

Commonwealth of Massachusetts

**STATUTORY BASIS FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017**



**THOMAS G. SHACK III, ESQ.
COMPTROLLER**

Minuteman Monument - Lexington - Middlesex County

Commonwealth of Massachusetts



Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2017

Thomas G. Shack III, Esq.
Comptroller of the Commonwealth

Prepared by
The Financial Reporting and Analysis Team
Office of the Comptroller

This document is available at the Comptroller's website: www.macomptroller.org

Minuteman Statue - Lexington - Middlesex County

The Lexington Minuteman is a life-size bronze figure of a colonial farmer with musket by Boston sculptor Henry H. Kitson. It stands at the southeast corner of the Lexington Battle Green, facing the route of the British advance. The statue was unveiled on April 19, 1900, the 125th anniversary of the battle.

Photo courtesy of Massachusetts Office of Travel and Tourism

Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2017

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Introductory Section



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The Commonwealth of Massachusetts
Office of the Comptroller

November 16, 2017

The People of Massachusetts

His Excellency Charles D. Baker, Governor

Senator Karen E. Spilka, Chair of the Senate Committee on Ways and Means

Representative Jeffrey Sánchez, Chair of the House Committee on Ways and Means

Secretary Michael J. Heffernan, Executive Office for Administration and Finance

We are pleased to present the Statutory Basis Financial Report (SBFR) for the fiscal year ended June 30, 2017.

Under M.G.L. c. 7A, s. 7, the Comptroller is responsible for establishing accounting rules and interpreting and implementing accounting standards for Commonwealth departments. Pursuant to M.G.L. c. 7A, s. 12, the Comptroller is also required to file the SBFR with the Governor, the Secretary of Administration and Finance, the House and Senate Committees on Ways and Means, the Clerks of the House and Senate, and any other Parties specified in general or special law by October 31st of each year. However, the delayed enactment of the final FY17 Supplemental Appropriation Act on November 3, 2017 created an inherent dilemma. To the extent that the late filing and enactment of the FY17 Supplemental conflicted with filing deadlines, I was compelled to choose completeness over filing expediency in light of the fact that without a final FY Supplemental I was unable to close the FY17 books; therefore, the issuance of the SBFR as of October 31, 2017 was delayed until November 16, 2017.

The Commonwealth's books for FY17 were closed upon the enactment of the Final Supplemental on November 3, 2017. In the ensuing days, this Office implemented the requisite transactions in the State Accounting System, recorded those transactions in the Commonwealth's Statutory Basis Financial Report (SBFR), finalized and submitted the SBFR for review to our external auditors, and today filed the SBFR pursuant to M.G.L. c.7A. While delayed by over two weeks, I am pleased to be able to file this required report and strongly encourage earlier action as part of the FY18 closing so that we are not put in this unenviable position next year.

I remind you that the two months between August 31 and October 31 are necessary for the preparation of financial statements and the SBFR document, noting that this 60 day period is necessary for completion of reporting, reconciliation and independent auditor review of the statements, including the Consolidated Net Surplus (CNS). The issued SBFR then serves as the basis for the FY17 Comprehensive Annual Financial Report (CAFR) required pursuant to M.G.L. c. 7A, s.12, and it becomes increasingly more difficult to complete the CAFR in a timely manner if the SBFR deadline is not met.

Final fiscal year-end supplemental appropriations bill enactment has trended late in recent years. In the past twelve years alone, enactment has been late ten times. This is a troubling pattern that could put the accuracy and integrity of the Commonwealth's accounting and audit responsibilities at risk when compressed against strict statutory filing deadlines. Late fiscal year enactment also has potential downstream effects, with the likelihood and severity of those effects increasing the later final supplemental legislation is enacted. Not only does it prevent the Comptroller's Office from meeting the SBFR statutory filing deadlines, but as noted above, also delays the preparation, external auditor review, and issuance of the Commonwealth's GAAP-based CAFR.

These delays could jeopardize the Commonwealth's ability to qualify for the Governmental Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting of which the Commonwealth has been awarded for the past 27 years. The CAFR statutory filing deadline of the second Wednesday in January and the Certificate of Excellence are both of known interest to rating agencies and the investment community.

I strongly recommend that the necessary actions to enact the Final FY18 Supplemental Appropriation be taken much sooner to prevent any future negative repercussions for similar delayed filing.

In our opinion, the SBFR provides an independent and unbiased accounting of Commonwealth revenues and expenditures for Fiscal Year 2017. It has also been reviewed in accordance with professional standards established by the American Institute of Certified Public Accountants.

This office will also issue the Commonwealth's Comprehensive Annual Financial Report (CAFR). The CAFR has the additional requirements of adherence to generally accepted accounting principles (GAAP), and the interpretation of statements issued by the Governmental Accounting Standards Board (GASB).

As we conclude our review of Fiscal Year 2017, we would like to take the opportunity to acknowledge the remarkable effort and dedication of the Office of the Comptroller staff, who continually support our mission to promote accountability, integrity, and clarity in Commonwealth business, fiscal, and administrative enterprises. We would like to express additional appreciation to Deputy Comptroller Howard Merkowitz and the Financial Reporting and Analysis Team and its leadership Michael Rodino and Pauline Lieu.

Respectfully,

Thomas G. Shack, III, Esq.
Comptroller of the Commonwealth

Jeffrey S. Shapiro, Esq.
First Deputy Comptroller

Report Summary

As of June 30, 2017, the Commonwealth had a budgeted fund balance of approximately \$1.448 billion and completed FY17 with a balanced budget according to state finance law (see below for the definition of a balanced budget under state finance law). During the fiscal year, the balance of the Commonwealth's Stabilization (or rainy day) Fund increased by \$9 million, to \$1.301 billion, as a result of investment earnings on the Fund's balance. No funds were drawn from the Stabilization Fund in FY17. (The Budgeted Funds – Operations table on page 8 displays the FY17 summary of budgeted funds compared to FY16. Details of FY17 Stabilization Fund activity are provided on pages 10 and 115.) The total budgeted fund balance of \$1.448 billion reflects a loss (revenues and other financing sources less than expenditures and other financing uses) of approximately \$34 million, subtracted from the FY17 beginning balance of \$1.482 billion. This follows an FY16 operating loss of \$89 million. In addition to the \$1.301 billion reserved in the Stabilization Fund, \$117 million is reserved for continuing appropriations and debt service in fiscal year 2018. The remaining undesignated balance of \$30 million is made up of smaller budgeted fund balances.

During FY17, budgeted fund tax revenues increased by \$211 million, or 0.9%, from FY16, as tax revenue growth due to the continuing expansion of the Massachusetts economy was partially offset by a decline in capital gains and corporate tax revenues. Before transfers between budgeted funds that do not affect total budgeted fund balances, total budgeted fund revenues and other financing sources increased by \$802 million, or 2.0%. Budgeted fund expenditures and other financing uses increased by \$747 million, or 1.8%, primarily due to increases in Medicaid spending, additional payments to hospitals that care for the uninsured, and higher contributions to the state pension system to pay down the Commonwealth's unfunded pension liability. A more detailed analysis of revenue and spending changes, as well as the economic factors that affected the budget, is included in the sections that follow.

Overview of the Financial Statements

This report focuses on the Commonwealth's budgeted funds. For the budgeted funds, the activity (inflows and outflows) and balances (assets and liabilities) of each fund are presented separately. For all other funds included in this report, the activity – inflows and outflows – is presented in tabular form, but per statute, the full balance sheets for each fund are not shown.

The financial operations of these funds are maintained in the Massachusetts Management Accounting and Reporting System, (MMARS). The statewide accounting system is operated by the Commonwealth and contains detailed information summarized in this report.

The SBFR is intended to satisfy the requirements of state finance law and to present the results of FY17 activity in the Commonwealth's funds. The report contains computations required by state finance law, including the certification of, transfers to, and balances in, the Stabilization Fund.

Basis of Accounting and Definition of the Consolidated Net Surplus

The statutory (or budgetary) basis of accounting, as defined in Massachusetts law, is used to budget and control fiscal operations. The statutory basis of accounting is not in conformity with accounting principles generally accepted in the United States of America (GAAP) as defined for governments by the Governmental Accounting Standards Board (GASB). In addition, Fiduciary Funds are not included in this presentation. The Comptroller's Office will report the Commonwealth's financial position on a GAAP basis in December, in the State's Comprehensive Annual Financial Report (CAFR). That report provides a basis for comparison with other jurisdictions, as the accounting rules for the CAFR are the same for all governments, whereas the statutory basis of accounting may differ across states. There are significant differences between what is contained in the SBFR and what will be presented in the CAFR according to GAAP. The major differences are that the CAFR reflects capital assets and depreciation expense, all types of long-term obligations – including debt, pensions, and other-post employment benefits (or OPEB, which are mainly retirees' health insurance benefits) – and in the CAFR the financial statements are presented in an all-encompassing, net position and net expense format.

The Commonwealth's statutory basis of accounting defines the “consolidated net surplus” as the ending “undesignated”, or unreserved, balances in specific budgeted funds, that is, those funds subject to the state's annual appropriation process, though by statute several budgeted funds are excluded from the consolidated net surplus calculation. In turn, state finance law defines a “balanced budget” as a consolidated net surplus of \$0. The largest of the budgeted funds are the

General Fund and the Commonwealth Transportation Fund, which account for approximately 93.8% and 4.9%, respectively of total budgeted fund expenditures and other financing uses. The remaining approximately FY17 1.3% of budgeted fund activity is comprised of 9 smaller funds, 6 of which by statute are excluded from the consolidated net surplus calculations.

In accordance with Section 12 of Chapter 7A of the Massachusetts General Laws, as amended, the Office of the Comptroller is required to transmit the SBFR by October 31st. However, due to the fact that the final FY17 supplemental budget bill was not enacted and signed into law until November 3, 2017, this SBFR is being transmitted on November 16, 2017 in order to provide sufficient time to accurately incorporate the bill's provisions into this report and have the report reviewed by the Commonwealth's independent auditor.

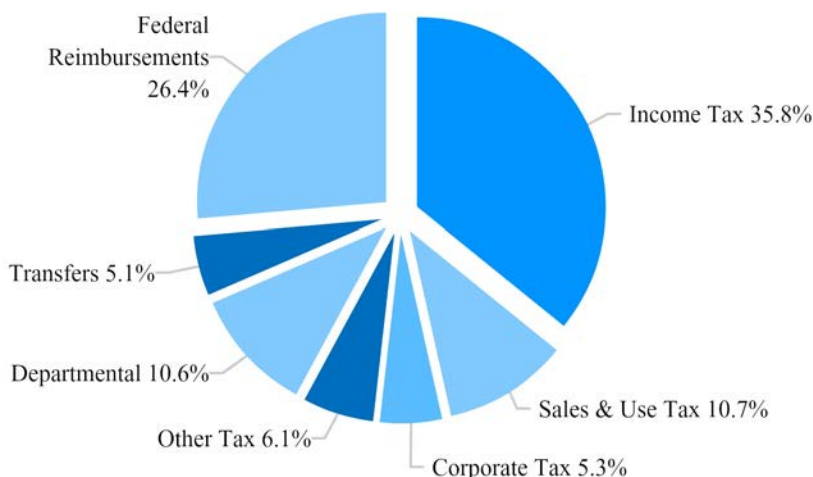
The SBFR for the fiscal year ended June 30, 2017 is reviewed, not audited, by KPMG LLP and represents the closing of the Commonwealth's books for the fiscal year.

The Economic Context

The funding available to the Commonwealth to finance its programs is determined in large part by the performance of the state's economy, most importantly the growth in employment, which in turn drives the personal income tax, the state's largest revenue source. In FY17, the Commonwealth's economy continued to perform better than the nation's economy. Between June 2016 and June 2017, employment (which is the primary driver of the Commonwealth's largest revenue source, income tax withholding) grew by approximately 67 thousand jobs, or 1.9%, compared to employment growth of 1.5% for the United States as a whole over the same period. As of June 2017, the Massachusetts unemployment rate was 4.3%, compared to 4.4% nationally.

The Budgeted Funds

***Budgeted Fund Revenues and
Other Sources (Total of \$41.2 billion)***



The FY17 legally enacted budget (the General Appropriation Act) included an FY17 tax revenue estimate of \$26.110 billion (a reduction from the FY17 consensus estimate of \$26.860 billion, which had been adjusted downward by \$750 million after tax revenue was below forecast at the end of FY16), further adjusted upward by \$174 million to \$26.284 billion as a result of \$49 million in tax law changes and \$125 million in tax settlements included in the budget. \$24.428 billion of that revenue was to be deposited in the budgeted funds and \$1.856 billion was to be deposited directly into non-budgeted funds for transfers of sales tax revenue dedicated to the Massachusetts Bay Transportation Authority (\$998 million) and the Massachusetts School Building Authority (\$835 million), and revenue deposited in the non-budgeted Workforce Training Fund (\$23 million). The FY17 budget appropriations also reflected the assumption that a reduction in the personal income tax rate would not be triggered during FY17 (as had been previously projected in the FY17 consensus tax revenue estimate and as reflected in the \$26.110 billion legally adopted tax estimate) as well

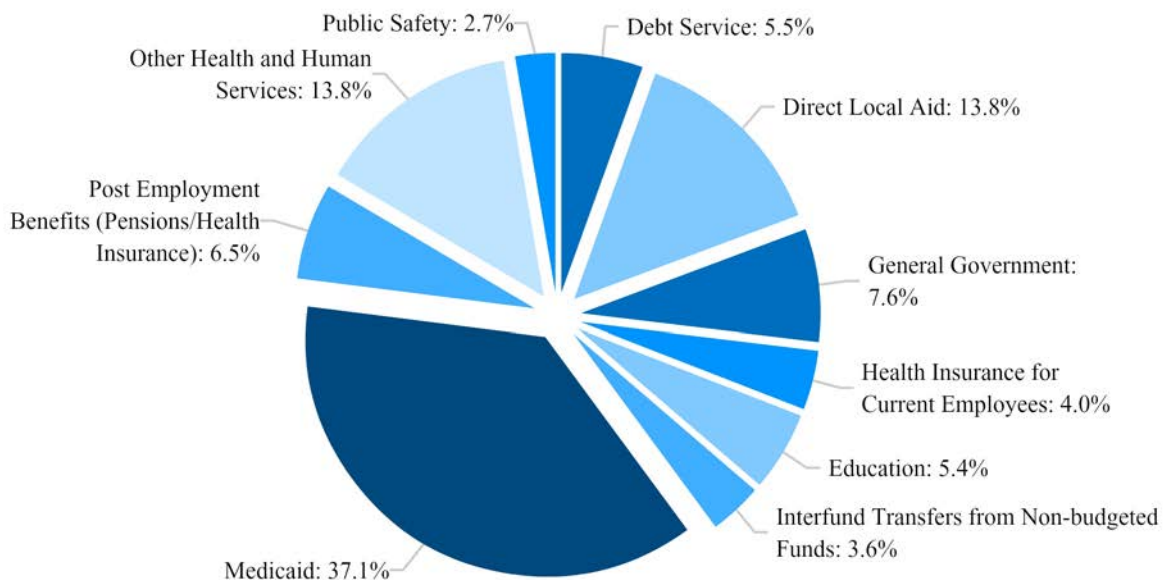
as other technical adjustments, resulting in a further increase of \$72 million in available tax revenues, though that assumption was not reflected in the section of the budget that specified the tax revenue estimate.

As a result of below-forecast revenue performance over the first three months of FY17, in October 2016 the Secretary of Administration and Finance adjusted the FY17 tax revenue estimate downward to \$26.181 billion, (including \$125 million in settlements exceeding \$10 million each, virtually all of which were projected be tax-related, and the previously mentioned increase of \$72 million due to the income tax rate reduction not being triggered, as well as other technical adjustments), of which \$24.353 billion was to be deposited in the budgeted funds.

FY17 tax revenues upon which the FY17 General Appropriation Act was based ended the year at \$25.662 billion (including \$58 million in tax settlements exceeding \$10 million each -- the Commonwealth also received \$54 million in non-tax settlements), of which \$23.828 billion was deposited in the budgeted funds. Tax revenue deposited in the budgeted funds grew by \$211 million, or 0.9% from FY16, and was \$524 million below the final FY17 tax estimate.

The FY17 General Appropriation Act (GAA) authorized approximately \$39.917 billion in spending, exclusive of approximately \$2.198 billion in required pension contributions and \$109 million in FY16 spending authorized to be continued into FY17 as part of FY16 end-of-year supplemental budgets.

Budgeted Expenditures and Other Uses (Total of \$41.2 billion)



Approximately \$571 million in supplemental appropriations were authorized during FY17, \$486 million of which were enacted prior to June 30, 2017. Subsequent to year end, a supplemental budget was enacted totaling approximately \$86 million in new appropriations, \$50 million of which was for snow and ice removal costs, \$20 million of which was to fund county Sheriffs' payroll expenses in FY17, with virtually all of the remainder continued to FY18 and reappropriated. The year's significant supplemental appropriation activity included:

- \$274 million for transfers to the Medical Assistance Trust Fund;
- \$64 million for snow and ice removal expenses incurred by the Massachusetts Department of Transportation;
- \$52 million for compensation of private counsel representing indigent defendants;

- \$48 million to fund county Sheriffs' payroll expenses
- \$29 million to fund administration and operations of the Department of Corrections;
- \$21 million for family shelter services.

In order to maintain a balanced budget in the face of lower than projected FY17 tax revenue collections, the Governor reduced spending authorizations, or allotments, using his authority under Section 9C of Chapter 29. Those allotment reductions totaled approximately \$116 million. The Executive Office for Administration and Finance in conjunction with state departments also took action in the fourth quarter of FY17 to minimize discretionary spending to maintain a balanced budget. Finally, the following specific actions were taken in FY17 to the maximize the General Fund's balance and thus maintain a statutory balanced budget:

- \$62 million in capital gains tax revenue that under statute was required to be deposited in the Stabilization Fund (\$56 million), the State Pension Fund (\$3 million), and the State Retiree Benefits Trust Fund (\$3 million) was retained in the General Fund, per a provision in the FY17 General Appropriation Act that increased the threshold set in statute;
- \$167 million in revenues was transferred to the General Fund from non-budgeted funds;
- \$102 million was retained in the General Fund by reducing the statutorily required tobacco settlement transfer to the State Retiree Benefits Trust Fund;
- \$13 million in Sheriffs' General Fund payroll expenses was shifted from FY17 to FY18.

FY17 budgeted revenues and other financing sources (before transfers between the budgeted funds, which are included in both spending and revenue and thus have no effect on fund balances) totaled \$41.167 billion, an increase of \$802 million, or 2.0%, from FY16. Tax revenue grew by \$211 million, or 0.9%; while the economy continued to expand modestly, growth in withholding and sales tax revenue was offset by a decline in corporate tax revenue and capital gains tax revenue the latter which, according to a preliminary Department of Revenue estimate, dropped by \$180 million, or 13.1%, from \$1.370 billion in FY16 to \$1.190 billion in FY17. (There were also declines in other non-withholding, or non-wage, income taxes, though details on these will not be available until 2016 income tax returns filed on extension are analyzed.) Federal reimbursements totaled \$10.858 billion, an increase of \$215 million, or 2.0%, primarily due to growth in reimbursements for increased Medicaid program spending. Departmental revenue, which consists primarily of assessments and fees for state licenses and state services, totaled \$4.382 billion, an increase of \$125 million, or 2.9%, from FY16, driven largely by an increase of \$169 million in pharmacy rebates paid to the state employee health insurance program. Interfund transfers from non-budgeted funds totaled \$2.099 billion, an increase of \$250 million, or 13.5%, from FY16, due primarily to growth in Lottery revenues and fringe benefit recoveries from capital, federal grants, and non-budgeted funds.

The Commonwealth continues to receive revenues from the Master Settlement Agreement (MSA) between the states and the tobacco industry to recover health care costs for tobacco-related illnesses. In FY17, the Commonwealth received \$254 million in tobacco settlement funds, a decrease of \$3 million from FY16. The \$254 million represented approximately 68.8% of the estimated amounts shown in the MSA. Statute requires that a portion of tobacco settlement proceeds be transferred directly to the State Retiree Benefits Trust Fund (SRBTF) to fund the Commonwealth's liability for retiree health care, with the percentage of proceeds transferred increasing by 10% each year until 100% of such proceeds is to be deposited in the SRBTF in FY2022 and after. For FY17, the statutorily required transfer was 50% of tobacco settlement revenues; however, the FY17 budget actions altered the mechanism by which the transfer was made and reduced the percentage of tobacco settlement revenues deposited to the SRBTF from 50% to 10%. That action reduced the FY17 transfer to approximately \$25 million, compared to the statutorily required transfer of \$127 million. For FY18, statute requires a transfer of 60%, or \$151 million, of the \$251 million in estimated FY18 tobacco settlement payments, to the SRBTF; however, the fiscal 2018 enacted budget requires that transfers be made equivalent to 10% of fiscal 2018 tobacco settlement proceeds, or approximately \$25 million.

FY17 budgeted expenditures and other financing uses, including transfers to non-budgeted funds (but before transfers between the budgeted funds) totaled \$41.202 billion, an increase of \$747 million, or 1.8%, from FY16, with the increase primarily attributable to higher spending on Medicaid and other health care spending, pension contributions, and Local Aid.

Spending on programs and services totaled \$34.967 billion, an increase of \$676 million, or 2.0%, from FY16. Medicaid expenditures totaled \$15.252 billion, an increase of \$401 million, or 2.7%, from FY16, primarily due to growth in enrollment, Medicare premium increases, increased health services utilization, and health care cost growth, especially pharmacy costs for emerging drugs.

Spending on state employee health benefits paid through the Group Insurance Commission (excluding benefits paid to retirees) increased by \$33 million, or 2.0%, from \$1.630 billion to \$1.663 billion. Budgeted debt service totaled \$2.285 billion, up \$110 million, or 5.1%, from FY16.

Interfund transfers to non-budgeted funds (primarily the Universal Health Care funds) totaled \$1.290 billion, a decrease of \$196 million or 13.2%, primarily due to a decline in transfers to the Medical Assistance Trust Fund. Post-employment benefits (for pension contributions and retiree health insurance) totaled \$2.660 billion, an increase of \$156 million, or 6.2%, as the Commonwealth increased its pension contribution by 10%, or \$179 million, over FY16. Spending for direct local aid (both education aid and unrestricted aid), at \$5.703 billion, was up \$135 million, or 2.4%, from FY16.

In conducting the budget process, the Commonwealth excludes from its forecast those “interfund” transactions within the budgeted funds that are included in this report; these transactions by their nature have no impact on the combined fund balance of the budgeted funds. The Budgeted Funds - Operations table isolates this “interfund” activity from the budgeted sources and subtracts this revenue and spending to align forecasts prepared during the budget process to actual amounts in this report. In FY17, transfers among the Budgeted Funds totaled \$617 million, an increase of \$145 million, or 30.6%, from FY16. A detailed list of these interfund transfers is included in Note 3 of the financial statements and Schedule C of the Supplemental Information section of this report.

