275.0	\$417.1	\$190.0	\$245.0	\$215.0	\$248.7	\$355.0	\$205.0	\$190.0	\$255.0	\$3,461.9
Total Non Budgetary Revenue/Inflows	\$958.9	\$996.3	\$550.5	\$635.6	\$1,408.1	\$886.8	\$1,047.8	\$864.5	\$998.8	\$838.8	\$835.8	\$897.8	\$10,799.9
Lottery Payments	\$25.1	\$90.6	\$40.5	\$63.0	\$58.0	\$61.0	\$66.0	\$59.7	\$69.0	\$69.0	\$69.0	\$61.0	\$728.8
MBTA Sales Tax	\$53.8	\$83.9	\$60.3	\$62.7	\$67.3	\$67.3	\$67.3	\$67.3	\$67.3	\$67.3	\$67.3	\$67.3	\$799.3
MBTA Assessments	\$13.2	\$13.1	\$13.1	\$13.1	\$0.0	\$38.0	\$0.0	\$0.0	\$38.0	\$0.0	\$0.0	\$0.0	\$166.5
MSBA Payments	\$59.8	\$64.2	\$60.3	\$56.8	\$60.7	\$60.7	\$60.7	\$60.7	\$60.6	\$61.0	\$61.0	\$61.9	\$728.3
Pension Payments	\$355.5	\$358.7	\$354.3	\$369.8	\$345.0	\$360.0	\$345.0	\$345.0	\$345.0	\$345.0	\$345.0	\$360.0	\$4,228.3
Non Pooled / Trust / Fiduciary Fund Expenditures	\$329.8	\$399.2	\$331.0	\$217.4	\$339.0	\$339.0	\$339.0	\$389.0	\$358.0	\$339.0	\$339.0	\$390.0	\$4,109.5
Other Non Budgetary Expenditures	\$115.1	\$104.6	\$289.1	\$44.8	\$94.0	\$161.0	\$94.5	\$79.2	\$226.0	\$111.0	\$94.5	\$161.0	\$1,574.8
Total Non Budgetary Expenditures/Outflows	\$952.3	\$1,114.2	\$1,148.5	\$827.6	\$964.0	\$1,087.0	\$972.5	\$1,000.9	\$1,163.9	\$982.3	\$982.8	\$1,139.2	\$12,335.4
Net Non Budgetary Funds	(\$93.4)	(\$127.9)	(\$400.0)	(\$192.0)	\$444.1	(\$200.2)	\$75.3	(\$136.4)	(\$165.1)	(\$143.5)	(\$147.0)	(\$241.4)	(\$1,535.5)
Undesignated Revenue/Inflows and Expenditures/Outflows:													
General Fund Investment Earnings	\$0.7	\$13.6	\$3.8	\$1.8	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$27.9
Net Undesignated Revenue/Inflows and Expenditures/Outflows	\$0.7	\$13.6	\$3.8	\$1.8	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$27.9
NET OPERATING ACTIVITIES	(\$156.7)	(\$351.5)	\$216.1	(\$305.5)	(\$263.3)	\$239.5	\$265.5	(\$899.8)	\$91.0	\$1,320.3	(\$65.3)	\$738.1	\$230.3
FEDERAL GRANTS:													
Total Federal Grants Revenue/Inflows	\$163.6	\$232.8	\$164.8	\$161.8	\$180.0	\$200.0	\$185.0	\$185.0	\$202.0	\$185.0	\$190.0	\$200.5	\$2,250.5
Total Federal Grants Expenditures/Outflows	\$205.5	\$224.8	\$142.5	\$158.7	\$185.3	\$198.0	\$186.3	\$179.8	\$208.0	\$186.3	\$185.3	\$198.0	\$2,258.5
NET FEDERAL GRANTS	(\$41.9)	\$8.0	\$22.3	\$3.1	(\$5.3)	\$2.0	(\$1.3)	\$5.2	(\$8.0)	(\$1.3)	\$4.7	\$2.5	(\$8.0)
CAPITAL FUNDS:													
Capital Revenue/Inflows:													
Capital Inflow from Federal Reimbursements	\$40.0	\$41.3	\$56.9	\$101.7	\$89.2	\$163.0	\$44.2	\$41.8	\$23.4	\$31.2	\$33.1	\$110.0	\$775.9
Capital Inflow from Financing Activities:													
Capital Inflow to General Fund from Segregated Bond Funds	\$8.5	\$389.3	\$0.0	\$242.5	\$161.2	\$558.9	\$161.4	\$132.5	\$320.0	\$320.0	\$320.0	\$320.0	\$2,934.2
Total Capital Revenue/Inflows	\$48.5	\$430.6	\$56.9	\$344.2	\$250.4	\$721.9	\$205.6	\$174.3	\$343.4	\$351.2	\$353.1	\$430.0	\$3,710.1
Total Capital Expenditures/Outflows	\$272.7	\$275.7	\$241.4	\$218.4	\$316.1	\$332.9	\$305.1	\$302.7	\$306.2	\$280.8	\$329.9	\$285.3	\$3,467.0
NET CAPITAL FUNDS	(\$224.2)	\$154.8	(\$184.5)	\$125.8	(\$65.7)	\$389.0	(\$99.5)	(\$128.4)	\$37.2	\$70.4	\$23.2	\$144.7	\$243.1
FINANCING ACTIVITIES:													
Cash Flow Financing Activities Inflows:													
Commercial Paper	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Revenue Anticipation Notes (RANS)	\$0.0	\$0.0	\$800.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$800.0
Total Cash Flow Financing Activities Inflows	\$0.0	\$0.0	\$800.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$800.0
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	\$202.3	\$304.1	\$304.5	\$810.9
Total Cash Flow Financing Activities Outflows	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$202.3	\$304.1	\$304.5	\$810.9
NET FINANCING ACTIVITIES	\$0.0	\$0.0	\$800.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$202.3)	(\$304.1)	(\$304.5)	(\$10.9)
ENDING NON-SEGREGATED OPERATING CASH BALANCE:	\$1,253.7	\$1,065.1	\$1,918.9	\$1,744.4	\$1,410.0	\$2,040.6	\$2,205.4	\$1,182.4	\$1,304.6	\$2,491.7	\$2,150.2	\$2,731.0	\$2,731.0
Capital Budget Bonding Activity:													
Opening Balance Segregated Bond Funds	\$81.8	\$73.3	\$307.4	\$307.4	\$64.9	\$607.8	\$573.9	\$412.5	\$280.0	\$460.0	\$140.0	\$320.0	
Bonds	\$0.0	\$623.4	\$0.0	\$0.0	\$704.0	\$525.0	\$0.0	\$0.0	\$500.0	\$0.0	\$500.0	\$0.0	\$2,852.4
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	\$81.8	\$696.7	\$307.4	\$307.4	\$768.9	\$1,132.8	\$573.9	\$412.5	\$780.0	\$460.0	\$640.0	\$320.0	
Bond / BANs Proceeds Allocated	\$8.5	\$389.3	\$0.0	\$242.5	\$161.2	\$558.9	\$161.4	\$132.5	\$320.0	\$320.0	\$320.0	\$319.0	\$2,933.2
Ending Balance Segregated Bond Funds	\$73.3	\$307.4	\$307.4	\$64.9	\$607.8	\$573.9	\$412.5	\$280.0	\$460.0	\$140.0	\$320.0	\$1.0	