Budgeted Funds - Operations
(Amounts in thousands)

| | 2017 | 2016 |
|--|--------------|--------------|
| Beginning fund balances: | | |
| Reserved and designated | \$ 126,018 | \$ 225,993 |
| Reserved for Stabilization Fund | 1,291,514 | 1,252,429 |
| Undesignated | 64,461 | 92,264 |
| Total | 1,481,993 | 1,570,686 |
| Revenues and other financing sources: | | |
| Taxes | 23,828,296 | 23,616,920 |
| Federal reimbursements | 10,857,830 | 10,642,720 |
| Departmental and other revenues, including tobacco settlement | 4,382,133 | 4,257,203 |
| Interfund transfers from non-budgeted funds and other financing sources | 2,099,068 | 1,848,709 |
| Budgeted revenues and other financing sources | 41,167,327 | 40,365,552 |
| Intragovernmental Service Fund revenues | 417,935 | 385,270 |
| Interfund transfers among budgeted funds and other financing sources | 199,481 | 87,628 |
| Total revenues and other financing sources | 41,784,743 | 40,838,450 |
| Expenditures and other financing uses: | | |
| Programs and services | 34,966,817 | 34,290,355 |
| Debt service | 2,284,677 | 2,174,307 |
| Post employment benefits | 2,659,709 | 2,503,377 |
| Interfund transfers to non-budgeted funds and other financing uses | 1,290,382 | 1,486,206 |
| Budgeted expenditures and other financing uses | 41,201,585 | 40,454,245 |
| Intragovernmental Service Fund expenditures | 417,935 | 385,270 |
| Interfund transfers among budgeted funds and other financing uses | 199,481 | 87,628 |
| Total expenditures and other financing uses | 41,819,001 | 40,927,143 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (34,258) | (88,693) |
| Ending fund balances: | | |
| Reserved and designated | 117,396 | 126,018 |
| Reserved for Stabilization Fund | 1,300,678 | 1,291,514 |
| Undesignated | 29,661 | 64,461 |
| Total | \$ 1,447,735 | \$ 1,481,993 |

Budgeted Funds – Fund Balance (Including Stabilization Fund)
(Amounts in millions)



The graph of Budgeted Funds - Fund Balance above portrays the combined fund balance in the budgeted funds for the past five years.

As of June 30, 2017, the ending balance is comprised mainly of the fund balance of the General Fund and the Stabilization Fund. Due to designations of fund balances, \$117 million of the total budgeted fund balance, exclusive of the Stabilization Fund, is reserved for appropriations and debt service in FY17. The remaining \$30 million is undesignated in the budgeted funds that are not included in the consolidated net surplus calculation, with \$15 million of that balance in various environmental funds and \$12 million in the Community First Trust Fund, which funds home and community-based services under the state's federally reimbursed Medicaid program.

Lottery and Gaming

Gross Lottery revenues (including revenues from the Arts Lottery) declined from \$5.407 billion in FY16 to \$5.258 billion in FY17, a decrease of \$149 million, or 2.8%. Despite the decrease in revenues, Lottery profits, after deducting administrative expenses and fringe benefit charges to reimburse the Commonwealth's General Fund for pension and employee health insurance benefits, but prior to distributions to reimburse the Massachusetts Cultural Council and compulsive gamblers appropriation as mandated in the FY17 budget, totaled \$1.040 billion, an increase of \$51 million, or 5.2%, from FY16, as prize payments declined. Of that \$1.040 billion in profits, and as mandated in the FY17 General Appropriation Act, approximately \$958 million was transferred to the General Fund to reimburse it for so-called Unrestricted General Government Aid (formerly Lottery Local Aid), \$14.3 million reimbursed the Massachusetts Cultural Council appropriation, and \$1.5 million reimbursed a compulsive gambling prevention program appropriation. The remaining \$66 million after these reimbursements was transferred to the General Fund as unrestricted revenue to fund general state operations. The FY18 General Appropriation Act contains provisions for approximately \$1.062 billion in Unrestricted General Government Aid, of which \$997.4 million is to be paid from the General Fund and reimbursed by Lottery profits.

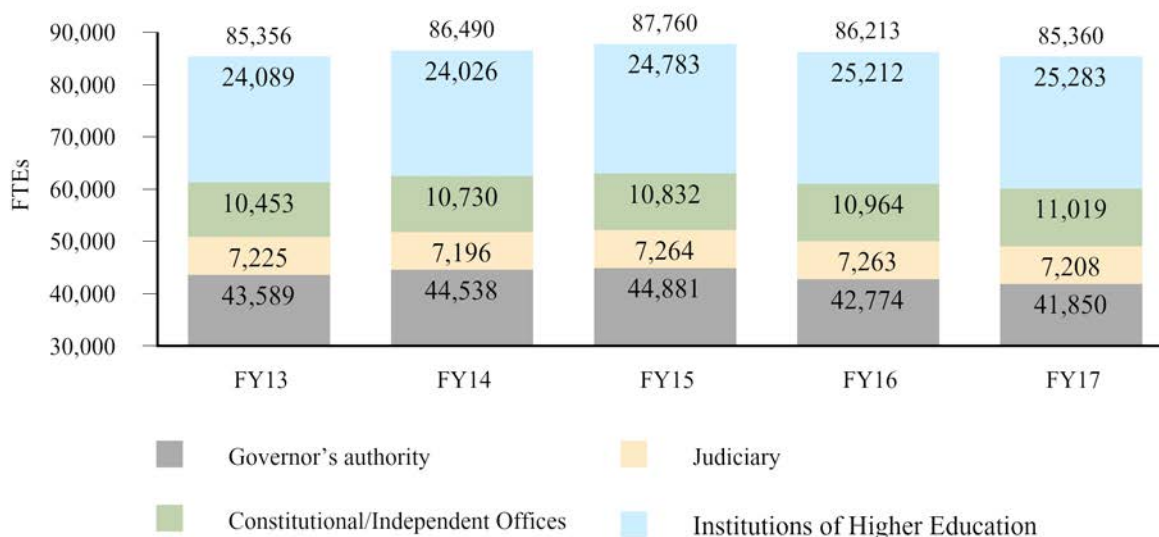
FY17 was the second year in which significant tax revenues were collected on profits generated by slot machines at the Plainridge slots parlor, which opened on June 24, 2015. FY17 budgeted fund tax revenues remitted to the Commonwealth, which are equal to 40% of gross profits (or "gross gaming revenues") from the slot machines, totaled approximately \$63 million, a decrease of \$1 million from FY16, which was earmarked for local aid; an additional \$14 million in non-budgeted fund revenue, equal to 9% of gross gaming revenue from the slot machines, was earmarked

for advancement of horse racing. The FY18 budget relies on \$64.3 million in budgeted fund revenue from taxes on slots parlor profits.

Full-Time Equivalent Employment

The chart below shows the Commonwealth's full-time equivalent employment, including the Massachusetts Department of Transportation (MassDOT) for all state funding sources (budgetary, non-budgetary, capital, federal, and trust) over the past five fiscal years. In FY17, the number of Commonwealth employees decreased by a net of approximately 854 full-time equivalent employees (FTEs), to a total of 85,359. The largest decreases were in MassDOT (approximately 522 FTEs) and the Department of Corrections (approximately 262 FTEs).

***Full Time Equivalent Workforce
Including Higher Education
June 2013 – June 2017***



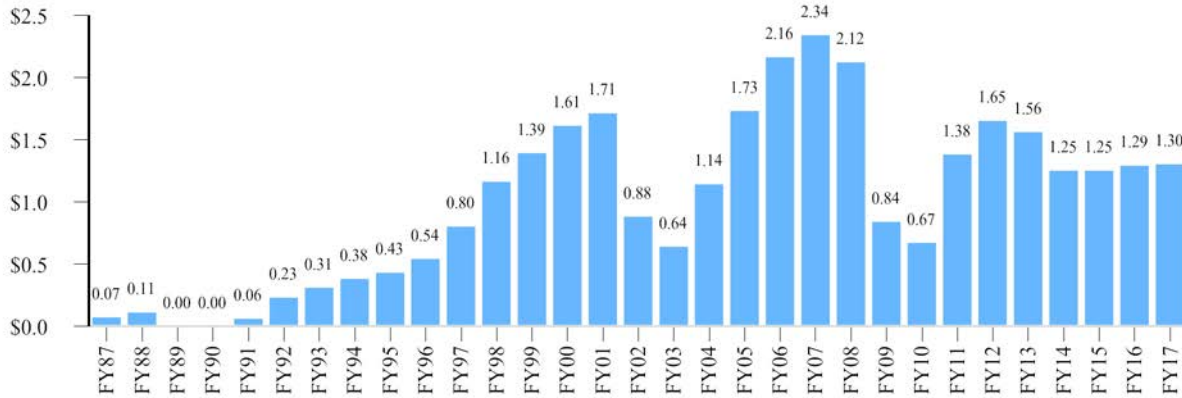
The Stabilization Fund

In FY17, the Commonwealth made no withdrawals from the Stabilization (or rainy day) Fund. During FY17, the Stabilization Fund earned slightly less than \$9 million in investment income and received a small amount of tax revenue. As a result, the balance of the Stabilization Fund increased by \$9 million, to \$1.301 billion, between FY16 and FY17.

As part of an effort to ensure a statutorily balanced budget, the FY17 enacted budget included a provision modifying a statutory requirement to transfer tax revenue attributable to capital gains above a threshold to the Stabilization Fund, State Pension Liability Fund, and State Retiree Benefits Trust Fund. The FY17 capital gains tax threshold, as determined by the Department of Revenue, was \$1.128 billion, but the FY17 enacted budget increased that threshold to \$1.278 billion. In July 2017, the Department of Revenue certified that FY17 tax collections attributable to capital gains totaled \$1.190 billion, meaning that \$62 million in capital gains tax revenue was retained in the General Fund that otherwise would have been transferred to the Stabilization Fund, State Pension Liability Fund, and the State Retiree Benefits Trust Fund. In December 2016, the Department of Revenue estimated that the capital gains tax threshold for FY18 is \$1.169 billion. The tax revenue estimate assumed in the FY18 enacted budget projects that \$51.5 million of capital gains tax revenue and \$28 million in abandoned property revenues will be transferred to the Stabilization Fund in FY18.

The following chart, which shows the Stabilization Fund balances since the Fund's inception, indicates that the Fund balance increased by more than \$711 million in FY11 and \$273 million in FY12 as the Commonwealth emerged from the recession, but declined by \$95 million in FY13 and \$309 million in FY14, increased by \$4 million in FY15, \$39 million in FY16, and \$9 million in FY17.

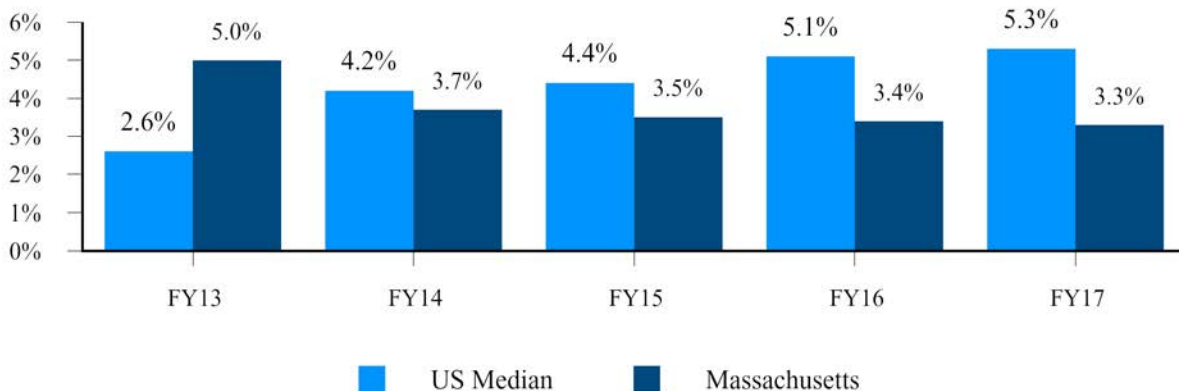
Stabilization Fund Balance
(Amounts in \$ billions)



Cross-state comparisons of rainy day fund balances are typically made in the terms of both the absolute size of those funds and the funds' balances as a percentage of General Fund expenditures, with the latter calculation reflecting the different sizes of states and the different levels of state spending that stabilization funds are required to cover when economic downturns cause unanticipated declines in states' tax revenues and increases in demand for state services. According to The National Association of State Budget Officers' (NASBO) *Spring 2017 Fiscal Survey of the States*, at the close of FY16 (the most recent year for which final rainy day fund balances were available for all states), the Commonwealth Stabilization Fund's balance was the twelfth largest in the nation in absolute size and thirty-fifth in the nation as a percentage of General Fund expenditures. (Six states had no stabilization fund balance at the end of FY16.) According to the *Survey* and the Commonwealth's results shown in this report, Massachusetts will have the thirteenth largest stabilization fund balance at the end of FY17 in absolute size and thirty-fifth largest rainy day fund balance as a percentage of General Fund expenditures once all 50 states close their books on the fiscal year.

The following chart shows the Commonwealth's Stabilization Fund balance as a percentage of General Fund expenditures compared to the median of all 50 states as reported in the NASBO survey. (The median is a better measure than the average of all states because Alaska and Texas -- whose revenue streams have benefited from strong oil revenues in recent years -- together accounted for almost half of all stabilization fund balances nationally in FY17.) By that measure, Massachusetts's Stabilization Fund balance of 3.3% of General Fund expenditures as of the end of FY17 was below the estimated national median rainy day fund balance of 5.3% of expenditures.

Stabilization Fund Percentage of General Fund Expenditures Compared To US Median



While the Commonwealth's Stabilization Fund grew by approximately \$9 million in FY17, and has grown modestly in each of the last three fiscal years, the Fund is still more than \$1 billion below its balance prior to the most recent recession and almost \$350 million below its post-recession high in FY12, thus potentially leaving the Commonwealth vulnerable if another economic downturn occurs. While credit rating agencies have continued to maintain the Commonwealth's strong bond rating, they have identified the state's inability to build up the rainy day fund balance as the economy has recovered as an area requiring improvement. On a positive note, the FY18 General Appropriation Act assumes that for the third consecutive year the Commonwealth will not withdraw funds from the Stabilization Fund to help balance the operating budget and that a deposit of almost \$80 million will be made to the Fund in FY18 from capital gains tax and abandoned property revenues.

The Non-Budgeted Funds

The Non-Budgeted Funds represent operations in which the government has imposed its sovereign authority but has excluded these operations from the annual budget process. During FY17, the Commonwealth maintained 98 non-budgeted funds, while another 23 were inactive.

The largest non-budgeted funds in terms of operating revenues include the State Lottery and Gaming Fund, the Federal Grants Fund, the MBTA State and Local Contribution Trust Fund (which accounts for sales tax revenue dedicated to and transferred to the MBTA), the School Modernization Trust Fund (which accounts for sales tax revenue dedicated to and transferred to Massachusetts School Building Authority), the Medical Assistance Trust Fund, and the Commonwealth Care Trust Fund. Other funds that show large inflows include the Grant Anticipation Notes Trust Fund, which is funded by federal highway spending reimbursements.

The following table, Non-Budgeted Special Revenue Funds - Operations, summarizes the FY17 non-budgeted funds. A Statement of Revenues, Expenditures and Changes in Fund Balance is presented in a table within this report for each of the individual non-budgeted funds in the financial section of this report. The table includes the State Lottery Funds, where Lottery revenues and expenditures occur prior to Lottery profits being transferred to the General Fund to reimburse it for local aid and other appropriations.

Non-Budgeted Special Revenue Funds - Operations
(Amounts in thousands)

| | 2017 | 2016 |
|---|--------------|--------------|
| Beginning fund balance..... | \$ 2,066,898 | \$ 2,125,275 |
| Revenues and other financing sources: | | |
| Taxes..... | 2,214,074 | 2,183,221 |
| Assessments..... | 754,577 | 638,305 |
| Federal grants and reimbursements..... | 3,255,134 | 3,162,489 |
| Departmental and miscellaneous..... | 6,415,100 | 6,740,588 |
| Transfers and other financing sources..... | 1,334,082 | 1,535,799 |
| Total revenues and other financing sources | 13,972,967 | 14,260,402 |
| Expenditures and other financing uses: | | |
| Programs and services | 11,749,567 | 11,947,925 |
| Debt service..... | 193,876 | 295,811 |
| Transfers and other financing uses..... | 2,205,084 | 2,075,043 |
| Total expenditures and other financing uses | 14,148,527 | 14,318,779 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (175,560) | (58,377) |
| Ending fund balance..... | \$ 1,891,338 | \$ 2,066,898 |

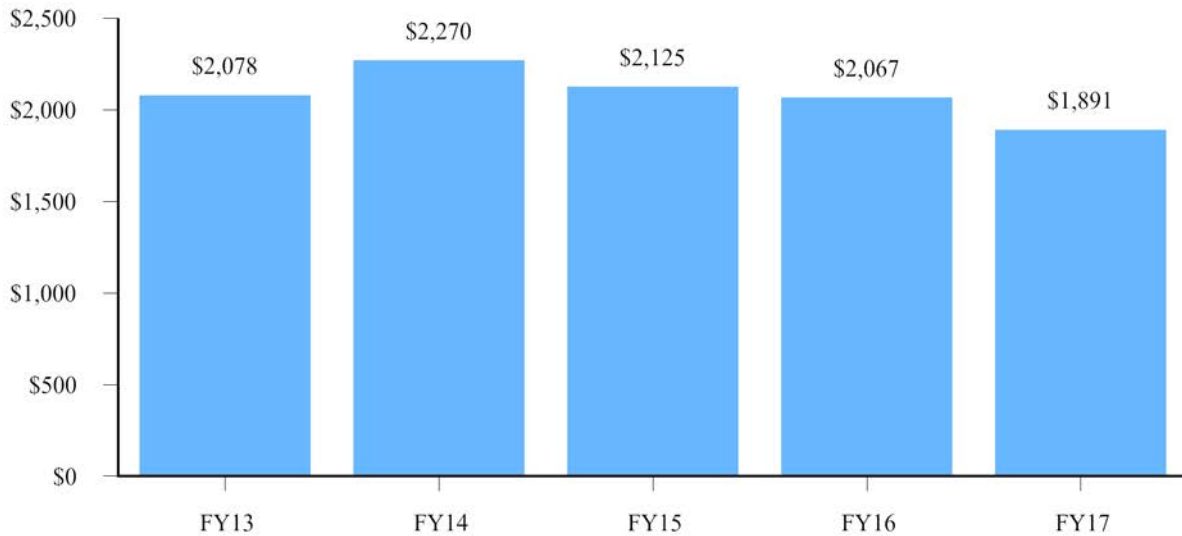
Non-Budgeted Special Revenue Funds with operating deficits in excess of \$10 million include:

- \$65 million – Massachusetts Transportation Trust Fund;
- \$49 million – Distressed Hospital Trust Fund;
- \$41 million – Health Information Technology Trust;
- \$38 million – Federal Grants Fund;
- \$26 million – Commonwealth Care Trust Fund;
- \$12 million – Prevention and Wellness Trust Fund;
- \$10.1 million – Transportation Infrastructure and Development Fund.

In FY17, \$44 million of the Commonwealth's federal transportation funds were dedicated to repaying prior year expenditures of the Central Artery/Tunnel Project (CA/T), which were financed through Federal Grant Anticipation Notes (GANs). In addition, approximately \$36 million in interest payments for the GANs were funded by a General Fund appropriation.

For the thirteen active Universal Health Care funds, revenues and other financing sources were \$1.763 billion in FY17, a decrease of approximately \$147 million from FY16. This decrease was due primarily to a decline in transfers to the Medical Assistance Trust Fund. Expenditures from the Universal Health Care funds totaled \$1.786 billion, a decrease \$33 million from FY16, due primarily to an decline in spending from the Medical Assistance Trust Fund, which funds payments to hospitals that treat large populations of Medicaid-eligible patients. The following chart, Non-Budgeted Special Revenue Funds - Fund Balance, shows the combined fund balance in the Non-Budgeted Special Revenue funds for the past five years.

Non-Budgeted Special Revenue Funds – Fund Balance
(Amounts in millions)



Individual non-budgeted funds that represent approximately 92% of total non-budgeted fund balances include:

- \$753 million – Massachusetts Transportation Trust Fund;
- \$384 million – Central Artery/Tunnel Project Repair and Maintenance Trust Trust Fund;
- \$127 million – Convention and Exhibition Center Fund;
- \$123 million – Enhanced 911 Fund;
- \$103 million – Health Safety Net Trust Fund;
- \$90 million – Grant Anticipation Note Trust Fund;
- \$57 million – MassHealth Delivery System Reform Trust Fund;
- \$36 million – Workforce Training Trust Fund;
- \$34 million – Commonwealth Care Trust Fund;
- \$34 million – Distressed Hospital Trust Fund.

As noted in previous reports, the Government Land Bank Fund has a continuing structural fund deficit. The FY17 deficit balance of approximately \$35 million remains an unbudgeted drain on the Commonwealth's cash pool. While steps have been taken to stop the growth in this deficit, the Fund should be abolished and the deficit transferred to the General Fund. More consolidation and elimination is needed for the non-budgeted special revenue funds generally.

The Capital Projects Funds

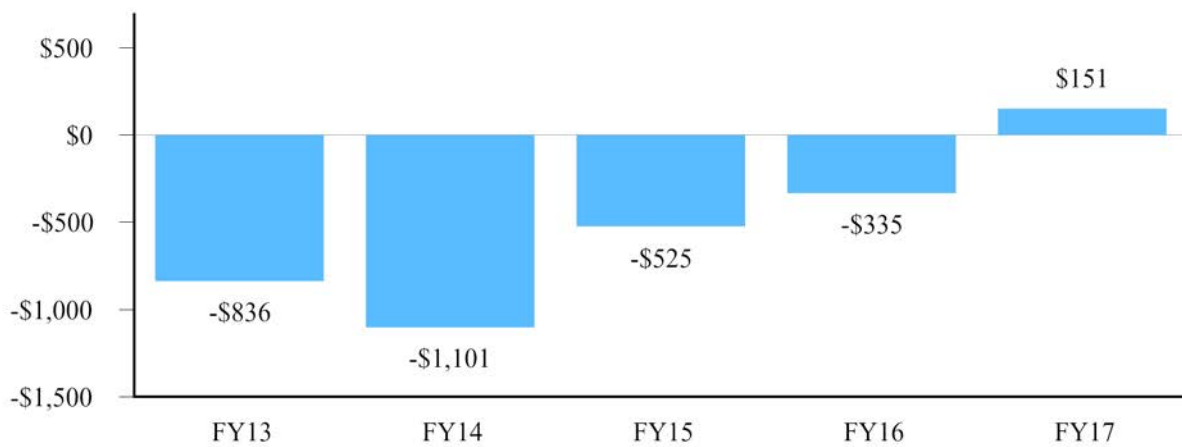
The purpose of the capital project funds is to account for the construction or acquisition of capital assets. The Governor may propose capital outlay budgets which, upon enactment by the Legislature and approval by the Governor, become capital outlay acts. Capital outlay acts financed through the sale of debt require a two-thirds vote of the Legislature. Numerous acts may be combined for reporting in an individual Capital Projects Fund, but each act is accounted for separately within the fund. These accounts record authorizations for expenditures in itemized capital appropriation accounts and equivalent authorizations to issue bonds or notes.

The structure of these funds is such that each capital outlay authorization is in balance, creating authorization for inflows (which may be from sales of bonds, federal reimbursements or other revenues) and expenditures. Imbalances due to timing differences develop when the expenditure precedes the inflow of funds from the sale of bonds or federal reimbursements. Due to restrictions imposed by federal tax arbitrage rules, tax exempt bonds are not routinely sold in anticipation of expenditures.

To fund the FY17 capital budget, the Commonwealth borrowed by issuing \$2.871 billion in long-term bonds, \$2.409 billion of which was general obligation debt and \$462 million was special obligation debt secured by motor fuels taxes and motor vehicle license and registration fees. In addition, the Commonwealth issued \$1.853 billion in debt to refund already existing obligations, taking advantage of continued low interest rates in FY17.

The following graph Capital Projects Funds - Fund Balance (Deficit) shows the combined fund balance in Capital Projects Funds for the past five years. Typically, the combined ending balance in the Capital Projects Funds is negative, as capital spending occurs prior to bonds being issued by the Commonwealth. However, at the end of FY17, the Capital Projects Funds had a \$151 million positive balance, as Commonwealth issued debt at the end of the fiscal year to take advantage of favorable interest rates and to reimburse itself for previous capital expenditures and those anticipated for July 2017.

Capital Projects Funds – Fund Balance (Deficit)
(Amounts in millions)



The Capital Projects Funds - Operations table on the next page includes the FY17 Capital Projects Funds, summarized and compared to FY16. Financial statements for each of the individual funds are included in the financial section of this report.

Capital Projects Funds - Operations
(Amounts in thousands)

| | 2017 | 2016 |
|--|-------------------|---------------------|
| Beginning fund balance (deficit) | \$ (334,696) | \$ (524,860) |
| Revenues and other financing sources: | | |
| Federal grants and reimbursements | 58,354 | 85,759 |
| Departmental and miscellaneous | 4,081 | 4,274 |
| Proceeds of general and special obligation bonds | 3,136,222 | 3,002,758 |
| Proceeds of refunding bonds | 2,269,192 | 1,674,030 |
| Transfer for federal reimbursements..... | 489,130 | 500,929 |
| Transfers and other financing sources | 111,172 | 93,736 |
| Total revenues and other financing sources..... | 6,068,151 | 5,361,486 |
| Expenditures and other financing uses: | | |
| Acquisition and maintenance of capital assets..... | 3,187,010 | 3,390,064 |
| Payments to advance refunding escrow agent/principal repayment..... | 2,269,192 | 1,674,030 |
| Transfers and other financing uses | 126,700 | 107,228 |
| Total expenditures and other financing uses..... | 5,582,902 | 5,171,322 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses..... | 485,249 | 190,164 |
| Ending fund balance (deficit) | <u>\$ 150,553</u> | <u>\$ (334,696)</u> |

The Administration oversees a coordinated fiscal strategy for the management of Capital Projects Funds. This strategy includes a five year capital budget linked to debt management and capital management. The focus of this strategy is to manage capital spending within outstanding debt levels and debt service obligations the Administration considers appropriate for the Commonwealth. An important part of the strategy is to control capital spending within an administrative “cap.”

During FY17, significant capital spending included:

- \$230 million in Chapter 90 reimbursements to municipalities for local road and bridge projects;
- \$218 million in transit projects, including the MBTA Green Line Extension and procurement of new vehicles for the MBTA’s Red and Orange Lines;
- \$213 million for affordable housing development and public housing, including \$10 million to preserve affordability in properties aging out of their long-term affordability covenants;
- \$213 million invested in new academic buildings and improvements to existing facilities on several community college, state university and University of Massachusetts campuses, which leveraged an additional \$48 million in additional higher education capital project spending;
- \$210 million in bridge repair projects under the Commonwealth’s Accelerated Bridge Program;
- \$99 million for the MassWorks economic development infrastructure grants to cities and towns;
- \$93 million for “Accelerated Energy Program” projects to improve the efficiency of state facilities’ heating, electrical, and water systems;

- \$51 million for grants from the Massachusetts Life Sciences Center to foster economic development in the life sciences sector;
- \$42 million spent statewide on delegated deferred maintenance and systems renewal for state facilities;
- \$33 million for grants to cities and towns for parks and open space, climate change resiliency and preparedness, critical coastal infrastructure, inland dams and seawalls, and land protection grants;
- \$31 million for maintenance and reconstruction of parkways, including continued design work for reconstruction of Morrissey Boulevard in Boston;
- \$14.5 million for Workforce Skills program grants to vocational high schools and community colleges;
- \$11 million for aid to towns in western Massachusetts to extend high-speed broadband networks;
- \$9.5 million for Seaport Council Grants to foster economic development in coastal communities;
- \$7 million for security improvements to the state's information technology infrastructure;
- \$7 million for MassDevelopment-managed programs to promote economic development in gateway cities and other areas throughout the Commonwealth.

During FY17, the Commonwealth passed or agreed to terms for approximately \$1.501 billion in bond authorizations. There were no deauthorizations of previously enacted bond bills in FY17.

The Non-Appropriated Funds of Higher Education

The statistical section of this SBFR includes data on the financial operations of the non-appropriated funds of the 25 institutions of higher education as reported on MMARS. Each institution of higher education is authorized and directed in its enabling statute to collect, retain and expend certain fees, rents, sales, donations, federal financial participation and other types of revenue through campus-based systems. These financial resources are integral parts of the total financial activity of each campus. They also represent resources in addition to amounts made available from Commonwealth appropriations.

Non-Appropriated Funds Of Higher Education - Operations
(Amounts in thousands)

| | 2017 | 2016 Restated* |
|---|---------------------|---------------------|
| Beginning fund balance, restated | \$ 1,726,660 | \$ 1,620,110 |
| Revenues and other financing sources: | | |
| Federal grants and reimbursements..... | 515,589 | 515,907 |
| Departmental revenues..... | 2,296,093 | 2,221,646 |
| Transfers and other financing sources..... | 1,930,299 | 1,900,951 |
| Total revenues and other financing sources | 4,741,981 | 4,638,504 |
| Expenditures and other financing uses: | | |
| Programs and services..... | 4,635,233 | 4,531,954 |
| Excess/(deficiency) of revenues and other financing sources over expenditures and other financing uses | 106,748 | 106,550 |
| Ending fund balance, restated | <u>\$ 1,833,408</u> | <u>\$ 1,726,660</u> |

*FY16 was restated by approximately \$4 million for activities previously unreported

The Non-Appropriated Funds of Higher Education – Operations table above includes the FY17 activity in Higher Education funds, summarized and compared to FY16. Financial statements for each of the individual funds are included in the statistical section of this report. The following chart, Non-Appropriated Funds of Higher Education - Fund Balance, shows the combined fund balance for the past five years. The combined balance represents an approximate \$989 million fund balance for the University of Massachusetts, an approximate \$488 million fund balance for the State University (formerly the State College) system and an approximate \$357 million fund balance for the Community Colleges.

***Non-Appropriated Funds of Higher
Education – Fund Balance***
(Amounts in Millions)



* Fund balances were restated due to amounts previously unreported

#

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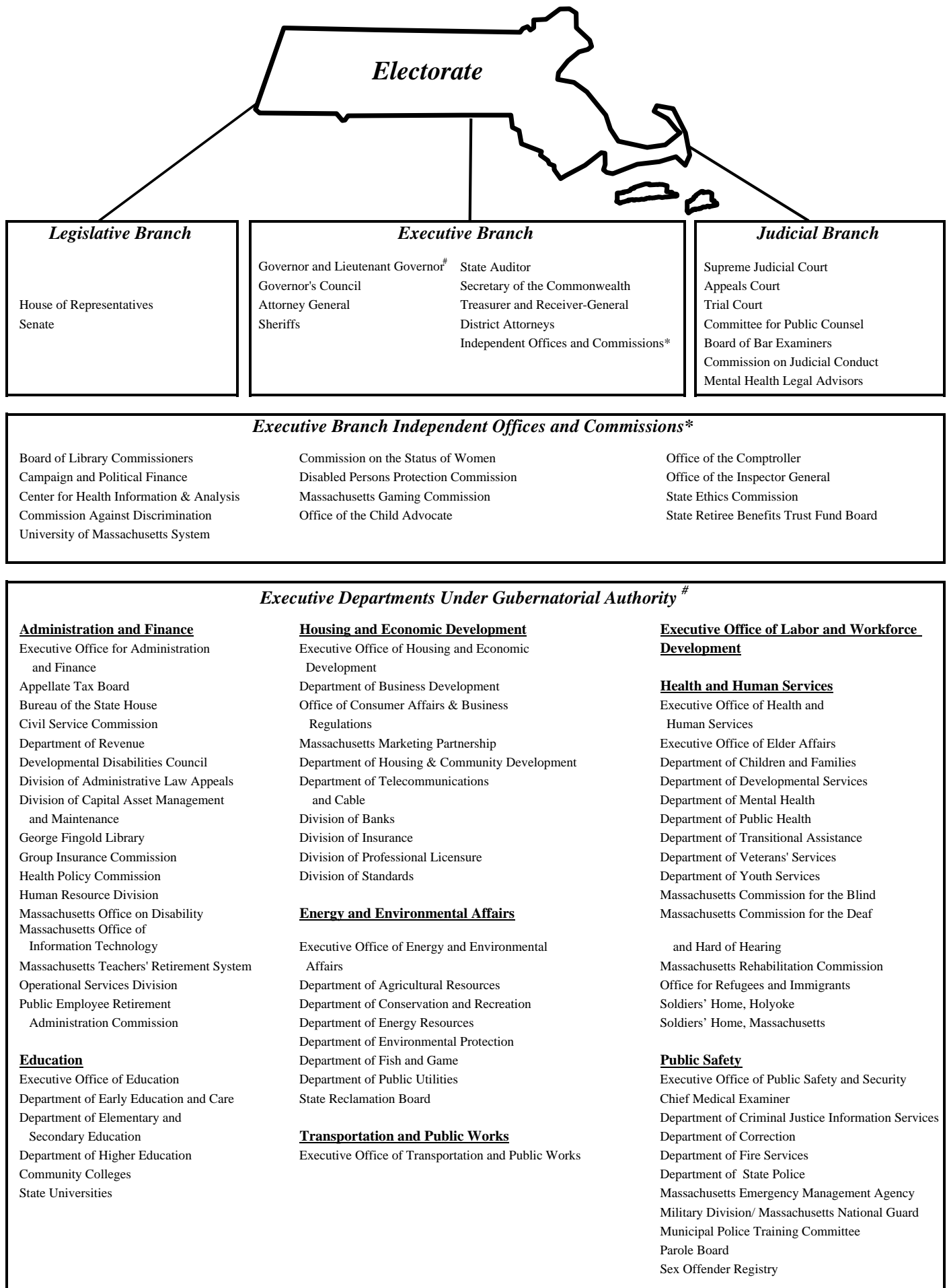
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Financial Section



Independent Accountants' Review Report
Combined Financial Statements - Statutory Basis
Notes to Combined Financial Statements - Statutory Basis
Combining and Individual Fund Financial Statements - Statutory Basis



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KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Accountants' Review Report

Mr. Thomas G. Shack III, Comptroller
Commonwealth of Massachusetts:

We have reviewed the accompanying combined financial statements – statutory basis of the Commonwealth of Massachusetts as of and for the year ended June 30, 2017, and the related notes as listed in the accompanying table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the combined financial statements – statutory basis as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements – statutory basis in accordance with Massachusetts General Laws (hereafter referred to as the Statutory Basis of Accounting); this includes determining that the Statutory Basis of Accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combined financial statements – statutory basis that are free from material misstatement, whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the combined financial statements – statutory basis for them to be in accordance with the Statutory Basis of Accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying combined financial statements – statutory basis in order for them to be in conformity with the Statutory Basis of Accounting.

Basis of Accounting

We draw attention to notes 1 and 2 of the combined financial statements – statutory basis, which describe the Statutory Basis of Accounting. The combined financial statements – statutory basis were prepared on the basis of accounting that demonstrates compliance with Section 12 of Chapter 7A Massachusetts General Laws, as amended, and the budgetary principles of the Commonwealth of Massachusetts, which is a basis of accounting other than U.S. generally accepted accounting principles. Our conclusion is not modified with respect to this matter.

***Other Matters***

The combining and individual fund financial statements - statutory basis and supplemental information listed in the accompanying table of contents are presented for purposes of additional analysis and are not required parts of the combined financial statements – statutory basis. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the combined financial statements – statutory basis. Such information has been subjected to the review procedures applied in our review of combined financial statements – statutory basis. We are not aware of any material modifications that should be made to combining and individual fund financial statements-statutory basis and supplemental information. We have not audited the combining and individual fund financial statements-statutory basis and supplemental information and accordingly, do not express an opinion on such information.

The introductory and statistical sections listed in the accompanying table of contents are presented for purposes of additional analysis and are not required parts of the combined financial statements – statutory basis. Such information is the responsibility of management. We have not audited or reviewed such information and we do not express an opinion, a conclusion, nor provide any assurance on such information.

Restriction of Use

This report is intended solely for the information and use of management and elected and appointed officials of the Commonwealth of Massachusetts and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Boston, Massachusetts
November 16, 2017

Combined Financial Statements - Statutory Basis

Budgeted Funds
Combined Balance Sheet - Statutory Basis

As of June 30, 2017
(Amounts in thousands)

| | Totals (Memorandum only) | |
|---|-----------------------------|---------------------|
| | 2017 | 2016 |
| ASSETS | | |
| Cash and short-term investments..... | \$ 1,368,250 | \$ 1,609,305 |
| Cash with fiscal agent..... | 18,080 | 16,690 |
| Investments..... | 272,224 | 271,744 |
| Receivables, net of allowance for uncollectibles: | | |
| Due from federal government..... | 646,986 | 377,724 |
| Other receivables | 18,501 | 38,823 |
| Due from cities and towns | 12,143 | 23,268 |
| Total assets..... | <u>\$ 2,336,184</u> | <u>\$ 2,337,554</u> |
| LIABILITIES AND FUND EQUITY | | |
| Liabilities: | | |
| Deficiency in cash and short-term investments | \$ — | \$ 15,108 |
| Accounts payable | 810,363 | 777,367 |
| Accrued payroll..... | 78,086 | 63,086 |
| Total liabilities | <u>888,449</u> | <u>855,561</u> |
| Fund equity: | | |
| Combined fund balance: | | |
| Reserved for: | | |
| Continuing appropriations..... | 99,316 | 109,328 |
| Commonwealth Stabilization | 1,300,678 | 1,291,514 |
| Debt service..... | 18,080 | 16,690 |
| Unreserved: | | |
| Undesignated..... | 29,661 | 64,461 |
| Total fund equity..... | <u>1,447,735</u> | <u>1,481,993</u> |
| Total liabilities fund equity..... | <u>\$ 2,336,184</u> | <u>\$ 2,337,554</u> |

See accompanying notes to financial statements and accountants' review report

Budgeted Funds

Combined Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget and Actual

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|----------------|---------------|--|
| REVENUES AND OTHER FINANCING SOURCES | | | |
| Revenues: | | | |
| Taxes..... | \$ 24,428,400 | \$ 23,828,296 | \$ (600,104) |
| Assessments | 439,557 | 454,040 | 14,483 |
| Federal grants and reimbursements..... | 10,759,235 | 10,857,831 | 98,596 |
| Tobacco settlement revenue..... | 257,500 | 254,490 | (3,010) |
| Departmental | 3,108,189 | 3,770,951 | 662,762 |
| Miscellaneous..... | 283,595 | 320,586 | 36,991 |
| Total revenues | 39,276,476 | 39,486,194 | 209,718 |
| Other financing sources: | | | |
| Fringe benefit cost recovery..... | 430,883 | 416,181 | (14,702) |
| Lottery reimbursements | 94,490 | 100,392 | 5,902 |
| Lottery distributions | 1,012,351 | 1,025,411 | 13,060 |
| Operating transfers in..... | 489,644 | 535,216 | 45,572 |
| Commonwealth care trust transfer | — | 76,552 | 76,552 |
| Other fund deficit support | — | 144,797 | 144,797 |
| Total other financing sources | 2,027,368 | 2,298,549 | 271,181 |
| Total revenues and other financing sources | 41,303,844 | 41,784,743 | 480,899 |
| EXPENDITURES AND OTHER FINANCING USES | | | |
| Expenditures: | | | |
| Legislature..... | 99,124 | 66,754 | 32,370 |
| Judiciary | 914,429 | 908,488 | 5,941 |
| Inspector General | 4,217 | 4,207 | 10 |
| Governor and Lieutenant Governor | 7,811 | 6,567 | 1,244 |
| Secretary of the Commonwealth..... | 47,791 | 45,849 | 1,942 |
| Treasurer and Receiver-General..... | 212,746 | 201,093 | 11,653 |
| Auditor of the Commonwealth..... | 18,481 | 18,227 | 254 |
| Attorney General..... | 47,699 | 46,283 | 1,416 |
| Ethics Commission..... | 1,969 | 1,883 | 86 |
| District Attorney..... | 120,542 | 119,790 | 752 |
| Office of Campaign & Political Finance..... | 1,586 | 1,521 | 65 |
| Sheriffs' Departments | 610,998 | 610,062 | 936 |
| Disabled Persons Protection Commission | 3,043 | 3,043 | — |
| Board of Library Commissioners | 25,167 | 25,157 | 10 |
| Comptroller | 14,579 | 14,064 | 515 |
| Administration and Finance | 2,503,222 | 2,375,592 | 127,630 |
| Energy and Environmental Affairs..... | 235,544 | 223,582 | 11,962 |
| Health and Human Services | 5,844,805 | 5,700,404 | 144,401 |
| Massachusetts Department of Transportation | 187,000 | 140,250 | 46,750 |
| Office of the Child Advocate | 994 | 633 | 361 |
| Executive Office of Education | 2,273,460 | 2,234,045 | 39,415 |
| Center for Health Information and Analysis | 30,085 | 23,031 | 7,054 |
| Public Safety and Security | 1,161,216 | 1,119,256 | 41,960 |
| Housing and Economic Development..... | 524,723 | 495,960 | 28,763 |
| Labor and Workforce Development..... | 74,005 | 44,267 | 29,738 |
| Direct local aid | 5,728,497 | 5,703,027 | 25,470 |
| Medicaid..... | 15,254,269 | 15,251,717 | 2,552 |
| Post employment benefits | 2,638,100 | 2,659,709 | (21,609) |
| Debt service: | | | |
| Principal retirement | 1,351,251 | 1,300,497 | 50,754 |
| Interest and fiscal charges..... | 1,041,164 | 984,180 | 56,984 |
| Total expenditures | 40,978,517 | 40,329,138 | 649,379 |
| Other financing uses: | | | |
| Fringe benefit cost assessment | — | 4,440 | (4,440) |
| Operating transfers out..... | 699,796 | 748,110 | (48,314) |
| Medical assistance transfer | 736,154 | 403,367 | 332,787 |
| Delivery system transformation initiatives trust transfer | 196,252 | 189,149 | 7,103 |
| Other fund deficit support | — | 144,797 | (144,797) |
| Total other financing uses | 1,632,202 | 1,489,863 | 142,339 |
| Total expenditures and other financing uses | 42,610,719 | 41,819,001 | 791,718 |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | \$ (1,306,875) | (34,258) | \$ 1,272,617 |
| Fund balance (deficit) at beginning of year | | 1,481,993 | |
| Fund balance (deficit) at end of year..... | | \$ 1,447,735 | |

See accompanying notes to financial statements and accountants' review report

Non-Budgeted Special Revenue and Capital Projects Funds
 Combined Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
 Fiscal Year Ended June 30, 2017
 (Amounts in thousands)

| | | | Totals (Memorandum only) | |
|---|---------------------------------|------------------|-----------------------------|--------------|
| | Non-Budgeted Special Revenue | Capital Projects | 2017 | 2016 |
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Taxes | \$ 2,214,074 | \$ — | \$ 2,214,074 | \$ 2,183,221 |
| Assessments | 754,577 | — | 754,577 | 638,305 |
| Federal grants and reimbursements | 3,255,134 | 58,354 | 3,313,488 | 3,248,248 |
| Departmental | 6,368,897 | 2,757 | 6,371,654 | 6,405,809 |
| Miscellaneous | 46,203 | 1,324 | 47,527 | 339,053 |
| Total revenues | 12,638,885 | 62,435 | 12,701,320 | 12,814,636 |
| Other financing sources: | | | | |
| Issuance of general obligation bonds | — | 2,408,675 | 2,408,675 | 2,259,209 |
| Bond premiums (discounts) on general obligation bonds | — | 210,424 | 210,424 | 184,014 |
| Issuance of special obligation bonds | — | 461,975 | 461,975 | 500,000 |
| Bond premiums (discounts) on special obligation bonds | — | 55,148 | 55,148 | 59,535 |
| Issuance of current refunding bonds | — | 188,490 | 188,490 | 250,000 |
| Issuance of advance refunding bonds | — | 1,664,790 | 1,664,790 | 1,212,655 |
| Bond premiums (discounts) on advance refunding bonds | — | 415,912 | 415,912 | 211,375 |
| Operating transfers in | 741,566 | — | 741,566 | 653,328 |
| Health safety net trust transfer | — | — | — | 30,000 |
| Medical assistance transfer | — | — | — | 665,564 |
| Federal reimbursement transfer in | 403,367 | 489,130 | 892,497 | 500,929 |
| State share of federal highway construction | — | 111,172 | 111,172 | 93,736 |
| Delivery system transformation initiatives trust transfer | 189,149 | — | 189,149 | 186,907 |
| Total other financing sources | 1,334,082 | 6,005,716 | 7,339,798 | 6,807,252 |
| Total revenues and other financing sources | 13,972,967 | 6,068,151 | 20,041,118 | 19,621,888 |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Judiciary | 1,668 | 18,847 | 20,515 | 16,969 |
| Inspector General | 218 | 40 | 258 | 264 |
| Governor and Lieutenant Governor | 132 | — | 132 | 300 |
| Secretary of the Commonwealth | 4,864 | 1,530 | 6,394 | 6,360 |
| Treasurer and Receiver-General | 6,097,339 | 14,148 | 6,111,487 | 6,278,285 |
| Auditor of the Commonwealth | — | 2,936 | 2,936 | 2,333 |
| Attorney General | 24,515 | 943 | 25,458 | 18,596 |
| Ethics Commission | — | 87 | 87 | 627 |
| District Attorney | 3,042 | 5 | 3,047 | 2,338 |
| Sheriffs' Departments | 10,985 | 3,448 | 14,433 | 13,204 |
| Disabled Persons Protection Commission | 159 | — | 159 | 66 |
| Board of Library Commissioners | 2,854 | 12,435 | 15,289 | 22,355 |
| Massachusetts Gaming Commission | 36,749 | — | 36,749 | 33,692 |
| Comptroller | 2,022 | 137 | 2,159 | 2,776 |
| Administration and Finance | 392,502 | 619,824 | 1,012,326 | 1,032,317 |
| Energy and Environmental Affairs | 117,823 | 201,141 | 318,964 | 403,789 |
| Health and Human Services | 1,948,856 | 61,986 | 2,010,842 | 2,122,106 |
| Massachusetts Department of Transportation | 1,196,021 | 1,793,170 | 2,989,191 | 3,115,660 |
| Executive Office of Education | 991,602 | 54,352 | 1,045,954 | 1,038,729 |
| Center for Health Information and Analysis | 208 | — | 208 | 222 |
| Public Safety and Security | 245,863 | 40,760 | 286,623 | 273,692 |
| Housing and Economic Development | 503,427 | 359,467 | 862,894 | 783,949 |
| Labor and Workforce Development | 168,718 | 1,754 | 170,472 | 169,359 |
| Debt service: | | | | |
| Principal retirement | 76,797 | — | 76,797 | 196,594 |
| Interest and fiscal charges | 117,079 | — | 117,079 | 99,217 |
| Total expenditures | 11,943,443 | 3,187,010 | 15,130,453 | 15,633,799 |
| Other financing uses: | | | | |
| Payments to advance refunding bonds escrow | — | 2,080,702 | 2,080,702 | 1,424,030 |
| Principal on current refundings | — | 188,490 | 188,490 | 250,000 |
| Fringe benefit cost assessment | 189,437 | 15,528 | 204,965 | 180,437 |
| Lottery operating reimbursements | 100,392 | — | 100,392 | 107,935 |
| Lottery distributions | 1,025,411 | — | 1,025,411 | 975,255 |
| Operating transfers out | 324,162 | — | 324,162 | 249,499 |
| Commonwealth care trust transfer | 76,552 | — | 76,552 | 44,482 |
| Health safety net trust transfer | — | — | — | 30,000 |
| Federal reimbursement transfer out | 489,130 | — | 489,130 | 500,928 |
| State share of federal highway construction | — | 111,172 | 111,172 | 93,736 |
| Total other financing uses | 2,205,084 | 2,395,892 | 4,600,976 | 3,856,302 |
| Total expenditures and other financing uses | 14,148,527 | 5,582,902 | 19,731,429 | 19,490,101 |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | | | | |
| | (175,560) | 485,249 | 309,689 | 131,787 |
| Fund balance (deficit) at beginning of year (restated) | 2,066,898 | (334,696) | 1,732,202 | 1,600,415 |
| Fund balance (deficit) at end of year | \$ 1,891,338 | \$ 150,553 | \$ 2,041,891 | \$ 1,732,202 |

See accompanying notes to financial statements and accountants' review report

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1. FINANCIAL STATEMENT PRESENTATION

A. INTRODUCTION

The accompanying combined financial statements (Statutory Basis Financial Report) of the Commonwealth of Massachusetts (the Commonwealth) are presented in accordance with the requirements of Section 12 of Chapter 7A as amended by Section 4 of Chapter 88 of the Acts of 1997 of the Massachusetts General Laws, as amended most recently by Chapter 26, Section 4 of the Acts of 2009. The Office of the Comptroller also publishes the Commonwealth's Comprehensive Annual Financial Report (CAFR), which is prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America for governments.