August 2013 in Millions			
	August 2013 Forecast	August 2013 Actual	Variance
OPENING NON-SEGREGATED OPERATING CASH BALANCE:	1,253.756	1,253.731	(0.025)
OPERATING ACTIVITIES:			
Budgetary Funds:			
Tax Revenue	1,473.000	1,481.255	8.255
Federal Reimbursements	729.455	891.668	162.214
Other Budgetary Revenue	264.200	236.863	(27.337)
Transfer from/(to) Stabilization Fund	350.000	350.000	
Total Budgetary Revenue/Inflows	2,816.655	2,959.786	143.132
Local Aid	395.600	395.585	(0.015)
Tax Refunds	44.800	44.794	(0.006)
Debt Service for General Obligation (including CA/T)	468.903	468.898	(0.005)
Debt Service for Special Obligations			
Debt Service for GANS			
Other Budgetary Expenditures	2,117.200	2,287.698	170.498
Total Budgetary Expenditures/Outflows	3,026.503	3,196.975	170.472
Net Budgetary Funds	(209.849)	(237.189)	(27.340)
Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):			
Lottery Revenue	150.000	180.982	30.982
Pension Receipts (PRIM and Annuity Receipts)	230.840	236.704	5.864
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	302.300	(62.694)	(364.994)
Non Budgetary Tax Receipts	44.000	164.147	120.147
Other Non Budgetary Revenue	268.700	467.175	198.475
Total Non Budgetary Revenue/Inflows	995.840	986.314	(9.526)
Lottery Payments	80.800	90.565	9.765
MBTA Sales Tax	67.000	83.855	16.855
MBTA Assessments		13.096	13.096
MSBA Payments	60.700	64.231	3.531
Pension Payments	345.000	358.674	13.674
Non Pooled / Trust / Fiduciary Fund Expenditures	288.500	399.206	110.706
Other Non Budgetary Expenditures	202.000	104.584	(97.416)
Total Non Budgetary Expenditures/Outflows	1,044.000	1,114.210	70.210
Net Non Budgetary Funds	(48.160)	(127.896)	(79.736)
Undesignated Revenue/Inflows and Expenditures/Outflows:			
General Fund Investment Earnings	1.000	13.591	12.591
Net Undesignated Revenue/Inflows and Expenditures/Outflows	1.000	13.591	12.591
NET OPERATING ACTIVITIES	(257.009)	(351.494)	(94.486)
FEDERAL GRANTS:			
Total Federal Grants Revenue/Inflows	180.000	232.773	52.773
Total Federal Grants Expenditures/Outflows	213.800	224.789	10.989
NET FEDERAL GRANTS	(33.800)	7.983	41.783
CAPITAL FUNDS:			
Capital Revenue/Inflows:			
Capital Inflow from Federal Reimbursements	67.100	41.298	(25.802)
Capital Inflow from Financing Activities:			
Capital Inflow to General Fund from Segregated Bond Funds	389.598	389.260	(0.338)
Total Capital Revenue/Inflows	456.698	430.558	(26.140)
Total Capital Expenditures/Outflows	352.600	275.724	(76.876)
NET CAPITAL FUNDS	104.098	154.834	50.736
FINANCING ACTIVITIES:			
Cash Flow Financing Activities Inflows:			
Commercial Paper			
Revenue Anticipation Notes (RANS)			
Total Cash Flow Financing Activities Inflows			
Cash Flow Financing Activities Outflows:			
Commercial Paper - (Principal + Interest)			
RANS - (Principal + Interest)			
Total Cash Flow Financing Activities Outflows			
NET FINANCING ACTIVITIES			
ENDING NON-SEGREGATED OPERATING CASH BALANCE:	1,067.045	1,065.054	(1.991)
Capital Budget Bonding Activity:			
Opening Balance Segregated Bond Funds	73.276	73.268	(0.009)
Bonds	623.393	623.393	
BANs			
Segregated Bond Funds Available	696.669	696.660	(0.009)
Bond / BANs Proceeds Allocated	389.598	389.260	(0.338)
Ending Balance Segregated Bond Funds	307.071	307.401	0.330