The Statutory Basis Financial Report (SBFR) includes the budgeted, non-budgeted, special revenue, and capital projects funds of the Commonwealth, as recorded by the Office of the Comptroller in compliance with Massachusetts General Laws and in accordance with the Commonwealth's budgetary principles.

The SBFR's financial statements are not intended to include independent authorities, non-appropriated funds of higher education, or other organizations included in the Commonwealth's reporting entity as it would be defined under GAAP.

B. GOVERNMENTAL FUND TYPES

The fund types are organized as follows:

Governmental fund types account for the general governmental activities of the Commonwealth.

Budgeted Funds - are the primary operating funds of the Commonwealth. They account for all budgeted governmental transactions, i.e., those subject to the annual appropriation process. Major budgeted funds include the General, Stabilization, and Commonwealth Transportation Funds, which are identified by the Comptroller as the operating funds of the Commonwealth. In addition, there are eight smaller budgeted funds, the Intragovernmental Services Fund, the Inland Fisheries and Game Fund, the Marine Recreational Fisheries Development Fund, the Public Safety Training Fund, the Community First Trust Fund, the Massachusetts Tourism Fund, the Gaming Local Aid Fund, and the Local Aid Stabilization Fund.

Non-Budgeted Special Revenue Funds - are established by law to account for revenue sources that have been segregated from the budgeted funds to support specific governmental activities such as federal grants, the operations of the state lottery and funds related to the Massachusetts Gaming Commission.

Capital Projects Funds - account for financial resources used to acquire or construct major capital assets and to finance local capital projects. These resources are derived almost entirely from proceeds of bonds and other obligations, which are generally received after related expenditures have been incurred, operating transfers authorized by the Legislature, and from federal reimbursements. Deficit balances in Capital Projects Funds represent amounts to be financed, primarily through future bond sales.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. STATUTORY BASIS OF ACCOUNTING

The SBFR is prepared from the Commonwealth's books and records and other official reports that are maintained on the basis of accounting used in the preparation of the Commonwealth's legally adopted annual budget (statutory basis). The statutory basis emphasizes accountability and budgetary control of appropriations. The SBFR is not intended to present the Commonwealth's financial condition and results of operations in conformity with GAAP.

Under the statutory basis of accounting, revenues generally are recognized when cash deposits are received by the Treasury. However, revenues receivable for federal grants and reimbursements generally are recognized when related

expenditures are incurred, provided that the related revenues are received by the Commonwealth by August 31, the end of the statutory accounts receivable period. Amounts due from political subdivisions of the Commonwealth are recognized when considered measurable and available. These are largely payments from municipalities reimbursing for pension costs paid by the Commonwealth on their behalf, authorized under Section 3(8)C of Chapter 32 of the Massachusetts General Laws, provided that the revenues are received by August 31.

Under the statutory basis of accounting, expenditures are generally recorded when the related cash disbursement occurs. At year-end, payroll is accrued and payables are recognized, to the extent of approved encumbrances, for goods or services received by June 30, and payment made by August 31. Costs incurred under the federally-sponsored Medicaid program, amounts required to settle claims and judgments against the Commonwealth, and certain other liabilities are not recognized until they are encumbered or otherwise processed for payment. In some cases the liabilities will have been incurred prior to June 30, but recorded when paid in the following fiscal year, not as statutory payables.

The accounting policies followed in preparing the accompanying statutory basis financial report are described in the remainder of this section.

B. CASH, SHORT-TERM INVESTMENTS AND INVESTMENTS

The Commonwealth follows the practice of pooling cash and cash equivalents, except for balances in the Commonwealth Stabilization Fund, which are sequestered. Cash equivalents consist of short-term investments with an original maturity of three months or less and are stated at cost. Interest earned on pooled cash is allocated to the General Fund and, when so directed by law, to certain other Governmental Funds.

The Office of the Treasurer and Receiver-General (Treasury) manages the Commonwealth's short-term external mixed investment pool, the Massachusetts Municipal Depository Trust (MMDT). MMDT is comprised of two portfolios, a Cash Portfolio and a Short Term Bond Fund. The Cash Portfolio is a money-market-like investment pool; its investments are carried at amortized cost, which approximates fair value. The Short Term Bond Fund investments are carried at fair value.

Investors in MMDT are not allowed to overdraw their shares. For a complete copy of MMDT's separately issued financial statements, please contact the Office of the State Treasurer's Cash Management Department, at (617) 367-9333. The statements can be downloaded from the Cash Management section of the Office of the State Treasurer's website at www.mass.gov/treasury. General Law Chapter 29, Section 38 enumerates the Commonwealth's investment policy for non-pension assets.

C. DEDICATED REVENUE AND PLEDGES

The Commonwealth has a number of bond programs in which bonds are secured by a pledge of dedicated revenues provided to bondholders, pursuant to trust agreements, as well as pledges of revenue for general operations. Like the Commonwealth, certain state authorities have also issued special obligation bonds secured by specific Commonwealth revenues. These other authorities' debts are not included in the SBFR, but are included in the CAFR.

All federal highway reimbursements are dedicated to funding the principal portion only of federal grant anticipation notes (GANs) issued in fiscal 2011, 2014, 2015 and 2017. During FY17, the Commonwealth issued approximately \$125 million in GANs for new money needs under the Commonwealth's Accelerated Bridge Program. As of June 30, 2017, total principal remaining to be paid was approximately \$738 million. Maturities are from FY18 through FY27. Debt service paid during FY17 was approximately \$79 million.

In FY17, the Commonwealth issued approximately \$126 million in new money special obligation bonds under the Accelerated Bridge Program (ABP), \$210 million in new money special obligation bonds under the Rail Enhancement Program (REP) and \$104 million in special obligation refunding bonds. These bonds mature from FY18 to FY46 and are secured by a senior lien on 17 cents of the total 24 cents per gallon gasoline tax, the full 24 cents per gallon of special fuels taxes (comprised primarily of taxes on diesel fuel), and the full 19.1% of the average price per gallon tax on liquefied natural gas and all Registry of Motor Vehicle fees deposited into the Commonwealth Transportation Fund (CTF). These bonds also have a subordinate lien on 6.86 cents of the 24 cent per gallon gasoline tax not included in

the senior lien. As of June 30, 2017, approximately \$1.643 billion and \$645 million in principal was outstanding on the ABP and REP bonds, respectively, and approximately \$1.235 billion and \$536 million of interest (net of the federal subsidy) was expected to be paid through maturity related to the ABP and REP bonds, respectively.

The ABP projected interest costs are net of federal subsidies under the Build America Bond (BABs) program. BABs is a temporary program under which the Commonwealth and other state and local governments issued taxable bonds in calendar 2009 and 2010 in return for a subsidy from the federal government equal to 35% to 45% (depending on whether the proceeds are used for projects in economically distressed areas) of the interest costs on the bonds.

Other special obligation bonds for highway construction purposes are secured by a pledge of 6.86 cents of the 24 cent per gallon gasoline tax, with no new debt issued during FY17. As of June 30, 2017, bonds secured by these pledged funds totaled approximately \$128 million of principal. These bonds mature from FY18 to FY22 and were issued in multiple series. Principal and interest paid during FY17 amounted to approximately \$42 million and \$9 million, respectively. The lien on these bonds has been closed, meaning that no additional new-money bonds can be issued against these revenues under this trust agreement.

A portion of the Commonwealth's receipts from the sales tax (other than the tax on meals) is dedicated through non-budgeted special revenue funds to the Massachusetts Bay Transportation Authority (MBTA) and the Massachusetts School Building Authority (MSBA). The amount dedicated to the MBTA is the amount raised by a 1.0% sales tax (not including meals), subject to an inflation-adjusted floor. A comparable amount, though without the floor, is dedicated to the MSBA beginning in fiscal 2010, with lesser amounts having been dedicated to the MSBA from fiscal 2005 through fiscal 2009.

Legislation approved by the Governor on October 31, 2014 increased the amount statutorily required to be credited to the MBTA by \$160 million annually, starting in fiscal 2015. The \$160 million increase in the dedicated sales tax revenue amount and the amount included in the inflation-adjusted floor were intended to replace the \$160 million annual state appropriation the MBTA received from fiscal 2010 through fiscal 2014. In FY17, total dedicated sales tax revenue that was directed to the MBTA was approximately \$992 million. Dedicated revenues to the MBTA increase by the lesser of the annual increase in the Boston consumer price index or prior calendar year annual sales taxes, with a floor of 0% and a ceiling of 3.0%.

The MSBA also receives a pledge starting in FY11 of a 1.0% sales tax (not including meals) but with no annual floor or ceiling. In FY17, approximately \$817 million of the dedicated sales tax revenue stream was directed to the MSBA.

The Commonwealth has also pledged sales tax revenue and rooms tax surcharges from areas contiguous to convention centers and the Worcester DCU Arena and Convention Center to support such centers' operations. As of June 30, 2017, taxes within the Convention Center districts support approximately \$575 million of outstanding principal and approximately \$323 million of interest on debts related to these Convention Centers. Taxes collected in FY17 were approximately \$134 million, while debt service on the bonds was approximately \$55 million.

The Transportation Modernization Act of 2009, as amended, eliminated the pledges of sales tax revenue to MassDOT through the Commonwealth Transportation Fund (CTF). Beginning in FY14, motor vehicle sales tax collections were shifted from the General Fund to the CTF while also eliminating the 0.385% pledge of regular and meals sales tax. During FY17, approximately \$548 million in motor vehicle sales tax revenue was transferred to MassDOT. From the Commonwealth Transportation Fund, \$140 million was dedicated to funding the operations of the MBTA while an additional \$82 million was dedicated to funding the operations of the regional transit authorities. These amounts are transferred through the CTF.

D. INTERFUND/INTRAFUND TRANSACTIONS

Transactions of a buyer/seller nature between departments within a fund are not eliminated.

Transfers in and out net to approximately \$17 million due to higher education non-appropriated fund activity, which is not included in the combined statements - statutory basis.

E. CURRENT EMPLOYEE BENEFITS

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements and state laws. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rate of pay (not accrued on a statutory basis).

F. FRINGE BENEFIT COST RECOVERY

The Commonwealth pays the fringe benefit costs of its employees and retirees through the General Fund. These fringe benefits include the costs of employees' health insurance, pensions, unemployment compensation, and other costs necessary to support the state work force. As directed by Chapter 29, Sections 5D and 6B(f) of the Massachusetts General Laws, these costs are assessed to other funds based on their payroll costs, net of credits for direct payments.

Since these fringe benefit costs and pensions are not appropriated in the budget, the required assessment creates a variance between budget and actual expenditures at year-end. The fringe benefit cost recoveries of approximately \$416 million into the General Fund results from cost assessments from the other budgeted funds, non-budgeted special revenue funds, capital funds, non-appropriated activities of higher education, expendable trust, and agency funds.

G. LOTTERY REVENUE AND PRIZES

Ticket revenues are recognized when sold and prizes awarded by the Massachusetts State Lottery Commission are recognized as drawings are held. Games expenditures are accrued at year-end only for open jackpots for Mega Millions, Powerball and Megabucks.

H. RECEIVABLES

Reimbursements due to the Commonwealth for its expenditures on federally funded reimbursement and grant programs are reported as "Due from federal government." Other receivables include reimbursement of fringe benefit assessments from authorities and the institutions of higher education along with other departmental receivables.

I. DUE FROM CITIES AND TOWNS

"Due from Cities and Towns" represents reimbursements due to the Commonwealth for its expenditures on certain programs for the benefit of cities and towns.

J. RISK MANAGEMENT

The Commonwealth is self-insured for state employees' workers' compensation, casualty, theft, tort claims and other losses. Such liabilities are not recognized in the governmental funds on the statutory basis until encumbered and/or processed for payment. For employees' workers' compensation, the Commonwealth assumes the full risk of claims filed under a program managed by the Human Resources Division.

For personal injury or property damages, Chapter 258 of the Massachusetts General Laws limits the risk assumed by the Commonwealth to \$100,000 per occurrence, in most circumstances.

The Group Insurance Commission administers contributory health care and other insurance programs for the Commonwealth's employees and retirees.

K. ENCUMBRANCES

Encumbrance accounting is utilized in the Governmental Funds as a significant aspect of budgetary control. The full amounts of purchase orders, contracts and other commitments of appropriated resources are encumbered and recorded as deductions from appropriations prior to actual expenditure, ensuring that such commitments do not exceed appropriations. Encumbrances outstanding at year-end for goods or services received on or before June 30, but paid after, are reported as expenditures and statutory basis liabilities as a component of accounts payable.

L. FUND BALANCES

Fund balance has been reserved as follows:

“Reserved for continuing appropriations” - are unexpended amounts in appropriations, which the Legislature has specifically authorized to be carried into the next fiscal year.

“Reserved for Commonwealth Stabilization” - are amounts set aside in the Commonwealth Stabilization Fund in accordance with Section 5C of Chapter 29 of the Massachusetts General Laws.

“Designated for debt service” - are amounts held by fiscal agents or the Commonwealth to fund future debt service obligations.

The remainder of fund balance is unreserved and undesignated and consists of cumulative surplus or deficits of the fund not otherwise designated.

M. TOTAL COLUMN - MEMORANDUM ONLY

Total and subtotal columns on the combined financial statements - statutory basis are captioned “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present consolidated financial position, results of operations, or changes in financial position. Interfund eliminations have not been made in the aggregation of these data.

The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a full comparative presentation. Accordingly, such information should be read in conjunction with the Commonwealth’s financial statements for the year ended June 30, 2016, from which the summarized information was derived.

N. ESTIMATES

The preparation of the SBFR requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial report. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

O. BEGINNING OF YEAR FUND BALANCE

The beginning fund balance of the University of Massachusetts System, the State Universities and the Community Colleges were restated to reflect activities which were not previously reported.

3. BUDGETARY CONTROL

State finance law requires that a balanced budget be approved by the Governor and the Legislature. The Governor presents an annual budget to the Legislature, which includes estimates of revenues and other financing sources and recommended expenditures and other financing uses. The Legislature, which has full authority to amend the budget, adopts an expenditure budget by appropriating monies at the individual appropriation account level in an annual appropriations act.

Before signing the appropriations act, the Governor may veto or reduce any specific item, subject to legislative override. Further changes to the budget established in the annual appropriations act may be made via supplemental appropriation acts or other legislative acts. These must also be signed by the Governor and are subject to the line item veto.

In addition, Massachusetts General Laws authorize the Secretary of Administration and Finance, with the approval of the Governor, upon determination that available revenues will be insufficient to meet authorized expenditures, to withhold allotments of appropriated funds, which effectively reduce the affected accounts' expenditure budgets.

The majority of the Commonwealth's appropriations are non-continuing accounts which lapse at the end of each fiscal year. Others are continuing accounts for which the Legislature has authorized that an unspent balance from the prior year be carried forward and made available for spending in the current fiscal year. In addition, the Legislature may direct that certain revenues be retained and made available for spending within an appropriation. Fringe benefits, pension costs, and certain other costs that are mandated by state finance law are not itemized in the appropriation process and are not separately budgeted.

Because revenue budgets are not updated subsequent to the original appropriation act, the comparison of the initial revenue budget to the subsequent, and often modified, expenditure budget can be misleading. Also, these financial statements portray fund accounting with gross inflows and outflows, thus creating a difference to separately published budget documents, which eliminate some interfund activity. In conducting the budget process, the Commonwealth excludes those interfund transactions that by their nature have no impact on the combined fund balance of the budgeted funds.

Generally, expenditures may not exceed the level of spending authorized for an appropriation account. However, the Commonwealth is required to pay certain Medicaid expenses regardless of appropriations, due to superseding federal law.

The FY04 General Appropriation Act (Chapter 26, Section 167 of the Acts of 2003) amended Section 9C, of Chapter 29, directing the Governor to notify the Legislature in writing as to the reasons for and the effect of any reductions in spending. This proposal must be delivered to the Legislature 15 days before any reductions take effect. Alternatively, funds from the Stabilization Fund may be used to cure the deficiency, subject to appropriation.

The following table summarizes budgetary activity for FY17 (amounts in thousands):

| | Revenues | Expenditures |
|--|----------------------|----------------------|
| General Appropriation Act, Chapter 133 of the Acts of 2016: | | |
| Direct appropriations | \$ 39,065,600 | \$ 38,655,408 |
| Estimated revenues, transfers, retained revenue appropriations, and appropriations carried forward from FY2016..... | — | 1,261,656 |
| Total original budget | 39,065,600 | 39,917,064 |
| Supplemental Acts of 2016: | | |
| Chapter 283 | — | 279,191 |
| Supplemental Acts of 2017: | | |
| Chapter 5 | — | 138,581 |
| Chapter 20 | — | 41,690 |
| Chapter 41 | — | 26,158 |
| Chapter 110 | — | 85,527 |
| Total budgeted revenues and expenditures per Legislative action..... | — | 571,147 |
| Chapter 29, Section 9C Reductions..... | — | (115,592) |
| Plus: Pension contributions and revenue authorized outside of General Appropriation Act, and other transfers of revenue and spending..... | 2,238,244 | 2,238,100 |
| Budgeted revenues and expenditures as reported | <u>\$ 41,303,844</u> | <u>\$ 42,610,719</u> |

The following table identifies the interfund activity from budgeted sources and uses to reconcile forecasts prepared during the budget process to the results presented in these statements (amounts in thousands):

| | Revenues and Other Financing Sources | Expenditures and Other Financing Uses |
|---|---|--|
| Actual as presented in the combined budget and actual statement - statutory basis..... | \$ 41,784,743 | \$ 41,819,001 |
| Adjustments to revenues and expenditures: | | |
| Transfer of revenues to the Intragovernmental Service Fund | (417,935) | (417,935) |
| Adjustments to other financing sources and uses: | | |
| Fringe benefit cost assessments | (4,440) | (4,440) |
| Transfer of surplus revenues from the Intragovernmental Service Fund to the General Fund | (5,840) | (5,840) |
| RMV license plates..... | (4,213) | (4,213) |
| Transfers from General Fund to the Commonwealth Transportation Fund..... | (40,000) | (40,000) |
| Other fund deficit support..... | (144,797) | (144,797) |
| Other | (191) | (191) |
| Actual as presented on budgetary documents | <u>\$ 41,167,327</u> | <u>\$ 41,201,585</u> |

The section divider for the budgeted funds contains a list of budgeted funds grouped by categories.

The Office of the Comptroller has the responsibility to ensure that budgetary control is maintained on an individual appropriation account basis. Budgetary control is exercised through the state accounting system, the Massachusetts Management Accounting and Reporting System (MMARS). Encumbrances and expenditures are not allowed to exceed the appropriation account's spending authorization.

4. MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT)

MassDOT is an entity legally separate from the Commonwealth. MassDOT operations are reported separately in the non-budgeted special revenue funds section of this report, which includes all of the Commonwealth's highway and turnpike-related operations as well as the activity of the Registry of Motor Vehicles. MassDOT capital spending and revenue activity are reported in the capital funds section of this report, in the Central Artery Statewide Road and Bridge Infrastructure Fund, the Highway Capital Projects Fund, and the Federal Highway Construction Program Fund.

MassDOT financial activity is included in this report in order to reflect all activity reported on the Commonwealth's MMARS accounting system. For the SBFR, MassDOT is treated as an agency or department of the Commonwealth, as specified in Massachusetts General Laws. However, for GAAP reporting purposes, as reflected in the Commonwealth's CAFR, MassDOT will be included as a discretely presented component unit of the Commonwealth.

5. INDIVIDUAL FUND DEFICITS

The following Non-Budgeted Special Revenue and Capital Projects Funds are included in the combined totals and have individual fund deficits at June 30, 2017, as follows (amounts in thousands) (excludes MassDOT):

| | |
|--|----------------------------|
| Non-Budgeted Special Revenue: | |
| Federal Grants Fund..... | \$ (47,269) |
| Other: | |
| Health Information Technology Trust Fund..... | (45,124) |
| Government Land Bank Fund | (35,033) |
| Total Non-Budgeted Special Revenue Funds..... | <u>(127,426)</u> |
| Capital Projects: | |
| Highway Capital Projects Fund | (144,116) |
| Government Land Bank Capital Projects Fund | (500) |
| Total Capital Projects Funds..... | <u>(144,616)</u> |
| Total..... | <u><u>\$ (272,042)</u></u> |

None of the funds detailed above were in deficit due to finance-related contractual provisions and all were allowed to be in deficit by General Law.

6. MEDICAID COSTS

Approximately 43.6% of the Commonwealth's budgeted fund spending for programs and services is devoted to Medicaid. It is the largest and has been one of the fastest growing items in the Commonwealth's budget. For the fiscal year ended June 30, 2017, the General Fund includes approximately \$15.252 billion in expenditures for Medicaid claims. The combined financial statements - statutory basis includes Medicaid claims processed but unpaid at June 30, 2017 of approximately \$33 million as accounts payable.



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Combining and Individual Fund Financial Statements - Statutory Basis



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Individual Budgeted Funds

Budgeted funds are those funds subject to appropriation in either the annual General Appropriation Act (GAA) or other appropriations bills. Unless otherwise specified, budgeted funds are also subject to Section 5C of Chapter 29 of the Massachusetts General Laws (MGL), which defines the “consolidated net surplus” calculation (and determines whether the annual budget is in balance) as well as year-end transfers to eliminate deficits in budgeted funds.

MAJOR BUDGETED FUNDS:

The General Fund - The General Fund is the Commonwealth’s primary Governmental Fund. All governmental activities not specifically directed to another fund are accounted for in the General Fund. As a result, most budgeted expenditures of the Executive secretariats, the Legislature, constitutional offices, Judiciary, institutions of higher education and independent commissions are paid from the General Fund. It similarly receives a significant portion of sales, individual income and corporate taxes and the full amount of most other governmental taxes.

Commonwealth Transportation Fund - to account for revenues from motor fuels taxes and all fees and fines received by the Registry of Motor Vehicles relating to the use and operation of motor vehicles and trailers. Spending is for debt service on general and special obligation debt, as well as for amounts, subject to appropriation, to fund the programs and services of the Massachusetts Department of Transportation. This fund also includes activity of the Infrastructure Fund, which was a subfund of the Highway Fund.

The Commonwealth Stabilization Fund - to account for amounts calculated in accordance with state finance law and to maintain a reserve to enhance the Commonwealth’s fiscal stability. Tax revenues from certain lottery winners selling their stream of future winnings in exchange for current payments are recorded in this fund. In addition, transfers are required for fiscal year capital gains tax revenues exceeding \$1 billion (adjusted annually for economic growth) and judgments and settlements of more than \$10 million that exceed the previous 5 year’s average of judgments and settlements. These transfers were suspended for fiscal year 2017. Any excess undesignated fund balance as calculated by Section 5C of Chapter 29 of the MGL, are also transferred to this fund.

ADMINISTRATIVE CONTROL FUND:

This fund accounts for the revenues generated by certain administrative functions of government, for which the Legislature has required a separate fund be established. Budgeted funds are subject to Section 5C of Chapter 29 of the MGL, calculation of year-end transfers, unless specified otherwise.

Intragovernmental Service Fund - to account for the charges of any state agency for services provided to another state agency.

BUDGETED ENVIRONMENTAL FUNDS:

The Environmental funds are exempt from Section 5C of Chapter 29 of the MGL, calculation of year-end transfers.

Inland Fisheries and Game Fund - to account for revenues from license and permit fees for inland fishing, hunting, trapping, and sporting licenses and revenue producing stamps or the sales of land, rights and properties, gifts, interest, and federal grant reimbursements; used for developing, maintaining and operating the Division of Fisheries and Wildlife.

Marine Recreational Fisheries Development Fund - to account for salt water permit fees collected, funds, grants and gifts received as authorized, including investment income; used for development and administration of recreational saltwater fishing improvement programs.

OTHER BUDGETED FUNDS:

These funds account for a variety of miscellaneous taxes, fees, fines and other revenues, which are restricted to the financing of specific Commonwealth programs.

Public Safety Training Fund - to account for all surcharge revenues imposed by Section 12 of Chapter 89 and the seventh paragraph of Section 20 of Chapter 90 of the MGL. The fund shall be used for the instruction of public safety personnel including, but not limited to, the recruitment of additional state police classes and for the municipal police training committee, to preserve and promote public safety. The fund is not subject to the requirements of Section 5C of Chapter 29 of the MGL.

Community First Trust Fund - The secretary of health and human services may expend amounts in excess of the \$16 million collected from federal reimbursements in the nonbudgeted Community First Trust Fund to ensure compliance with the state balancing incentive payment program. Monies deposited in the fund are used for non-institutionally-based long-term services and support. The fund is not subject to the requirements of Section 5C of Chapter 29 of the MGL.

Massachusetts Tourism Fund - to account for revenues received from hotel taxes; used to fund the Office of Travel and Tourism promotions and the Massachusetts Convention Center Authority. Even though this fund did not have FY17 activity, it is presented here for comparative purposes as there was FY16 activity.

Gaming Local Aid Fund - to account for gaming tax revenues generated by the tax on casino revenues. The fund is used to finance local aid distributions.

Local Aid Stabilization Fund - to account for gaming tax revenues generated by casinos. Monies are used to supplement local aid distributions to cities and towns. The fund is not subject to the requirements of Section 5C of Chapter 29 of the MGL. Even though this fund did not have FY17 activity, it is presented here for comparative purposes as there was FY16 activity.

The following funds have been enacted in legislation but had no activity in FY17 and are not presented in this report:

Temporary Holding Fund - to account for cumulative tax revenues during the fiscal year in excess of permissible tax revenues as defined in Chapter 62F, Section 6A of the MGL. The fund balance in the fund closes annually to the Stabilization Fund to the extent of expenditures from that fund. Any remaining balance transfers to the General Fund. The mechanism transferring tax revenues to the fund was repealed effective January 1, 2013, but the fund itself was not repealed.

Tax Reduction Fund - to account for the maintenance of a reserve, which shall be used only to reduce personal income taxes.

Collective Bargaining Reserve Fund - to account for transfers from the General Fund which may be used to fund negotiated contracts for state employees.

Substance Abuse Prevention and Treatment Fund - to account for sales tax revenues (non-dedicated) collected from the sale of alcoholic beverages, with the funds used for substance abuse treatment and prevention services. In November 2010, the sales tax on alcoholic beverages was repealed via referendum, effective January 1, 2011, but the fund itself was not repealed.

International Educational and Foreign Language Grant Program Fund - to account for appropriations, bond proceeds or other monies authorized to be used by the Commissioner of Education to increase the number of Massachusetts students, teachers, administrators and education policymakers to support programs and activities that advance cultural awareness through grants to local and regional high schools to support international education programs and promote the study of foreign languages.

Dam Safety Trust Fund - to account for all receipts and revenues generated through agreements executed between the department of environmental management and public or private entities for dam safety purposes, and all fines, costs, expenses and interest imposed. Revenues over \$250,000 in a fiscal year shall be credited to the General Fund.

Children and Families Protection Fund - to account for any penalties collected for violations of the Massachusetts Pesticide Control Act under Chapter 132B, Sections 6C to 6I of the MGL. Amounts credited to the fund are used for the implementation and enforcement of said Sections 6C to 6I.

Home and Community-based Services Policy Lab Fund - to account for any appropriations authorized by the general court and specifically designated to be credited to the fund and any additional nonstate-sourced funds as designated by the secretary of elder affairs including, but not limited to, federal or private grants or donations. The fund is used to support research and analysis which would enhance the development, evaluation, design and continued improvement of programs rendering home and community-based services to individuals who need long-term services and support.

Regional Water Entity Reimbursement Fund - to account for amounts to reimburse the Massachusetts Water Resources Authority for its costs in providing cities and towns financial assistance in the form of interest free grants and loans to rehabilitate collection systems. Such reimbursement shall be in addition to the contract assistance amounts in section 6 of chapter 29C, but not be greater than 10 % of the maximum amount set forth in chapter 29C.

Local Capital Projects Fund - to account for funds generated by the casino license fees and by the tax on revenues generated by casinos (but not the slots parlor), once they are operational.

Education Fund - to account for a portion of the funds generated by the tax on casino (but not slots parlor) revenue. 35% of the funds received are to be appropriated for higher education purposes, and that any appropriations for either higher education or K-12 education from this fund are required to supplement, not offset, General Appropriation Act spending.

Gaming Economic Development Fund - to account for a portion of the funds generated by the tax on casino (but not slots parlor) revenue. Expenditures from the are to be used to support economic development and job growth.

Manufacturing Fund - To account for a portion of gaming facility license fees.

Community College Fund - to account for a portion of gaming license fees.

Agricultural Reserve and Security Fund - to account for gifts, grants, donations, federal reimbursements and grants plus any interest earned from the Fund. Expenditures are to be used to foster agriculture in the Commonwealth and other purposes of the Department of Agricultural Resources.

Marijuana Regulation Fund - to account for all license and civil penalties collected, revenue generated by the state tax imposed by Section 2 of Chapter 64N of the MGL and interest earned or other income on balances in the fund. Subject to appropriation, unexpended balances may be redeposited in the General Fund after all necessary funds are expended for the implementation, administration and enforcement of Chapter 33A, acts of 2016.

Budgeted Funds
Combining Balance Sheet - Statutory Basis

As of June 30, 2017
(Amounts in thousands)

| | Administrative Control | | | |
|---|------------------------|-----------------------------|----------------------------|---------------------------|
| | General | Commonwealth Transportation | Commonwealth Stabilization | Intragovernmental Service |
| ASSETS | | | | |
| Cash and short-term investments | \$ 256,679 | \$ 482 | \$ 1,028,454 | \$ 51,090 |
| Cash with fiscal agent | — | 18,080 | — | — |
| Investments..... | — | — | 272,224 | — |
| Receivables, net of allowance for uncollectibles: | | | | |
| Due from federal government..... | 646,986 | — | — | — |
| Other receivables | 18,501 | — | — | — |
| Due from cities and towns..... | 12,143 | — | — | — |
| Total assets | <u>\$ 934,309</u> | <u>\$ 18,562</u> | <u>\$ 1,300,678</u> | <u>\$ 51,090</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Deficiency in cash and short-term investments | \$ — | \$ — | \$ — | \$ — |
| Accounts payable | 772,220 | 482 | — | 36,978 |
| Accrued payroll..... | 76,292 | — | — | 1,593 |
| Total liabilities..... | <u>848,512</u> | <u>482</u> | <u>—</u> | <u>38,571</u> |
| Fund balance (deficit): | | | | |
| Reserved for: | | | | |
| Continuing appropriations | 85,797 | — | — | 12,519 |
| Commonwealth Stabilization | — | — | 1,300,678 | — |
| Debt service | — | 18,080 | — | — |
| Unreserved: | | | | |
| Undesignated | — | — | — | — |
| Total fund equity (deficit) | <u>85,797</u> | <u>18,080</u> | <u>1,300,678</u> | <u>12,519</u> |
| Total liabilities and fund equity..... | <u>\$ 934,309</u> | <u>\$ 18,562</u> | <u>\$ 1,300,678</u> | <u>\$ 51,090</u> |

See accountants' review report

| Environmental | | Budgeted Other | | | | | |
|---------------------------|---|------------------------|-----------------------|-----------------------|------------------|-------------------------|--|
| Inland Fisheries and Game | Marine Recreational Fisheries Development | Public Safety Training | Community First Trust | Massachusetts Tourism | Gaming Local Aid | Local Aid Stabilization | |
| \$ 13,265 | \$ 3,302 | \$ 2,892 | \$ 12,037 | \$ — | \$ — | \$ 50 | |
| — | — | — | — | — | — | — | |
| — | — | — | — | — | — | — | |
| — | — | — | — | — | — | — | |
| — | — | — | — | — | — | — | |
| — | — | — | — | — | — | — | |
| \$ 13,265 | \$ 3,302 | \$ 2,892 | \$ 12,037 | \$ — | \$ — | \$ 50 | |
| | | | | | | | |
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | |
| 573 | 111 | — | — | — | — | — | |
| 190 | 11 | — | — | — | — | — | |
| 763 | 122 | — | — | — | — | — | |
| | | | | | | | |
| — | 1,000 | — | — | — | — | — | |
| — | — | — | — | — | — | — | |
| — | — | — | — | — | — | — | |
| 12,502 | 2,180 | 2,892 | 12,037 | — | — | 50 | |
| 12,502 | 3,180 | 2,892 | 12,037 | — | — | 50 | |
| \$ 13,265 | \$ 3,302 | \$ 2,892 | \$ 12,037 | \$ — | \$ — | \$ 50 | |

continued

Budgeted Funds
Combining Balance Sheet - Statutory Basis
As of June 30, 2017
(Amounts in thousands)

| | Totals (Memorandum only) | |
|---|-----------------------------|---------------------|
| | 2017 | 2016 |
| ASSETS | | |
| Cash and short-term investments | \$ 1,368,250 | \$ 1,609,305 |
| Cash with fiscal agent | 18,080 | 16,690 |
| Investments | 272,224 | 271,744 |
| Receivables, net of allowance for uncollectibles: | | |
| Due from federal government | 646,986 | 377,724 |
| Other receivables | 18,501 | 38,823 |
| Due from cities and towns | 12,143 | 23,268 |
| Total assets | <u>\$ 2,336,184</u> | <u>\$ 2,337,554</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Deficiency in cash and short-term investments | \$ — | \$ 15,108 |
| Accounts payable | 810,363 | 777,368 |
| Accrued payroll | 78,086 | 63,086 |
| Total liabilities | <u>888,449</u> | <u>855,561</u> |
| Fund balance (deficit): | | |
| Reserved for: | | |
| Continuing appropriations | 99,316 | 109,328 |
| Commonwealth Stabilization | 1,300,678 | 1,291,514 |
| Debt service | 18,080 | 16,690 |
| Unreserved: | | |
| Undesignated | 29,661 | 64,461 |
| Total fund equity (deficit) | <u>1,447,735</u> | <u>1,481,993</u> |
| Total liabilities and fund equity | <u>\$ 2,336,184</u> | <u>\$ 2,337,554</u> |

See accountants' review report



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Budgeted Funds

Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | General | Commonwealth Transportation | Commonwealth Stabilization | Administrative Control Intragovernmental Service |
|--|---------------|--------------------------------|-------------------------------|---|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Taxes..... | \$ 22,510,107 | \$ 1,316,807 | \$ 377 | \$ — |
| Assessments | 431,576 | 22,464 | — | — |
| Federal grants and reimbursements..... | 10,850,378 | — | — | — |
| Tobacco settlement revenue | 254,490 | — | — | — |
| Departmental | 2,658,200 | 666,638 | — | 436,146 |
| Miscellaneous..... | 311,305 | 240 | 8,787 | — |
| Total revenues | 37,016,056 | 2,006,149 | 9,164 | 436,146 |
| Other financing sources: | | | | |
| Fringe benefit cost recovery | 416,180 | — | — | — |
| Lottery reimbursements | 100,392 | — | — | — |
| Lottery distributions | 1,025,411 | — | — | — |
| Operating transfers in | 431,583 | 40,000 | — | — |
| Commonwealth care trust transfer | 76,552 | — | — | — |
| Stabilization transfer | — | — | — | — |
| Other fund deficit support | 144,268 | — | — | — |
| Total other financing sources | 2,194,386 | 40,000 | — | — |
| Total revenues and other financing sources | 39,210,442 | 2,046,149 | 9,164 | 436,146 |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Legislature..... | 66,754 | — | — | — |
| Judiciary | 908,488 | — | — | — |
| Inspector General | 4,207 | — | — | — |
| Governor and Lieutenant Governor | 6,567 | — | — | — |
| Secretary of the Commonwealth | 45,849 | — | — | — |
| Treasurer and Receiver-General..... | 201,093 | — | — | — |
| Auditor of the Commonwealth..... | 18,227 | — | — | — |
| Attorney General | 46,282 | — | — | — |
| Ethics Commission..... | 1,883 | — | — | — |
| District Attorney..... | 119,790 | — | — | — |
| Office of Campaign & Political Finance..... | 1,521 | — | — | — |
| Sheriffs' Departments..... | 610,052 | — | — | — |
| Disabled Persons Protection Commission | 3,043 | — | — | — |
| Board of Library Commissioners..... | 25,157 | — | — | — |
| Comptroller | 8,830 | — | — | 5,234 |
| Administration and Finance | 2,131,774 | — | — | 243,692 |
| Energy and Environmental Affairs..... | 206,253 | — | — | 1,521 |
| Health and Human Services | 5,569,829 | — | — | 98,959 |
| Massachusetts Department of Transportation | — | 140,250 | — | — |
| Office of the Child Advocate | 633 | — | — | — |
| Executive Office of Education | 2,233,278 | — | — | 767 |
| Center for Health Information and Analysis | 23,031 | — | — | — |
| Public Safety and Security | 1,058,933 | — | — | 59,653 |
| Housing and Economic Development..... | 494,179 | — | — | 1,781 |
| Labor and Workforce Development..... | 44,267 | — | — | — |
| Direct local aid | 5,639,056 | — | — | — |
| Medicaid..... | 15,251,717 | — | — | — |
| Post employment benefits | 2,643,761 | 15,948 | — | — |
| Debt service: | | | | |
| Principal retirement | 693,349 | 595,516 | — | 11,632 |
| Interest and fiscal charges | 484,588 | 499,592 | — | — |
| Total expenditures | 38,542,391 | 1,251,306 | — | 423,239 |
| Other financing uses: | | | | |
| Fringe benefit cost assessment | — | — | — | — |
| Operating transfers out..... | 93,614 | 648,656 | — | 5,840 |
| Stabilization transfer | — | — | — | — |
| Medical assistance transfer | 403,367 | — | — | — |
| Delivery system transformation initiatives trust transfer | 189,149 | — | — | — |
| Other fund deficit support | — | 144,797 | — | — |
| Total other financing uses | 686,130 | 793,453 | — | 5,840 |
| Total expenditures and other financing uses | 39,228,521 | 2,044,759 | — | 429,079 |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing use | (18,079) | 1,390 | 9,164 | 7,067 |
| Fund balance (deficit) at beginning of year | 103,876 | 16,690 | 1,291,514 | 5,452 |
| Fund balance (deficit) at end of year..... | \$ 85,797 | \$ 18,080 | \$ 1,300,678 | \$ 12,519 |

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| Environmental | | Budgeted Other | | | | |
|---------------------------|---|------------------------|-----------------------|-----------------------|------------------|-------------------------|
| Inland Fisheries and Game | Marine Recreational Fisheries Development | Public Safety Training | Community First Trust | Massachusetts Tourism | Gaming Local Aid | Local Aid Stabilization |
| \$ 1,007 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| — | — | — | — | — | — | — |
| 7,452 | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| 7,158 | 1,637 | 1,171 | — | — | — | — |
| 254 | — | — | — | — | — | — |
| 15,871 | 1,637 | 1,171 | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| 191 | — | — | — | — | 63,442 | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | 528 | — |
| 191 | — | — | — | — | 63,970 | — |
| 16,062 | 1,637 | 1,171 | — | — | 63,970 | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | 1 | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | 10 | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| 126 | — | — | — | — | — | — |
| 14,808 | 1,000 | — | — | — | — | — |
| — | — | — | 31,616 | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | 670 | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | 63,970 | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| 14,934 | 1,000 | 681 | 31,616 | — | 63,970 | — |
| 3,225 | 159 | 88 | 968 | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| 3,225 | 159 | 88 | 968 | — | — | — |
| 18,159 | 1,159 | 769 | 32,584 | — | 63,970 | — |
| (2,097) | 478 | 402 | (32,584) | — | — | — |
| 14,599 | 2,702 | 2,490 | 44,621 | — | — | 50 |
| \$ 12,502 | \$ 3,180 | \$ 2,892 | \$ 12,037 | \$ — | \$ — | \$ 50 |

continued

Budgeted Funds
Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | Totals (Memorandum only) | |
|---|-----------------------------|---------------|
| | 2017 | 2016 |
| REVENUES AND OTHER FINANCING SOURCES | | |
| Revenues: | | |
| Taxes | \$ 23,828,296 | \$ 23,616,920 |
| Assessments | 454,040 | 419,382 |
| Federal grants and reimbursements | 10,857,831 | 10,642,720 |
| Tobacco settlement revenue | 254,490 | 257,616 |
| Departmental | 3,770,951 | 3,579,470 |
| Miscellaneous | 320,586 | 386,005 |
| Total revenues | 39,486,194 | 38,902,113 |
| Other financing sources: | | |
| Fringe benefit cost recovery | 416,181 | 365,659 |
| Lottery reimbursements | 100,392 | 107,935 |
| Lottery distributions | 1,025,411 | 975,254 |
| Operating transfers in | 535,216 | 345,200 |
| Commonwealth care trust transfer | 76,552 | 44,482 |
| Stabilization transfer | — | 27,100 |
| Other fund deficit support | 144,797 | 70,707 |
| Total other financing sources | 2,298,549 | 1,936,337 |
| Total revenues and other financing sources | 41,784,743 | 40,838,450 |
| EXPENDITURES AND OTHER FINANCING USES | | |
| Expenditures: | | |
| Legislature | 66,754 | 61,368 |
| Judiciary | 908,488 | 878,664 |
| Inspector General | 4,207 | 4,315 |
| Governor and Lieutenant Governor | 6,567 | 6,603 |
| Secretary of the Commonwealth | 45,849 | 39,322 |
| Treasurer and Receiver-General | 201,093 | 205,226 |
| Auditor of the Commonwealth | 18,227 | 18,354 |
| Attorney General | 46,283 | 44,265 |
| Ethics Commission | 1,883 | 2,034 |
| District Attorney | 119,790 | 114,087 |
| Office of Campaign & Political Finance | 1,521 | 1,516 |
| Sheriffs' Departments | 610,062 | 603,220 |
| Disabled Persons Protection Commission | 3,043 | 2,943 |
| Board of Library Commissioners | 25,157 | 25,333 |
| Comptroller | 14,064 | 13,911 |
| Administration and Finance | 2,375,592 | 2,299,220 |
| Energy and Environmental Affairs | 223,582 | 222,851 |
| Health and Human Services | 5,700,404 | 5,530,514 |
| Massachusetts Department of Transportation | 140,250 | 171,437 |
| Office of the Child Advocate | 633 | 595 |
| Executive Office of Education | 2,234,045 | 2,281,321 |
| Center for Health Information and Analysis | 23,031 | 26,625 |
| Public Safety and Homeland Security | 1,119,256 | 1,121,829 |
| Housing and Economic Development | 495,960 | 536,247 |
| Labor and Workforce Development | 44,267 | 45,082 |
| Direct local aid | 5,703,027 | 5,567,738 |
| Medicaid | 15,251,717 | 14,851,007 |
| Post employment benefits | 2,659,709 | 2,503,377 |
| Debt service: | | |
| Principal retirement | 1,300,497 | 1,288,270 |
| Interest and fiscal charges | 984,180 | 886,037 |
| Total expenditures | 40,329,138 | 39,353,310 |
| Other financing uses: | | |
| Fringe benefit cost assessment | 4,440 | 4,485 |
| Operating transfers out | 748,110 | 646,170 |
| Medical assistance transfer | 403,367 | 665,564 |
| Delivery system transformation initiatives trust transfer | 189,149 | 186,907 |
| Other fund deficit support | 144,797 | 70,707 |
| Total other financing uses | 1,489,863 | 1,573,833 |
| Total expenditures and other financing uses | 41,819,001 | 40,927,143 |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing use | (34,258) | (88,693) |
| Fund balance (deficit) at beginning of year | 1,481,993 | 1,570,686 |
| Fund balance (deficit) at end of year | \$ 1,447,735 | \$ 1,481,993 |