September 2013 in Millions		
September 2013 Forecast	September 2013 Actual	Variance
1,067.045	1,065.054	(1.991)
2,438.500	2,603.617	165.117
601.655	603.687	2.032
247.890	218.448	(29.442)
(335.750)	(70.216)	265.534
2,952.295	3,355.536	403.242
440.700	514.673	73.973
71.000	60.455	(10.545)
141.949	139.187	(2.763)
1,993.700	1,820.933	(172.767)
2,647.349	2,535.248	(112.101)
304.945	820.288	515.343
190.000	95.616	(94.384)
200.840	240.327	39.487
258.000	(153.866)	(411.866)
58.000	83.396	25.396
375.000	275.014	(99.986)
1,081.840	540.486	(541.354)
63.000	40.472	(22.528)
67.000	60.261	(6.739)
37.000	13.096	(23.904)
60.700	60.261	(0.439)
345.000	354.252	9.252
295.000	331.034	36.034
289.000	289.115	0.115
1,156.700	1,148.491	(8.209)
(74.860)	(608.005)	(533.145)
1.000	3.847	2.847
1.000	3.847	2.847
231.085	216.130	(14.955)
210.000	164.758	(45.242)
208.000	142.500	(65.500)
2.000	22.258	20.258
54.300	56.909	2.609
270.433		(270.433)
324.733	56.909	(267.824)
311.900	241.429	(70.471)
12.833	(184.520)	(197.353)
800.000	800.000	
800.000	800.000	
	800.000	800.000
2,415.138	1,918.922	(496.216)
307.071	307.401	0.330
307.071	307.401	0.330
270.433		(270.433)
36.638	307.401	270.762