See accountants' review report



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Budgeted Funds
Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget And Actual
Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | General | | | Commonwealth Transportation | | |
|---|---------------------|-------------------|--|-----------------------------|------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES AND OTHER FINANCING SOURCES | | | | | | |
| Revenues: | | | | | | |
| Taxes..... | \$ 23,079,900 | \$ 22,510,107 | \$ (569,793) | \$ 1,347,500 | \$ 1,316,807 | \$ (30,693) |
| Assessments | 426,261 | 431,576 | 5,315 | 13,296 | 22,464 | 9,168 |
| Federal grants and reimbursements..... | 10,753,035 | 10,850,378 | 97,343 | — | — | — |
| Tobacco settlement revenue..... | 257,500 | 254,490 | (3,010) | — | — | — |
| Departmental | 2,435,620 | 2,658,200 | 222,580 | 663,301 | 666,638 | 3,337 |
| Miscellaneous..... | 277,844 | 311,305 | 33,461 | 217 | 240 | 23 |
| Total revenues..... | <u>37,230,160</u> | <u>37,016,056</u> | <u>(214,104)</u> | <u>2,024,314</u> | <u>2,006,149</u> | <u>(18,165)</u> |
| Other financing sources: | | | | | | |
| Fringe benefit cost recovery..... | 430,883 | 416,180 | (14,703) | — | — | — |
| Lottery reimbursements..... | 94,490 | 100,392 | 5,902 | — | — | — |
| Lottery distributions | 1,012,351 | 1,025,411 | 13,060 | — | — | — |
| Operating transfers in..... | 385,462 | 431,583 | 46,121 | 40,000 | 40,000 | — |
| Commonwealth care trust transfer | — | 76,552 | 76,552 | — | — | — |
| Other fund deficit support | — | 144,268 | 144,268 | — | — | — |
| Total other financing sources | <u>1,923,186</u> | <u>2,194,386</u> | <u>271,200</u> | <u>40,000</u> | <u>40,000</u> | <u>—</u> |
| Total revenues and other financing sources | <u>39,153,346</u> | <u>39,210,442</u> | <u>57,096</u> | <u>2,064,314</u> | <u>2,046,149</u> | <u>(18,165)</u> |
| EXPENDITURES AND OTHER FINANCING USES | | | | | | |
| Expenditures: | | | | | | |
| Legislature | 99,124 | 66,754 | 32,370 | — | — | — |
| Judiciary | 914,430 | 908,488 | 5,942 | — | — | — |
| Inspector General | 4,217 | 4,207 | 10 | — | — | — |
| Governor and Lieutenant Governor | 7,811 | 6,567 | 1,244 | — | — | — |
| Secretary of the Commonwealth..... | 47,675 | 45,849 | 1,826 | — | — | — |
| Treasurer and Receiver-General..... | 212,746 | 201,093 | 11,653 | — | — | — |
| Auditor of the Commonwealth..... | 18,481 | 18,227 | 254 | — | — | — |
| Attorney General..... | 47,696 | 46,282 | 1,414 | — | — | — |
| Ethics Commission..... | 1,969 | 1,883 | 86 | — | — | — |
| District Attorney..... | 120,542 | 119,790 | 752 | — | — | — |
| Office of Campaign & Political Finance..... | 1,586 | 1,521 | 65 | — | — | — |
| Sheriffs' Departments..... | 610,988 | 610,052 | 936 | — | — | — |
| Disabled Persons Protection Commission..... | 3,043 | 3,043 | — | — | — | — |
| Board of Library Commissioners | 25,167 | 25,157 | 10 | — | — | — |
| Comptroller | 8,833 | 8,830 | 3 | — | — | — |
| Administration and Finance | 2,183,656 | 2,131,774 | 51,882 | — | — | — |
| Energy and Environmental Affairs..... | 214,960 | 206,253 | 8,707 | — | — | — |
| Health and Human Services | 5,692,308 | 5,569,829 | 122,479 | — | — | — |
| Massachusetts Department of Transportation..... | — | — | — | 187,000 | 140,250 | 46,750 |
| Office of the Child Advocate..... | 994 | 633 | 361 | — | — | — |
| Executive Office of Education | 2,271,600 | 2,233,278 | 38,322 | — | — | — |
| Center for Health Information and Analysis | 30,085 | 23,031 | 7,054 | — | — | — |
| Public Safety and Security | 1,091,415 | 1,058,933 | 32,482 | — | — | — |
| Housing and Economic Development..... | 517,176 | 494,179 | 22,997 | — | — | — |
| Labor and Workforce Development..... | 54,964 | 44,267 | 10,697 | — | — | — |
| Direct local aid | 5,664,525 | 5,639,056 | 25,469 | — | — | — |
| Medicaid..... | 15,254,269 | 15,251,717 | 2,552 | — | — | — |
| Post employment benefits | 2,638,100 | 2,643,761 | (5,661) | — | 15,948 | (15,948) |
| Debt service: | | | | | | |
| Principal retirement | 717,975 | 693,349 | 24,626 | 621,644 | 595,516 | 26,128 |
| Interest and fiscal charges | 501,799 | 484,588 | 17,211 | 539,365 | 499,592 | 39,773 |
| Total expenditures | <u>38,958,134</u> | <u>38,542,391</u> | <u>415,743</u> | <u>1,348,009</u> | <u>1,251,306</u> | <u>96,703</u> |
| Other financing uses: | | | | | | |
| Fringe benefit cost assessment | — | — | — | — | — | — |
| Operating transfers out | 55,353 | 93,614 | (38,261) | 644,443 | 648,656 | (4,213) |
| Medical assistance transfer..... | 736,154 | 403,367 | 332,787 | — | — | — |
| Delivery system transformation initiatives trust transfer .. | 196,252 | 189,149 | 7,103 | — | — | — |
| Other fund deficit support | — | — | — | — | 144,797 | (144,797) |
| Total other financing uses..... | <u>987,759</u> | <u>686,130</u> | <u>301,629</u> | <u>644,443</u> | <u>793,453</u> | <u>(149,010)</u> |
| Total expenditures and other financing uses | <u>39,945,893</u> | <u>39,228,521</u> | <u>717,372</u> | <u>1,992,452</u> | <u>2,044,759</u> | <u>(52,307)</u> |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses..... | <u>\$ (792,547)</u> | <u>(18,079)</u> | <u>\$ 774,468</u> | <u>\$ 71,862</u> | <u>1,390</u> | <u>\$ (70,472)</u> |
| Fund balance (deficit) at beginning of year..... | | <u>103,876</u> | | | <u>16,690</u> | |
| Fund balance (deficit) at end of year..... | | <u>\$ 85,797</u> | | | <u>\$ 18,080</u> | |

See accountants' review report

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Budgeted Funds

Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget And Actual

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | Environmental | | | Budgeted Other | | |
|---|---|----------|--|---------------------|----------|--|
| | Marine Recreational Fisheries Development | | | Public Safety Trust | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES AND OTHER FINANCING SOURCES | | | | | | |
| Revenues: | | | | | | |
| Taxes..... | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Assessments | — | — | — | — | — | — |
| Federal grants and reimbursements..... | — | — | — | — | — | — |
| Tobacco settlement revenue..... | — | — | — | — | — | — |
| Departmental | 1,430 | 1,637 | 207 | 800 | 1,171 | 371 |
| Miscellaneous..... | — | — | — | — | — | — |
| Total revenues..... | 1,430 | 1,637 | 207 | 800 | 1,171 | 371 |
| Other financing sources: | | | | | | |
| Fringe benefit cost recovery..... | — | — | — | — | — | — |
| Lottery reimbursements..... | — | — | — | — | — | — |
| Lottery distributions | — | — | — | — | — | — |
| Operating transfers in..... | — | — | — | — | — | — |
| Commonwealth care trust transfer | — | — | — | — | — | — |
| Other fund deficit support | — | — | — | — | — | — |
| Total other financing sources | — | — | — | — | — | — |
| Total revenues and other financing sources | 1,430 | 1,637 | 207 | 800 | 1,171 | 371 |
| EXPENDITURES AND OTHER FINANCING USES | | | | | | |
| Expenditures: | | | | | | |
| Legislature | — | — | — | — | — | — |
| Judiciary | — | — | — | — | — | — |
| Inspector General | — | — | — | — | — | — |
| Governor and Lieutenant Governor | — | — | — | — | — | — |
| Secretary of the Commonwealth..... | — | — | — | — | — | — |
| Treasurer and Receiver-General..... | — | — | — | — | — | — |
| Auditor of the Commonwealth..... | — | — | — | — | — | — |
| Attorney General..... | — | — | — | 2 | 1 | 1 |
| Ethics Commission..... | — | — | — | — | — | — |
| District Attorney..... | — | — | — | — | — | — |
| Office of Campaign & Political Finance..... | — | — | — | — | — | — |
| Sheriffs' Departments..... | — | — | — | 10 | 10 | — |
| Disabled Persons Protection Commission..... | — | — | — | — | — | — |
| Board of Library Commissioners | — | — | — | — | — | — |
| Comptroller | — | — | — | — | — | — |
| Administration and Finance | — | — | — | — | — | — |
| Energy and Environmental Affairs..... | 2,320 | 1,000 | 1,320 | — | — | — |
| Health and Human Services | — | — | — | — | — | — |
| Massachusetts Department of Transportation | — | — | — | — | — | — |
| Office of the Child Advocate..... | — | — | — | — | — | — |
| Executive Office of Education | — | — | — | — | — | — |
| Center for Health Information and Analysis | — | — | — | — | — | — |
| Public Safety and Security | — | — | — | 691 | 670 | 21 |
| Housing and Economic Development..... | — | — | — | — | — | — |
| Labor and Workforce Development..... | — | — | — | — | — | — |
| Direct local aid | — | — | — | — | — | — |
| Medicaid..... | — | — | — | — | — | — |
| Post employment benefits | — | — | — | — | — | — |
| Debt service: | | | | | | |
| Principal retirement | — | — | — | — | — | — |
| Interest and fiscal charges | — | — | — | — | — | — |
| Total expenditures | 2,320 | 1,000 | 1,320 | 703 | 681 | 22 |
| Other financing uses: | | | | | | |
| Fringe benefit cost assessment | — | 159 | (159) | — | 88 | (88) |
| Operating transfers out | — | — | — | — | — | — |
| Medical assistance transfer..... | — | — | — | — | — | — |
| Delivery system transformation initiatives trust transfer .. | — | — | — | — | — | — |
| Other fund deficit support | — | — | — | — | — | — |
| Total other financing uses..... | — | 159 | (159) | — | 88 | (88) |
| Total expenditures and other financing uses | 2,320 | 1,159 | 1,161 | 703 | 769 | (66) |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses..... | \$ (890) | 478 | \$ 1,368 | \$ 97 | 402 | \$ 305 |
| Fund balance (deficit) at beginning of year..... | | 2,702 | | | 2,490 | |
| Fund balance (deficit) at end of year..... | | \$ 3,180 | | | \$ 2,892 | |

See accountants' review report

continued

Budgeted Funds
Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget And Actual
Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | Budgeted Other | | | Totals | | |
|---|-------------------------|--------|--|-------------------|---------------|--|
| | Local Aid Stabilization | | | (Memorandum only) | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES AND OTHER FINANCING SOURCES | | | | | | |
| Revenues: | | | | | | |
| Taxes..... | \$ — | \$ — | \$ — | \$ 24,428,400 | \$ 23,828,296 | \$ (600,104) |
| Assessments | — | — | — | 439,557 | 454,040 | 14,483 |
| Federal grants and reimbursements..... | — | — | — | 10,759,235 | 10,857,831 | 98,596 |
| Tobacco settlement revenue..... | — | — | — | 257,500 | 254,490 | (3,010) |
| Departmental | — | — | — | 3,108,189 | 3,770,951 | 662,762 |
| Miscellaneous..... | — | — | — | 283,595 | 320,586 | 36,991 |
| Total revenues..... | — | — | — | 39,276,476 | 39,486,194 | 209,718 |
| Other financing sources: | | | | | | |
| Fringe benefit cost recovery..... | — | — | — | 430,883 | 416,181 | (14,702) |
| Lottery reimbursements..... | — | — | — | 94,490 | 100,392 | 5,902 |
| Lottery distributions | — | — | — | 1,012,351 | 1,025,411 | 13,060 |
| Operating transfers in..... | — | — | — | 489,644 | 535,216 | 45,572 |
| Commonwealth care trust transfer | — | — | — | — | 76,552 | 76,552 |
| Other fund deficit support | — | — | — | — | 144,797 | 144,797 |
| Total other financing sources | — | — | — | 2,027,368 | 2,298,549 | 271,181 |
| Total revenues and other financing sources | — | — | — | 41,303,844 | 41,784,743 | 480,899 |
| EXPENDITURES AND OTHER FINANCING USES | | | | | | |
| Expenditures: | | | | | | |
| Legislature | — | — | — | 99,124 | 66,754 | 32,370 |
| Judiciary | — | — | — | 914,429 | 908,488 | 5,941 |
| Inspector General | — | — | — | 4,217 | 4,207 | 10 |
| Governor and Lieutenant Governor | — | — | — | 7,811 | 6,567 | 1,244 |
| Secretary of the Commonwealth..... | — | — | — | 47,791 | 45,849 | 1,942 |
| Treasurer and Receiver-General..... | — | — | — | 212,746 | 201,093 | 11,653 |
| Auditor of the Commonwealth..... | — | — | — | 18,481 | 18,227 | 254 |
| Attorney General..... | — | — | — | 47,699 | 46,283 | 1,416 |
| Ethics Commission..... | — | — | — | 1,969 | 1,883 | 86 |
| District Attorney..... | — | — | — | 120,542 | 119,790 | 752 |
| Office of Campaign & Political Finance..... | — | — | — | 1,586 | 1,521 | 65 |
| Sheriffs' Departments..... | — | — | — | 610,998 | 610,062 | 936 |
| Disabled Persons Protection Commission..... | — | — | — | 3,043 | 3,043 | — |
| Board of Library Commissioners | — | — | — | 25,167 | 25,157 | 10 |
| Comptroller | — | — | — | 14,579 | 14,064 | 515 |
| Administration and Finance | — | — | — | 2,503,222 | 2,375,592 | 127,630 |
| Energy and Environmental Affairs..... | — | — | — | 235,544 | 223,582 | 11,962 |
| Health and Human Services | — | — | — | 5,844,805 | 5,700,404 | 144,401 |
| Massachusetts Department of Transportation | — | — | — | 187,000 | 140,250 | 46,750 |
| Office of the Child Advocate..... | — | — | — | 994 | 633 | 361 |
| Executive Office of Education | — | — | — | 2,273,460 | 2,234,045 | 39,415 |
| Center for Health Information and Analysis | — | — | — | 30,085 | 23,031 | 7,054 |
| Public Safety and Security | — | — | — | 1,161,216 | 1,119,256 | 41,960 |
| Housing and Economic Development..... | — | — | — | 524,723 | 495,960 | 28,763 |
| Labor and Workforce Development..... | — | — | — | 74,005 | 44,267 | 29,738 |
| Direct local aid | — | — | — | 5,728,497 | 5,703,027 | 25,470 |
| Medicaid..... | — | — | — | 15,254,269 | 15,251,717 | 2,552 |
| Post employment benefits | — | — | — | 2,638,100 | 2,659,709 | (21,609) |
| Debt service: | | | | | | |
| Principal retirement | — | — | — | 1,351,251 | 1,300,497 | 50,754 |
| Interest and fiscal charges | — | — | — | 1,041,164 | 984,180 | 56,984 |
| Total expenditures | — | — | — | 40,978,517 | 40,329,138 | 649,379 |
| Other financing uses: | | | | | | |
| Fringe benefit cost assessment | — | — | — | — | 4,440 | (4,440) |
| Operating transfers out | — | — | — | 699,796 | 748,110 | (48,314) |
| Medical assistance transfer..... | — | — | — | 736,154 | 403,367 | 332,787 |
| Delivery system transformation initiatives trust transfer .. | — | — | — | 196,252 | 189,149 | 7,103 |
| Other fund deficit support | — | — | — | — | 144,797 | (144,797) |
| Total other financing uses..... | — | — | — | 1,632,202 | 1,489,863 | 142,339 |
| Total expenditures and other financing uses | — | — | — | 42,610,719 | 41,819,001 | 791,718 |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses..... | \$ — | — | \$ — | \$ (1,306,875) | (34,258) | \$ 1,272,617 |
| Fund balance (deficit) at beginning of year..... | | 50 | | | 1,481,993 | |
| Fund balance (deficit) at end of year..... | | \$ 50 | | | \$ 1,447,735 | |

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General Fund
Balance Sheet - Statutory Basis

As of June 30, 2017
(Amounts in thousands)

| | 2017 | 2016 |
|---|-------------------|-------------------|
| ASSETS | | |
| Cash and short-term investments..... | \$ 256,679 | \$ 487,253 |
| Receivables, net of allowance for uncollectibles: | | |
| Due from federal government..... | 646,986 | 377,724 |
| Other receivables | 18,501 | 23,240 |
| Due from cities and towns..... | 12,143 | 23,268 |
| Total assets..... | <u>\$ 934,309</u> | <u>\$ 911,485</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable..... | \$ 772,220 | \$ 746,749 |
| Accrued payroll | 76,292 | 60,860 |
| Total liabilities | <u>848,512</u> | <u>807,609</u> |
| Fund balance: | | |
| Reserved fund balance: | | |
| Reserved for continuing appropriations..... | 85,797 | 103,876 |
| Total fund balance..... | <u>85,797</u> | <u>103,876</u> |
| Total liabilities and fund balance..... | <u>\$ 934,309</u> | <u>\$ 911,485</u> |

See accountants' review report

General Fund

Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | 2017 Budget | 2017 Actual | Variance Favorable (Unfavorable) | 2016 Actual |
|--|----------------|----------------|--|----------------|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Taxes..... | \$ 23,079,900 | \$ 22,510,107 | \$ (569,793) | \$ 22,257,084 |
| Assessments | 426,261 | 431,576 | 5,315 | 395,984 |
| Federal grants and reimbursements | 10,753,035 | 10,850,378 | 97,343 | 10,585,466 |
| Tobacco settlement revenue | 257,500 | 254,490 | (3,010) | 257,616 |
| Departmental | 2,435,620 | 2,658,200 | 222,580 | 2,505,504 |
| Miscellaneous | 277,844 | 311,305 | 33,461 | 367,327 |
| Total revenues..... | 37,230,160 | 37,016,056 | (214,104) | 36,368,981 |
| Other financing sources: | | | | |
| Fringe benefit cost recovery | 430,883 | 416,180 | (14,703) | 365,659 |
| Lottery reimbursements..... | 94,490 | 100,392 | 5,902 | 107,935 |
| Lottery distributions | 1,012,351 | 1,025,411 | 13,060 | 975,254 |
| Operating transfers in | 385,462 | 431,583 | 46,121 | 280,653 |
| Commonwealth care trust transfer | — | 76,552 | 76,552 | 44,482 |
| Other fund deficit support | — | 144,268 | 144,268 | 30,031 |
| Total other financing sources..... | 1,923,186 | 2,194,386 | 271,200 | 1,804,014 |
| Total revenues and other financing sources... | 39,153,346 | 39,210,442 | 57,096 | 38,172,995 |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Legislature | 99,124 | 66,754 | 32,370 | 61,368 |
| Judiciary | 914,430 | 908,488 | 5,942 | 878,663 |
| Inspector General | 4,217 | 4,207 | 10 | 4,315 |
| Governor and Lieutenant Governor | 7,811 | 6,567 | 1,244 | 6,576 |
| Secretary of the Commonwealth | 47,675 | 45,849 | 1,826 | 39,322 |
| Treasurer and Receiver-General..... | 212,746 | 201,093 | 11,653 | 205,226 |
| Auditor of the Commonwealth..... | 18,481 | 18,227 | 254 | 18,354 |
| Attorney General | 47,696 | 46,282 | 1,414 | 44,265 |
| Ethics Commission..... | 1,969 | 1,883 | 86 | 2,034 |
| District Attorney..... | 120,542 | 119,790 | 752 | 114,084 |
| Office of Campaign and Political Finance | 1,586 | 1,521 | 65 | 1,516 |
| Sheriffs' Department | 610,988 | 610,052 | 936 | 603,220 |
| Disabled Persons Protection Commission..... | 3,043 | 3,043 | — | 2,943 |
| Board of Library Commissioners | 25,167 | 25,157 | 10 | 25,333 |
| Comptroller | 8,833 | 8,830 | 3 | 8,870 |

continued

General Fund

Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | 2017 Budget | 2017 Actual | Variance Favorable (Unfavorable) | 2016 Actual |
|--|---------------------|------------------|--|-------------------|
| Expenditures (continued): | | | | |
| Administration and Finance | 2,183,656 | 2,131,774 | 51,882 | 2,076,261 |
| Energy and Environmental Affairs..... | 214,960 | 206,253 | 8,707 | 203,683 |
| Health and Human Services | 5,692,308 | 5,569,829 | 122,479 | 5,383,102 |
| Office of the Child Advocate..... | 994 | 633 | 361 | 595 |
| Executive Office of Education | 2,271,600 | 2,233,278 | 38,322 | 2,280,888 |
| Center for Health Information and Analysis | 30,085 | 23,031 | 7,054 | 26,625 |
| Public Safety and Security | 1,091,415 | 1,058,933 | 32,482 | 1,065,606 |
| Housing and Economic Development..... | 517,176 | 494,179 | 22,997 | 512,117 |
| Labor and Workforce Development..... | 54,964 | 44,267 | 10,697 | 45,082 |
| Direct local aid | 5,664,525 | 5,639,056 | 25,469 | 5,462,705 |
| Medicaid..... | 15,254,269 | 15,251,717 | 2,552 | 14,851,007 |
| Post employment benefits | 2,638,100 | 2,643,761 | (5,661) | 2,461,159 |
| Debt service: | | | | |
| Principal retirement..... | 717,975 | 693,349 | 24,626 | 561,002 |
| Interest and fiscal charges | 501,799 | 484,588 | 17,211 | 424,579 |
| Total expenditures..... | 38,958,134 | 38,542,391 | 415,743 | 37,370,500 |
| Other financing uses: | | | | |
| Operating transfers out | 55,353 | 93,614 | (38,261) | 45,572 |
| Medical assistance transfer..... | 736,154 | 403,367 | 332,787 | 665,564 |
| Delivery system transformation initiatives trust transfer..... | 196,252 | 189,149 | 7,103 | 186,907 |
| Total other financing uses..... | 987,759 | 686,130 | 301,629 | 898,043 |
| Total expenditures and other financing uses.... | 39,945,893 | 39,228,521 | 717,372 | 38,268,543 |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | <u>\$ (792,547)</u> | <u>(18,079)</u> | <u>\$ 774,468</u> | <u>(95,548)</u> |
| Fund balance (deficit) at beginning of year | | 103,876 | | 199,424 |
| Fund balance (deficit) at end of year..... | | <u>\$ 85,797</u> | | <u>\$ 103,876</u> |

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Commonwealth Transportation Fund

Balance Sheet - Statutory Basis

As of June 30, 2017

(Amounts in thousands)

| | 2017 | 2016 |
|---|------------------|------------------|
| ASSETS | | |
| Cash and short-term investments..... | \$ 482 | \$ — |
| Cash with fiscal agent..... | 18,080 | 16,690 |
| Receivables, net of allowance for uncollectibles: | | |
| Other receivables | — | 15,583 |
| Total assets..... | <u>\$ 18,562</u> | <u>\$ 32,273</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Deficiency in cash and short-term investments | \$ — | \$ 15,108 |
| Accounts payable..... | 482 | 475 |
| Total liabilities | <u>482</u> | <u>15,583</u> |
| Fund balance: | | |
| Reserved fund balance: | | |
| Reserved for debt service..... | 18,080 | 16,690 |
| Total fund balance..... | <u>18,080</u> | <u>16,690</u> |
| Total liabilities and fund balance..... | <u>\$ 18,562</u> | <u>\$ 32,273</u> |

See accountants' review report

Commonwealth Transportation Fund

Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | 2017 Budget | 2017 Actual | Variance Favorable (Unfavorable) | 2016 Actual |
|--|----------------|----------------|--|----------------|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Taxes | \$ 1,347,500 | \$ 1,316,807 | \$ (30,693) | \$ 1,301,318 |
| Assessments | 13,296 | 22,464 | 9,168 | 23,398 |
| Departmental | 663,301 | 666,638 | 3,337 | 661,268 |
| Miscellaneous | 217 | 240 | 23 | 7,371 |
| Total revenues | 2,024,314 | 2,006,149 | (18,165) | 1,993,355 |
| Other financing sources: | | | | |
| Operating transfers in | 40,000 | 40,000 | — | — |
| Total other financing sources | 40,000 | 40,000 | — | — |
| Total revenues and other financing sources..... | 2,064,314 | 2,046,149 | (18,165) | 1,993,355 |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Massachusetts Department of Transportation | 187,000 | 140,250 | 46,750 | 171,417 |
| Post employment benefits | — | 15,948 | (15,948) | 42,218 |
| Debt service: | | | | |
| Principal retirement | 621,644 | 595,516 | 26,128 | 713,596 |
| Interest and fiscal charges | 539,365 | 499,592 | 39,773 | 461,458 |
| Total expenditures | 1,348,009 | 1,251,306 | 96,703 | 1,388,689 |
| Other financing uses: | | | | |
| Operating transfers out | 644,443 | 648,656 | (4,213) | 566,790 |
| Other fund deficit support | — | 144,797 | (144,797) | 35,089 |
| Total other financing uses | 644,443 | 793,453 | (149,010) | 601,879 |
| Total expenditures and other financing uses | 1,992,452 | 2,044,759 | (52,307) | 1,990,568 |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | \$ 71,862 | 1,390 | \$ (70,472) | 2,787 |
| Fund balance (deficit) at beginning of year..... | | 16,690 | | 13,903 |
| Fund balance (deficit) at end of year..... | | \$ 18,080 | | \$ 16,690 |

See accountants' review report

Commonwealth Stabilization Fund

Balance Sheet - Statutory Basis

As of June 30, 2017

(Amounts in thousands)

| | 2017 | 2016 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and short-term investments..... | \$ 1,028,454 | \$ 1,019,769 |
| Investments..... | 272,224 | 271,745 |
| Total assets..... | <u>\$ 1,300,678</u> | <u>\$ 1,291,514</u> |
| LIABILITIES AND FUND EQUITY | | |
| Liabilities: | | |
| Accounts payable..... | \$ — | \$ — |
| Total liabilities | <u>—</u> | <u>—</u> |
| Fund balance: | | |
| Reserved fund balance: | | |
| Reserved for Commonwealth Stabilization | 1,300,678 | 1,291,514 |
| Total fund balance..... | <u>1,300,678</u> | <u>1,291,514</u> |
| Total liabilities and fund balance..... | <u>\$ 1,300,678</u> | <u>\$ 1,291,514</u> |

See accountants' review report

Commonwealth Stabilization Fund

Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | 2017 Budget | 2017 Actual | Variance Favorable (Unfavorable) | 2016 Actual |
|--|----------------|----------------|--|----------------|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Taxes | \$ — | \$ 377 | \$ 377 | \$ 744 |
| Miscellaneous | 5,500 | 8,787 | 3,287 | 11,240 |
| Total revenues | 5,500 | 9,164 | 3,664 | 11,985 |
| Other financing sources: | | | | |
| Stabilization transfer | — | — | — | 27,100 |
| Total other financing sources | — | — | — | 27,100 |
| Total revenues and other financing sources..... | 5,500 | 9,164 | 3,664 | 39,085 |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Administration and Finance | — | — | — | — |
| Total expenditures | — | — | — | — |
| Other financing uses: | | | | |
| Stabilization transfer | — | — | — | — |
| Total other financing uses | — | — | — | — |
| Total expenditures and other financing uses | — | — | — | — |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | \$ 5,500 | 9,164 | \$ 3,664 | 39,085 |
| Fund balance (deficit) at beginning of year..... | | 1,291,514 | | 1,252,429 |
| Fund balance (deficit) at end of year..... | | \$ 1,300,678 | | \$ 1,291,514 |

See accountants' review report

Intragovernmental Service Fund

Balance Sheet - Statutory Basis

As of June 30, 2017

(Amounts in thousands)

| | 2017 | 2016 |
|---|------------------|------------------|
| ASSETS | | |
| Cash and short-term investments..... | \$ 51,090 | \$ 34,342 |
| Total assets..... | <u>\$ 51,090</u> | <u>\$ 34,342</u> |
| LIABILITIES AND FUND EQUITY | | |
| Liabilities: | | |
| Accounts payable..... | \$ 36,978 | \$ 26,854 |
| Accrued payroll | 1,593 | 2,036 |
| Total liabilities | <u>38,571</u> | <u>28,890</u> |
| Fund balance: | | |
| Reserved fund balance: | | |
| Reserved for continuing appropriations..... | 12,519 | 5,452 |
| Total fund balance..... | <u>12,519</u> | <u>5,452</u> |
| Total liabilities and fund balance..... | <u>\$ 51,090</u> | <u>\$ 34,342</u> |

See accountants' review report

Intragovernmental Service Fund

Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | 2017 Budget | 2017 Actual | Variance Favorable (Unfavorable) | 2016 Actual |
|--|---------------------|------------------|--|-----------------|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Departmental | \$ — | \$ 436,146 | \$ 436,146 | \$ 402,100 |
| Total revenues | — | 436,146 | 436,146 | 402,100 |
| Other financing sources: | | | | |
| Operating transfers in | — | — | — | — |
| Total other financing sources | — | — | — | — |
| Total revenues and other financing sources..... | — | 436,146 | 436,146 | 402,100 |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Secretary of the Commonwealth | 116 | — | 116 | — |
| Comptroller | 5,746 | 5,234 | 512 | 5,041 |
| Administration and Finance | 319,404 | 243,692 | 75,712 | 222,855 |
| Energy and Environmental Affairs..... | 1,536 | 1,521 | 15 | 1,471 |
| Health and Human Services | 120,521 | 98,959 | 21,562 | 97,554 |
| Executive Office of Education | 1,860 | 767 | 1,093 | 432 |
| Public Safety and Security | 69,111 | 59,653 | 9,458 | 56,223 |
| Housing and Economic Development | 7,547 | 1,781 | 5,766 | 1,666 |
| Labor and Workforce Development | 19,041 | — | 19,041 | — |
| Debt service: | | | | |
| Principal retirement | 11,632 | 11,632 | — | 13,671 |
| Total expenditures | 556,514 | 423,239 | 133,275 | 398,913 |
| Other financing uses: | | | | |
| Operating transfers out | — | 5,840 | (5,840) | 8,721 |
| Total other financing uses | — | 5,840 | (5,840) | 8,721 |
| Total expenditures and other financing uses | 556,514 | 429,079 | 127,435 | 407,634 |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | <u>\$ (556,514)</u> | 7,067 | <u>\$ 563,581</u> | (5,534) |
| Fund balance (deficit) at beginning of year..... | | 5,452 | | 10,986 |
| Fund balance (deficit) at end of year | | <u>\$ 12,519</u> | | <u>\$ 5,452</u> |

See accountants' review report

Inland Fisheries And Game Fund

Balance Sheet - Statutory Basis

As of June 30, 2017

(Amounts in thousands)

| | 2017 | 2016 |
|---|------------------|------------------|
| ASSETS | | |
| Cash and short-term investments..... | \$ 13,265 | \$ 16,569 |
| Total assets..... | <u>\$ 13,265</u> | <u>\$ 16,569</u> |
| LIABILITIES AND FUND EQUITY | | |
| Liabilities: | | |
| Accounts payable..... | \$ 573 | \$ 1,814 |
| Accrued payroll | 190 | 156 |
| Total liabilities | <u>763</u> | <u>1,970</u> |
| Fund balance: | | |
| Unreserved fund balance: | | |
| Undesignated..... | 12,502 | 14,599 |
| Total fund balance..... | <u>12,502</u> | <u>14,599</u> |
| Total liabilities and fund balance..... | <u>\$ 13,265</u> | <u>\$ 16,569</u> |

See accountants' review report

Inland Fisheries And Game Fund

Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | 2017 Budget | 2017 Actual | Variance Favorable (Unfavorable) | 2016 Actual |
|--|-------------------|------------------|--|------------------|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Taxes | \$ 1,000 | \$ 1,007 | \$ 7 | \$ 1,001 |
| Federal grants and reimbursements | 6,200 | 7,452 | 1,252 | 8,824 |
| Departmental | 7,038 | 7,158 | 120 | 7,787 |
| Miscellaneous | 34 | 254 | 220 | 66 |
| Total revenues | <u>14,272</u> | <u>15,871</u> | <u>1,599</u> | <u>17,678</u> |
| Other financing sources: | | | | |
| Operating transfers in | 182 | 191 | 9 | 190 |
| Total other financing sources | <u>182</u> | <u>191</u> | <u>9</u> | <u>190</u> |
| Total revenues and other financing sources..... | <u>14,454</u> | <u>16,062</u> | <u>1,608</u> | <u>17,868</u> |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Administration and Finance | 162 | 126 | 36 | 105 |
| Energy and Environmental Affairs..... | 16,727 | 14,808 | 1,919 | 16,468 |
| Total expenditures | <u>16,889</u> | <u>14,934</u> | <u>1,955</u> | <u>16,573</u> |
| Other financing uses | | | | |
| Fringe benefit cost assessment | — | 3,225 | (3,225) | 2,730 |
| Total other financing uses | <u>—</u> | <u>3,225</u> | <u>(3,225)</u> | <u>2,730</u> |
| Total expenditures and other financing uses | <u>16,889</u> | <u>18,159</u> | <u>(1,270)</u> | <u>19,303</u> |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | <u>\$ (2,435)</u> | <u>(2,097)</u> | <u>\$ 338</u> | <u>(1,435)</u> |
| Fund balance (deficit) at beginning of year..... | | <u>14,599</u> | | <u>16,034</u> |
| Fund balance (deficit) at end of year | | <u>\$ 12,502</u> | | <u>\$ 14,599</u> |

See accountants' review report

Marine Recreational Fisheries Development Fund

Balance Sheet - Statutory Basis

As of June 30, 2017

(Amounts in thousands)

| | 2017 | 2016 |
|---|-----------------|-----------------|
| ASSETS | | |
| Cash and short-term investments..... | \$ 3,302 | \$ 2,825 |
| Total assets..... | <u>\$ 3,302</u> | <u>\$ 2,825</u> |
| LIABILITIES AND FUND EQUITY | | |
| Liabilities: | | |
| Accounts payable..... | \$ 111 | \$ 115 |
| Accrued payroll | 11 | 8 |
| Total liabilities | <u>122</u> | <u>123</u> |
| Fund balance: | | |
| Reserved fund balance: | | |
| Reserved for continuing appropriations..... | 1,000 | — |
| Unreserved fund balance: | | |
| Undesignated..... | <u>2,180</u> | <u>2,702</u> |
| Total fund balance..... | <u>3,180</u> | <u>2,702</u> |
| Total liabilities and fund balance..... | <u>\$ 3,302</u> | <u>\$ 2,825</u> |

See accountants' review report

Marine Recreational Fisheries Development Fund

Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | 2017 Budget | 2017 Actual | Variance Favorable (Unfavorable) | 2016 Actual |
|--|----------------|----------------|--|----------------|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Departmental | \$ 1,430 | \$ 1,637 | \$ 207 | \$ 1,502 |
| Total revenues | 1,430 | 1,637 | 207 | 1,502 |
| Other financing sources: | | | | |
| Operating transfers in | — | — | — | — |
| Total other financing sources | — | — | — | — |
| Total revenues and other financing sources..... | 1,430 | 1,637 | 207 | 1,502 |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Energy and Environmental Affairs..... | 2,320 | 1,000 | 1,320 | 1,228 |
| Total expenditures | 2,320 | 1,000 | 1,320 | 1,228 |
| Other financing uses | | | | |
| Fringe benefit cost assessment | — | 159 | (159) | 138 |
| Total other financing uses | — | 159 | (159) | 138 |
| Total expenditures and other financing uses | 2,320 | 1,159 | 1,161 | 1,366 |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | \$ (890) | 478 | \$ 1,368 | 136 |
| Fund balance (deficit) at beginning of year..... | | 2,702 | | 2,566 |
| Fund balance (deficit) at end of year | | \$ 3,180 | | \$ 2,702 |

See accountants' review report

Public Safety Training Fund
Balance Sheet - Statutory Basis

As of June 30, 2017
(Amounts in thousands)

| | 2017 | 2016 |
|---|-----------------|-----------------|
| ASSETS | | |
| Cash and short-term investments..... | \$ 2,892 | \$ 2,490 |
| Total assets..... | <u>\$ 2,892</u> | <u>\$ 2,490</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable..... | \$ — | \$ — |
| Total liabilities..... | <u>—</u> | <u>—</u> |
| Fund balance: | | |
| Unreserved fund balance: | | |
| Undesignated..... | 2,892 | 2,490 |
| Total fund balance..... | <u>2,892</u> | <u>2,490</u> |
| Total liabilities and fund balance..... | <u>\$ 2,892</u> | <u>\$ 2,490</u> |

See accountants' review report

Public Safety Training Fund

Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | 2017 Budget | 2017 Actual | Variance Favorable (Unfavorable) | 2016 Actual |
|--|----------------|----------------|--|----------------|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Departmental | \$ 800 | \$ 1,171 | \$ 371 | \$ 1,308 |
| Total revenues | 800 | 1,171 | 371 | 1,308 |
| Other financing sources: | | | | |
| Operating transfers in | — | — | — | — |
| Total other financing sources | — | — | — | — |
| Total revenues and other financing sources..... | 800 | 1,171 | 371 | 1,308 |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Attorney General | 2 | 1 | 1 | — |
| Sheriffs' Department | 10 | 10 | — | — |
| Public Safety and Security | 691 | 670 | 21 | — |
| Total expenditures | 703 | 681 | 22 | — |
| Other financing uses: | | | | |
| Fringe benefit cost assessment | — | 88 | (88) | — |
| Total other financing uses | — | 88 | (88) | — |
| Total expenditures and other financing uses | 703 | 769 | (66) | — |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | \$ 97 | 402 | \$ 305 | 1,308 |
| Fund balance (deficit) at beginning of year..... | | 2,490 | | 1,182 |
| Fund balance (deficit) at end of year | | \$ 2,892 | | \$ 2,490 |

See accountants' review report

Community First Trust Fund
Balance Sheet - Statutory Basis

As of June 30, 2017
(Amounts in thousands)

| | 2017 | 2016 |
|---|------------------|------------------|
| ASSETS | | |
| Cash and short-term investments..... | \$ 12,037 | \$ 44,621 |
| Total assets..... | <u>\$ 12,037</u> | <u>\$ 44,621</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable..... | \$ — | \$ — |
| Total liabilities..... | <u>—</u> | <u>—</u> |
| Fund balance: | | |
| Unreserved fund balance: | | |
| Undesignated..... | <u>12,037</u> | <u>44,621</u> |
| Total fund balance..... | <u>12,037</u> | <u>44,621</u> |
| Total liabilities and fund balance..... | <u>\$ 12,037</u> | <u>\$ 44,621</u> |

See accountants' review report

Community First Trust Fund

Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | 2017 Budget | 2017 Actual | Variance Favorable (Unfavorable) | 2016 Actual |
|--|----------------|----------------|--|----------------|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Federal grants and reimbursements | \$ — | \$ — | \$ — | \$ 48,430 |
| Total revenues | — | — | — | 48,430 |
| Other financing sources: | | | | |
| Operating transfers in | — | — | — | — |
| Total other financing sources | — | — | — | — |
| Total revenues and other financing sources..... | — | — | — | 48,430 |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Judiciary | — | — | — | 2 |
| District Attorney | — | — | — | 3 |
| Health and Human Services | 31,976 | 31,616 | 360 | 49,859 |
| Housing and Economic Development | — | — | — | 80 |
| Total expenditures | 31,976 | 31,616 | 360 | 49,943 |
| Other financing uses: | | | | |
| Fringe benefit cost assessment | — | 968 | (968) | 1,212 |
| Operating transfers out | — | — | — | 25,087 |
| Total other financing uses | — | 968 | (968) | 26,299 |
| Total expenditures and other financing uses | 31,976 | 32,584 | (608) | 76,242 |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | \$ (31,976) | (32,584) | \$ (608) | (27,812) |
| Fund balance (deficit) at beginning of year..... | | 44,621 | | 72,433 |
| Fund balance (deficit) at end of year | | \$ 12,037 | | \$ 44,621 |

See accountants' review report

Massachusetts Tourism Fund
Balance Sheet - Statutory Basis

As of June 30, 2017
(Amounts in thousands)

| | 2017 | 2016 |
|---|-------------|-----------------|
| ASSETS | | |
| Cash and short-term investments..... | \$ — | \$ 1,385 |
| Total assets..... | <u>\$ —</u> | <u>\$ 1,385</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable..... | \$ — | \$ 1,359 |
| Accrued payroll | <u>—</u> | <u>26</u> |
| Total liabilities | <u>—</u> | <u>1,385</u> |
| Fund balance: | | |
| Unreserved fund balance: | | |
| Undesignated..... | <u>—</u> | <u>—</u> |
| Total fund balance..... | <u>—</u> | <u>—</u> |
| Total liabilities and fund balance..... | <u>\$ —</u> | <u>\$ 1,385</u> |

See accountants' review report

Massachusetts Tourism Fund

Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | 2017 Budget | 2017 Actual | Variance Favorable (Unfavorable) | 2016 Actual |
|--|----------------|----------------|--|----------------|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Taxes | \$ — | \$ — | \$ — | \$ 56,772 |
| Total revenues | — | — | — | 56,772 |
| Other financing sources: | | | | |
| Operating transfers in | — | — | — | — |
| Total other financing sources | — | — | — | — |
| Total revenues and other financing sources..... | — | — | — | 56,772 |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Governor and Lieutenant Governor | — | — | — | 27 |
| Massachusetts Departments of Transportation..... | — | — | — | 20 |
| Housing and Economic Development | — | — | — | 22,384 |
| Total expenditures | — | — | — | 22,431 |
| Other financing uses: | | | | |
| Fringe benefit cost assessment | — | — | — | 404 |
| Other fund deficit support | — | — | — | 35,618 |
| Total other financing uses | — | — | — | 36,022 |
| Total expenditures and other financing uses | — | — | — | 58,453 |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | \$ — | — | \$ — | (1,681) |
| Fund balance (deficit) at beginning of year..... | | — | | 1,681 |
| Fund balance (deficit) at end of year | | \$ — | | \$ — |

See accountants' review report

Gaming Local Aid Fund
Balance Sheet - Statutory Basis

As of June 30, 2017
(Amounts in thousands)

| | 2017 | 2016 |
|---|-------------|-------------|
| ASSETS | | |
| Cash and short-term investments..... | \$ — | \$ — |
| Total assets..... | <u>\$ —</u> | <u>\$ —</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable..... | \$ — | \$ — |
| Total liabilities..... | <u>—</u> | <u>—</u> |
| Fund balance: | | |
| Unreserved fund balance (deficit): | | |
| Undesignated..... | — | — |
| Total fund balance (deficit)..... | <u>—</u> | <u>—</u> |
| Total liabilities and fund balance..... | <u>\$ —</u> | <u>\$ —</u> |

See accountants' review report

Gaming Local Aid Fund

Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | 2017 Budget | 2017 Actual | Variance Favorable (Unfavorable) | 2016 Actual |
|--|----------------|----------------|--|----------------|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Departmental | \$ — | \$ — | \$ — | \$ — |
| Total revenues | — | — | — | — |
| Other financing sources: | | | | |
| Operating transfers in | 64,000 | 63,442 | (558) | 64,356 |
| Other fund deficit support | — | 528 | 528 | 40,677 |
| Total other financing sources | 64,000 | 63,970 | (30) | 105,033 |
| Total revenues and other financing sources..... | 64,000 | 63,970 | (30) | 105,033 |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Direct local aid | 63,973 | 63,970 | 3 | 105,033 |
| Total expenditures | 63,973 | 63,970 | 3 | 105,033 |
| Other financing uses: | | | | |
| Operating transfers out | — | — | — | — |
| Total other financing uses | — | — | — | — |
| Total expenditures and other financing uses | 63,973 | 63,970 | 3 | 105,033 |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | \$ 27 | — | \$ (27) | — |
| Fund balance (deficit) at beginning of year..... | | | | — |
| Fund balance (deficit) at end of year | | \$ — | | \$ — |

See accountants' review report

Local Aid Stabilization Fund
Balance Sheet - Statutory Basis

As of June 30, 2017
(Amounts in thousands)

| | 2017 | 2016 |
|---|--------------|--------------|
| ASSETS | | |
| Cash and short-term investments..... | \$ 50 | \$ 50 |
| Total assets..... | <u>\$ 50</u> | <u>\$ 50</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable..... | \$ — | \$ — |
| Total liabilities..... | <u>—</u> | <u>—</u> |
| Fund balance: | | |
| Unreserved fund balance: | | |
| Undesignated..... | 50 | 50 |
| Total fund balance..... | <u>50</u> | <u>50</u> |
| Total liabilities and fund balance..... | <u>\$ 50</u> | <u>\$ 50</u> |

See accountants' review report

Local Aid Stabilization Fund

Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | 2017 Budget | 2017 Actual | Variance Favorable (Unfavorable) | 2016 Actual |
|--|----------------|----------------|--|----------------|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Departmental | \$ — | \$ — | \$ — | \$ — |
| Total revenues | — | — | — | — |
| Other financing sources: | | | | |
| Operating transfers in | — | — | — | — |
| Total other financing sources | — | — | — | — |
| Total revenues and other financing sources..... | — | — | — | — |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Executive Office of Education | — | — | — | — |
| Total expenditures | — | — | — | — |
| Other financing uses: | | | | |
| Operating transfers out | — | — | — | — |
| Total other financing uses | — | — | — | — |
| Total expenditures and other financing uses | — | — | — | — |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | \$ — | — | \$ — | — |
| Fund balance (deficit) at beginning of year..... | | 50 | | 50 |
| Fund balance (deficit) at end of year | | \$ 50 | | \$ 50 |

See accountants' review report



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Non-Budgeted Funds

SPECIAL REVENUE FUNDS:

These funds account for the proceeds of specific revenue sources that are restricted to finance specific functions. Funds that are not subject to appropriation are considered Non-Budgeted Special Revenue Funds.

Federal Grants Fund - to account for federal grants that are designated for specific programs, excluding federal highway construction grants, which are accounted for in the Federal Highway Construction Capital Projects Fund, and federal reimbursement programs, such as Medicaid, which are accounted for in the General Fund.

LOTTERY FUNDS:

The two lottery funds account for the operations of the State and Arts Lotteries.

State Lottery and Gaming Fund - to account for revenue from the sale of lottery tickets and for the payment of prizes, expenses of the State Lottery Commission and the distribution to municipalities and school districts. Transfers are made from lottery profits to the General Fund.

Arts Lottery Fund - to account for revenues from the sale of lottery tickets, for payment of prizes and the expenses of the State Lottery Commission, and for the administration of the Arts Lottery Council. Residual fund balance transfers are made to the General Fund at the end of the fiscal year.

GAMING FUNDS:

Massachusetts Gaming Control Fund - to account for all gaming fees and assessments not recorded in other funds by legislative mandate and other monies authorized by the General Court. Expenditures are to finance the activities of the Massachusetts Gaming Commission (MGC).

Gaming Revenue Fund - to account for revenues collected from taxes on gross gaming revenue received from gaming licenses. The revenues shall be transferred to other funds in accordance with Section 59 of Chapter 23K of the MGL.

UNIVERSAL HEALTH CARE FUNDS:

The thirteen Universal Healthcare Funds account for assessments and other revenues that are dedicated to making health care and health insurance accessible and affordable to all citizens of the Commonwealth.

Catastrophic Illness in Children Relief Fund - to account for receipts from a portion of an employer's unemployment health insurance contribution and certain Federal Financial Participation (FFP). The assistance is for medical expenses of childhood catastrophic illnesses not covered by any other state and federal program and subject to certain family income limits.

Commonwealth Care Trust Fund - to collect fair share employer assessments, free rider surcharges, cigarette tax revenues, transfers from the Health Safety Net Trust Fund and any funds that may be appropriated or transferred for deposit into the trust fund for the purpose of providing health care coverage in accordance with Chapter 58 of the Acts of 2006.

Medical Assistance Trust Fund - to account for any funds directed to the Commonwealth from public entities and federal revenues related to medical assistance; to be used for medical assistance payments to entities authorized by the general court.

Health Safety Net Trust Fund - to account for reimbursing hospitals and community health centers for a portion of the cost of reimbursable health services provided to low-income, uninsured or underinsured residents of the Commonwealth. Revenues are from surcharges and assessments in health care services.

Community First Trust Fund - The secretary of health and human services may expend not more than \$16 million deposited in the fund. Funds are credited in an amount equal to the increase in revenues from federal reimbursements resulting from the increased percentage points attributable to participation in the state balancing incentive payment program. There shall be credited to the fund an amount equal to the revenues received from FFP earned on any qualifying expenditures from the fund. Expenditures from the fund may be made for services provided in prior fiscal years.

Delivery System Transformation Initiatives Trust Fund - to account for funds expended for delivery system transformation initiatives payments to qualifying providers under an approved federal waiver.