October 2013 in Millions		
October 2013 Forecast	October 2013 Actual	Variance
2,415.139	1,918.922	(496.216)
1,727.500	1,774.617	47.117
627.755	534.160	(93.595)
358.790	316.156	(42.634)
2,714.045	2,624.932	(89.112)
440.700	414.371	(26.329)
185.000	68.055	(116.945)
91.951	88.373	(3.579)
2,292.900	2,167.339	(125.561)
3,010.551	2,738.138	(272.414)
(296.507)	(113.205)	183.301
90.000	157.476	67.476
210.840	233.502	22.662
239.000	(196.707)	(435.707)
71.000	24.206	(46.794)
205.000	417.073	212.073
815.840	635.551	(180.289)
68.000	63.000	(5.000)
67.000	62.735	(4.265)
	13.096	13.096
60.700	56.759	(3.941)
345.000	369.792	24.792
295.000	217.393	(77.607)
155.000	44.805	(110.195)
990.700	827.580	(163.120)
(174.860)	(192.029)	(17.169)
1.000	1.780	0.780
1.000	1.780	0.780
(470.367)	(303.454)	166.912
175.000	161.826	(13.174)
186.300	158.705	(27.595)
(11.300)	3.121	14.421
78.900	101.732	22.832
36.638	242.492	205.854
115.538	344.224	228.685
324.800	218.406	(106.394)
(209.262)	125.818	335.080
1,724.210	1,744.407	20.197
36.638	307.401	270.762
597.883		(597.883)
634.522	307.401	(327.121)
36.638	242.492	205.854
597.883	64.909	(532.975)

December 3, 2013

**CASH AND INVESTMENTS
AS OF JULY 31, 2012**

Cash	\$ 42.185
Investments	<u>2,102.177</u>
Total	\$2,144.362
Less float (actual)	<u>(199.417)</u>
	<u>\$1,944.945</u>
Segregated bond funds	\$ 300.700
Non-segregated cash	<u>1,944.945</u>
Total	<u>\$2,245.645</u>

**CASH AND INVESTMENTS
AS OF OCTOBER 31, 2012**

Cash	\$ 45.744
Investments	<u>2,279.023</u>
Total	\$2,324.767
Less float (actual)	<u>(149.287)</u>
	<u>\$2,175.480</u>
Segregated bond funds	\$ 209.000
Non-segregated cash	<u>2,175.480</u>
Total	<u>\$2,384.480</u>

**CASH AND INVESTMENTS
AS OF JANUARY 31, 2013**

Cash	\$ 6.790
Investments	<u>1,987.801</u>
Total	\$1,994.591
Less float (actual)	<u>(397.022)</u>
	<u>\$1,597.569</u>
Segregated bond funds	\$ 344.000
Non-segregated cash	<u>1,597.569</u>
Total	<u>\$1,941.569</u>

December 3, 2013

**CASH AND INVESTMENTS
AS OF APRIL 30, 2013**

Cash	\$ 42.791
Investments	<u>2,142.104</u>
Total	\$2,184.895
Less float (actual)	<u>(183.642)</u>
	<u>\$2,001.253</u>
Segregated bond funds	\$ 277.800
Non-segregated cash	<u>2,001.253</u>
Total	<u>\$2,279.053</u>

**CASH AND INVESTMENTS
AS OF JULY 31, 2013**

Cash	\$ 6.091
Investments	<u>1,438.674</u>
Total	\$1,444.765
Less float (actual)	<u>(191.016)</u>
	<u>\$1,253.749</u>
Segregated bond funds	\$ 73.300
Non-segregated cash	<u>1,253.749</u>
Total	<u>\$1,327.049</u>

**CASH AND INVESTMENTS
AS OF OCTOBER 31, 2013**

Cash	\$ 8.124
Investments	<u>1,950.499</u>
Total	\$1,958.623
Less float (actual)	<u>(214.252)</u>
	<u>\$1,744.371</u>
Segregated bond funds	\$ 64.900
Non-segregated cash	<u>1,744.371</u>
Total	<u>\$1,809.271</u>

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.