Money Follows the Person Rebalancing Demonstration Grant Trust Fund - to account for funds used for expenses that primarily benefit individuals who have disabilities or long-term illnesses or who are elders. The funds shall be used to fund home and community-based waiver programs established to support the commonwealth's rebalancing initiative. Monies equal to the amount of FFP collected from the previous quarter shall be transferred to the fund.

Healthcare Payment Reform Fund - to account for any gaming license fees transferred under Section 93 of Chapter 194 of the Acts of 2011, as amended, 5% of the acute hospital assessments and any monies credited or transferred to the fund from any other fund or source. Funds are used to improve the quality and reduce the cost of health care in the Commonwealth.

Distressed Hospital Trust Fund - to account for gifts, grants and donations, interest earnings, 60% of the acute hospital assessments, and any funds provided from other sources. Expenditures support the State's efforts to meet the health care cost growth benchmark and shall be consistent with any activities funded by the e-Health Institute, the Healthcare Payment Reform Fund, and any delivery system transformation initiative funds authorized by the federal government.

Prevention and Wellness Trust Fund - to account for any revenue from appropriations or other monies authorized by the General Court and specifically designated to be credited to the fund, any fines and penalties allocated to the fund, any gifts, grants and donations to further community-based prevention activities, any interest earnings, and any funds provided from other sources. Also, 26 2/3% of the acute hospital assessments shall be credited to this fund. Expenditures shall support the state's efforts to meet the health care cost growth benchmark and any activities funded by the Healthcare Payment Reform Fund and other health related purposes.

Massachusetts Health Information Exchange Fund - to account for expenditures to support the dissemination and development of the statewide health information exchange. There shall be credited to the fund any appropriations, proceeds of any bonds or notes of the commonwealth issued for the purpose, or other monies authorized and designated thereto; any federal grants or loans; any private gifts, grants or donations made available; and investment income.

MassHealth Delivery System Reform Trust Fund - to account for any transfers from the Health Safety Net Trust Fund, FFP revenues, appropriation or other money authorized and designated to be credited to the fund; and any interest earned. The monies will be expended for approved Medicaid payments, reimbursements for services delivered to MassHealth beneficiaries; and for enhanced service and incentive payments to acute hospitals, and other providers or care organizations.

Community Hospital Reinvestment Trust Fund - to account for income designated to the fund such as gifts, grants, donations, interest earned any other money authorized. To be used to provide financial support to eligible acute care hospitals.

OTHER FUNDS:

The other special revenue funds account for a variety of miscellaneous taxes, assessments, fees, fines and other revenues, which are restricted to the financing of specific Commonwealth programs.

Dam and Seawall Repair or Removal Fund - to account for amounts credited or transferred to the fund including, federal grants; loan repayments; investment earnings in the fund; and any other amounts required to be credited to the fund by operation of law, resolution or agreement entered into by the Department of Conservation and Recreation. Funds shall be used to provide grants or loans to local governmental entities, charitable organizations and private dam owners to finance or refinance costs related to dams and flood or wave control repair or remediation projects.

Department of Telecommunication and Energy Trust Fund - to account for assessments on interstate operating revenue of electric companies and investment income. The expenditures by the Department of Telecommunications and Energy are for activities of the Department related to the regulation of electric companies.

Fingerprint-Based Background Check Trust Fund - to account for any appropriations or other monies authorized by the General Court and specifically designated to be credited thereto and any additional funds designated for deposit into the fund, including any private donations made available for deposit into the fund. Expenditures shall be for the sole purpose of carrying out state and national criminal background checks and verifications.

Liability Management and Reduction Fund - to account for chargebacks assessed to departments as premiums for the provision of insurance coverage for state agencies to cover payment of judgments, settlements and litigation costs in tort claims.

Medical Marijuana Trust Fund - to account for revenues generated from fees collected after July 1, 2013, as authorized by Section 3B of Chapter 7 of the MGL and Section 13 of Chapter 369 of the Acts of 2012. Expenditures from the fund shall be for the administrative costs of operations and programs related to said Chapter 369.

Essex Regional Emergency Communication Center Fund - The fund shall be used for the operation of the Regional Emergency Communications Center (RECC) to provide centralized emergency communication services to participating communities. There shall be credited to the fund: (i) the per capita assessment based on population on each member city or town and (ii) any other funding, including, but not limited to, appropriation, gift, grant, contribution, transfer or investment. Expenditures shall be made for the operating costs of the RECC provided, however, that funds shall not be used toward the capital budget requirements of the Essex County Regional Emergency Communications Center.

Dockside Testing Trust Fund - to account for fees collected from harvesters of molluscan shellfish on Georges Bank in the amount of \$35,000 per vessel. Expenditures shall be for the administrative costs of the operations and programs of the department related to regulating and monitoring the shellfish harvesters, including the testing of shellfish as necessary to ensure that they are safe for human consumption.

Commonwealth of Massachusetts Civil Monetary Penalty (CMP) Fund - to account for civil monetary penalties paid by nursing homes participating in the medical program for the protection of health and property of residents in a nursing home if the facility is found deficient.

MBTA State and Local Contribution Fund - to account for the transfer of dedicated sales tax revenue and MBTA service area assessments from the Commonwealth to the MBTA as set forth in Chapter 10, Section 35T of the MGL.

Community Preservation Trust Fund - to account for revenues received from surcharges on real estate property taxes, public and private sources as gifts, grants and donations, from damages, penalties costs from litigation settlements and surcharge on municipal liens imposed by the cities and towns that accept funds from the trust, to further community open space preservation programs.

Health Insurance Portability and Accountability Act Fund - to account for revenues received from Federal reimbursements under the Social Security Act, other Federal reimbursements, grants, gifts or other contributions to meet the costs of compliance with the Federal Health Insurance Portability and Accountability Act of 1996 (HIPPA).

State Racing Fund - to account for racing-related taxes and assessments, to be used for expenditures governing simulcasting and to provide certain relief to the racing industry in the Commonwealth.

Division of Professional Licensure Trust Fund - to support programs and administrative costs of the Division of Professional Licensure. Revenues are from professional registration fees and expenditures are for regulatory purposes. Moneys deposited into the trust fund that are unexpended at the end of the fiscal year, and that total not more than 50% of the division's expenditures for the previous fiscal year, shall not revert to the General Fund.

Victims of Drunk Driving Trust Fund - to account for fines collected from individuals convicted of driving under the influence of various substances defined by the law. Expenditures are for grants to community based programs to provide counseling and support services to victims of accidents.

State Athletic Commission Fund - to account for licensing fees, other fees and fines collected up to a maximum of \$200,000 per year. All revenues in excess of \$200,000 shall be transferred to the General Fund.

Organ and Tissue Donor Registration Fund - to account for funds received from public and private donations, fees collected by the Department of Public Health, including interest revenue, for the purpose of registration of residents of the Commonwealth as organ and tissue donors. Administrative costs cannot exceed 3% per annum of the funds held in the fund in any given fiscal year.

Department of Fire Services Hazardous Materials Emergency Mitigation Response Recovery Trust Fund - to account for monies received from fees, fines and investment income up to a maximum of \$250,000 per year. All revenues in excess of \$250,000 are transferred to the General Fund. Expenditures are for emergency hazardous materials response and mitigation costs.

Registers Technological Fund - to account for funds received from deed surcharges for the benefit of abolished counties. Expenditures are for technological improvements at the registries of deeds in those counties.

County Registers Technological Fund - to account for monies received from deed surcharges for Barnstable, Bristol, Dukes, Norfolk, Plymouth and Nantucket Counties. Expenditures are for technical improvements at those counties.

State Election Campaign Fund - to account for the costs of quadrennial statewide elections provided for through contributions from citizens.

Enhanced 911 Fund - to account for expenditures by the State Police and the Executive Office of Public Safety and Security to automatically identify a telephone number used to place or route a 911 call.

Counsel for Indigent Salary Enhancement Trust Fund - to account for fees collected for private applications for criminal complaints for misdemeanors in Commonwealth courts, including investment income. Expenditures are for rate enhancements for advocates for the indigent.

Smart Growth Housing Trust Fund - to account for revenues from state surplus property sold for between \$25 million to \$50 million, or appropriations from the General Fund and monetary sanctions imposed by the department. Expenditures are for payments to communities under the Smart Growth and Housing Production program.

Special Projects Permitting and Oversight Fund - to account for environmental permitting fees. Expenditures are for permitting, technical assistance, compliance and other activities related to environmental oversight.

Division of Energy Resources Credit Trust Fund - to account for the receipt, retention, redemption, sale or transfer of energy conservation credits, renewable energy certificates or credits, emission credits and similar allowances. The Division of Energy Resources may expend these funds for the implementation of programs for energy reliability, renewable energy, public procurement of energy and energy efficiency and climate change.

School Modernization and Reconstruction Trust Fund - to account for dedicated sales tax revenues in support of the School Building Assistance Program.

Roche Community Rink Fund - to account for the residual net revenues of the privately operated ice skating rink located in the West Roxbury section of the City of Boston.

Health Care Workforce Transformation Fund - to account for funds appropriated, gifts, grants, loan repayments and interest income. Expenditures of not more than 10% of the amount held in the fund in any one year shall be used for the combined cost of program administration, technical assistance to grantees and program evaluation. Funds of not less than 20% may be transferred to the Department of Public Health and up to 10% may be transferred to the Massachusetts Nursing and Allied Health Workforce Development Trust Fund. Funds remaining shall be expended for various healthcare related jobs programs.

Fire Prevention and Public Safety Fund - to account for all penalties recovered under the Cigarette Fire Safety Regulation Act to be used for fire safety and prevention programs.

Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund - to account for the fire safety certification fees submitted by cigarette manufacturers. The fund is used solely to support state processing, testing, enforcement and oversight activities related to implementation of the cigarette fire safety regulation.

Massachusetts Nursing and Allied Health Workforce Development Trust Fund - to account for funds appropriated, grants, loans or private donations received to increase the number of public and private higher education faculty and students who participate in programs that support careers in fields related to nursing and allied health.

Health Information Technology Trust Fund - to account for federal reimbursements received under the Health Information Technology for Economic and Clinical Health Act and other revenues received from or in support of the health care provider incentive payment program. Expenditures are for incentive payments to eligible Massachusetts Medicaid health care providers and for the promotion of electronic health record adoption and health information exchange in the Commonwealth. This fund may incur a deficit in an amount not to exceed the most recent revenue estimate as certified by the MassHealth Director.

Build America Bonds Subsidy Trust Fund - to account for subsidies from the United States Treasury related to debt service payable on Build America bonds issued by the Commonwealth. Expenditures are used to pay debt service related to these bonds.

Housing Preservation and Stabilization Fund - to account for funds appropriated or transferred to the trust fund by the general court; and all interest earned on monies in the trust fund. Expenditures shall be made for providing affordable housing for low-income families and individuals in the commonwealth, particularly those most at risk of becoming homeless.

Office of Refugees and Immigrants Trust Fund - to account for grants, bequests, gifts or contributions of cash or securities and contributions of services or property in kind made for the purpose of supporting the office for refugees and immigrants. Expenditures shall be made only for operating costs of the office for refugees and immigrants and costs associated with refugee and immigrant-related programs, grants and initiatives of the director.

Veterans Independence Plus Initiative Trust Fund - to account for revenues collected by the department from this initiative. Expenditures from the fund shall be for the administration of the Veterans Independence Plus Initiative. The secretary may expend from the fund for services provided in prior fiscal years.

Massachusetts Environmental Police Trust Fund - to account for certain administrative surcharges, a 10% maintenance fee charged on private details, any bond proceeds or funds appropriated, interest or investment earnings, and all other amounts credited or transferred to the fund from any other fund or source. Funds may be expended on programs and costs related to the division of law enforcement. No expenditure made from the fund shall cause the fund to become deficient at any point.

Domestic and Sexual Violence Prevention and Victim Assistance Fund - to support innovative practices to prevent domestic and sexual violence and provide assistance to victims of domestic violence in the commonwealth. The fund shall be credited any appropriations, bond proceeds or other monies authorized by the general court, and any other monies which may be available for the purposes of the fund from any other source or sources.

Massachusetts Seafood Marketing Program Fund - to account for a portion of the monies from the sale of commercial harvester and dealer permits issued not to exceed \$250,000 per fiscal year; any appropriations, grants, gifts or other monies authorized by the general court or other parties and specifically designated to be credited to the fund; and any investment income. All amounts credited to the fund shall be for the purpose of developing and administering the seafood marketing program. The fund shall be exempt from the indirect and fringe benefits that would otherwise be assessed.

Government Land Bank Fund - to account for proceeds from disposition, conversion and redevelopment of land used for industrial and low income housing developments to fund payments of principal and interest on bonds and notes of the Massachusetts Development Finance Agency.

Natural Heritage and Endangered Species Fund - to account for revenues from public and private sources and/or the federal government as reimbursements, grants, donations or other receipts and investment income; used to acquire by purchase, lease, easement or license land critical to nongame wildlife and endangered species for purposes of protecting and enhancing nongame wildlife.

Massachusetts Mathematics, Science, Technology and Engineering Grant Fund (STEM Pipeline Fund) - to account for support provided to Massachusetts students who participate in programs that support careers in fields related to mathematics, science, technology and engineering. The grants also support curriculum development in those fields.

Massachusetts Alternative and Clean Energy Investment Trust Fund - to account for any funds invested in clean energy technology research and issued as seed grants to companies, universities and nonprofits to encourage the creation of clean technology ventures and the training of workers to perform associated green jobs.

Regional Greenhouse Gas Initiatives (RGGI) Auction Trust Fund - to account for auction proceeds under the carbon dioxide cap and trade program. Expenditures from the fund shall be made by the Department of Environmental Protection in consultation with the Department of Energy Resources to adopt rules and regulations establishing a carbon dioxide cap to limit and reduce the total carbon dioxide emissions released by electricity-generating stations. The fund shall be exempt from the indirect and fringe benefits that would otherwise be assessed.

Mosquito and Greenhead Fly Control Fund - to account for assessments to cities and towns of various mosquito control districts; to support activities designed to control mosquitoes and/or “greenhead” flies.

Ocean Resources and Waterways Trust Fund - to account for funds appropriated, investment income, grants or ocean development mitigation fees received; for use in restoring or enhancing marine habitat and resources affected by project developments.

Off Highway Vehicle Program Fund - to account for fees, fines and investment income collected for use in enforcement and environmental development, repair and restorations of trails and facilities.

Workforce Training Trust Fund - to account for revenues from the 0.075% unemployment surcharge on taxable wages on employers; to provide grants to employers, employer groups, labor organizations and training providers for projects to provide education and training to existing employees and newly hired workers.

Oil Overcharge Fund - to account for the fines and penalties collected under federal litigation from certain oil companies; used to provide fuel assistance and home insulation for low-income residents.

Substance Abuse Services Fund - to account for funds used to expand inpatient treatment facilities and ongoing case management for individuals civilly committed under Section 35 of Chapter 123 of the MGL.

Victims of Human Trafficking Trust Fund - to account for the proceeds of assets seized and forfeited and fines and assessments collected along with any interest earned. Funds shall be transferred to the Victim and Witness Assistance Board to administer grants to public, private non-profit or community-based programs in the Commonwealth.

Department of Public Utilities Storm Trust Fund - to account for assessments charged against each electric company under the jurisdictional control of the Department of Public Utilities and any investment income credited to the fund. Funds shall be used in investigating the preparation for and response to storm and other emergency events by electric companies in the Commonwealth.

Economic Empowerment Trust Fund - to account for private contributions, publicly or privately-funded grants and funds appropriated by the state or federal government. The fund shall be used to encourage financial literacy and education for residents, institutions, community organizations and entities that will promote financial literacy. The fund balance was transferred to the Expendable Trust Fund as of FY2017.

Homeless Animal Prevention and Care Fund - to offset costs associated with the vaccination, spaying and neutering of homeless dogs and cats owned by low-income residents and to assist with the training of animal control officers. The fund shall consist of all revenues received by the Commonwealth pursuant to the voluntary check-off donation indicated on the Department of Revenue’s annual income tax return, gifts, grants, donations and investment income to further reduce the population of homeless animals.

Horseneck Beach Reservation Trust Fund - to account for the long-term preservation, maintenance, nourishment and public safety of Horseneck Beach in the Town of Westport. Revenues credited to the fund shall consist of a surcharge of \$1 imposed by the Department of Conservation and Recreation upon each fee charged and collected from admission to and parking in the Horseneck Beach Reservation. Expenditures from the fund for public safety may be made available to the Town of Westport's police, fire, ambulance and emergency personnel.

Environmental Trust Fund - to account for fines, gifts, grants and investment income used for restoration, protection and improvement of the quality of Boston Harbor, Lynn Harbor, Massachusetts Bay, Buzzards Bay and Cape Cod Bay.

Social Innovation Financing Trust Fund - to account for funding contracts to improve outcomes and lower costs for contracted government services. The Secretary of Administration and Finance may provide that payments in future years under any such contracts shall constitute a general obligation of the Commonwealth for which the full faith and credit of the Commonwealth shall be pledged for the benefit of the providers of the contracted government services, but the total amount of payments under such contracts secured by a pledge of the full faith and credit of the Commonwealth shall not exceed, in the aggregate, \$50 million.

Children's Trust Fund - to account for gifts, grants, interest and donations to the Child Abuse Prevention Board and certain appropriations designated to be transferred to the fund; used for support programs to raise awareness of child abuse and prevention programs.

Child Support Enforcement Fund - to account for child support payments, fees and penalties collected by the Child Support Division, federal monies and any related interest earnings. Expenditures are for child-support related activities.

Massachusetts Military Family Relief Fund - to account for revenues received by the Commonwealth pursuant to the voluntary check-off donation indicated on the Department of Revenue's annual income tax return, gifts, grants, donations and investment income to further the purposes of the fund, which is to help members of the Massachusetts National Guard and Massachusetts residents who are members of the Armed Forces of the United States and who were called to active duty after September 11, 2001.

Department of Industrial Accidents Special Fund - to account for assessments to employers and cities and towns for workers' compensation insurance premiums and penalties assessed against employers who fail to insure for workers' compensation; used to reimburse the General Fund for the operating account of the Department of Industrial Accidents and for administrative overhead.

Logan Airport Health Study Trust Fund - to account for monies allocated by the Massachusetts Port Authority or any other public or private entity to the department of public health to conduct public health activities associated with the Logan Airport Health Study. Funds shall be expended for administration and project management activities and for direct support to community health centers within the study area.

Massachusetts State Public Health HIV and Hepatitis Fund - to account for revenues received by the Commonwealth pursuant to the voluntary check-off donation indicated on the Department of Revenue's annual income tax return, from public and private sources as gifts, grants, and donations; used for research, treatment, and education related to acquired immune deficiency syndrome.

Head Injury Treatment Services Trust Fund - to account for revenues from a surcharge on fines resulting from "driving under the influence" convictions and investment income; funds the Massachusetts Rehabilitation Commission's statewide head injury program to develop and maintain non-residential rehabilitation services for head injured persons.

Board of Registration in Medicine Trust Fund - to account for licensing fees of medical professionals. Expenditures are for the administration and operation of the Board.

Water Pollution Abatement Projects Administration Fund - to account for transfers from the Massachusetts Clean Water Trust and general obligation bond proceeds; used for the administration of the Department of Environmental Protection to fund water pollution abatement projects.

Child Care Quality Fund - to account for revenues received from the sale of "Invest in Children" distinctive registration plates issued by the Registrar of Motor Vehicles and the expenditures by the commissioner of the Office for Children for providing grants for not-for-profit childcare organizations for the purpose of improving childcare services.

Convention and Exhibition Center Fund - to account for certain rooms and sales and use taxes, surcharges imposed on tourist tickets, including cruises and land-based sightseeing located in the Commonwealth, to finance the construction and operating expenses of a new Boston Convention Center and convention centers in Worcester and Springfield.

Firearms Fingerprint Identity Verification Trust Fund - to account for fees paid in firearms registrations for the purpose of financing fingerprint identification verifications with the fingerprint records maintained by the Federal Bureau of Investigations or any other federal agency for the verification of firearms license application identities.

Grant Anticipation Note Trust Fund - to account for proceeds to cover federal grant anticipation note expenditures and pay the related debt service.

Race Horse Development Fund - to account for the daily assessment of 9% of gross gaming revenues collected by slot machine-only venues, in accordance with Section 55c of Chapter 23K of the MGL. Expenditures from this fund shall be made to each licensee under Chapter 128A of the MGL.

Community Mitigation Fund - to account for gaming tax revenue transferred under Section 59 of Chapter 23K of the MGL and all other monies credited or transferred to the fund from any other fund or source. Funds shall be expended to assist the host community and surrounding communities in offsetting costs related to the construction and operation of a gaming establishment.

Capital Needs Investment Fund - to account for funds appropriated. The funds shall be for the restoration costs of the Mayflower II and the construction of a public safety building in the Town of Barre. The fund shall expire on December 31, 2020 at which time the fund shall be repealed and any unexpended balance and interest shall be transferred to the General Fund.

Massachusetts Tourism Trust Fund - to account for the \$10,000,000 collected from the room occupancy excise and revenues under the Gaming Revenue Fund designated by legislation. Spending from the fund will be as follows; 40% to the Massachusetts marketing partnership and 60% to regional tourism councils to promote tourism and for related administrative costs.

Long-Term Facility Quality Improvement Fund - to account for income from legislatively mandated fines and penalties imposed by the department of public health on long-term care facilities, revenues from appropriations, monies authorized by the general court, other designated monies from public or private sources: gifts, grants, donations rebates and settlements. Spending will be used to improve safety and enhance the quality of care provided in long-term care facilities.

Sexual Assault Nurse Examiner Trust Fund - to account for money received from public or private sources such as gifts, grants, donations, bequests, cash, securities and property contributions from any source. Spending will be used to support the sexual assault nurse examiner program costs and provide services for sexual assault patients.

MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT) FUNDS:

Massachusetts Transportation Trust Fund - to account for assessments, federal grants, departmental revenues, transfers and expenditures related to MassDOT.

Central Artery / Tunnel Project Repair and Maintenance Trust Fund - to account for any costs incurred in connection with the repairs and maintenance of the Central Artery and the Ted Williams Tunnel.

Motor Vehicle Safety Inspection Trust Fund - to account for motor vehicle inspection fees for administration and operation of safety inspection programs by the Registry of Motor Vehicles.

Transportation Infrastructure and Development Fund - to account for monies transferred from the Gaming Revenue Fund and all other monies credited or transferred to the fund from any other fund or source and proceeds from the investment of such funds. Any expenditures from this fund shall be solely for the purpose of transportation and related infrastructure projects.

The following funds have been enacted in legislation but were inactive in FY17 and are not presented in this report:

Regional Transit Authorities Forward Funding Trust Fund - to account for revenues allocated to support capital or other eligible activities for regional transit authorities.

Health Care Security Trust Fund - to account for revenues received from tobacco companies under the tobacco settlement and interest income for health-related services and programs intended to control or reduce the use of tobacco in the Commonwealth. Per statute, tobacco revenues were deposited directly into the General Fund, not into this fund.

MBTA Infrastructure Renovation Fund - to account for supplemental appropriations beyond the MBTA State and Local Contribution Fund for certain MBTA infrastructure improvements. Funds are to be used for, but not limited to, compliance with the American with Disabilities Act, elevator and escalator improvements, waterproofing, fare gates, signage, lighting and structural improvements. No rolling stock is to be acquired through the fund.

Natural Resources Damages Trust Fund - to account for gifts, grants and other contributions received to fund natural resources restoration projects.

Essential Community Provider Trust Fund - to account for amounts appropriated for transfers and interest earned by the fund; used for payments to acute care hospitals and community health centers, as defined in Chapter 58 of the Acts of 2006, Section 8.

Department of Mental Retardation Trust Fund - to account for any receipts from assessments, transfers by the Department of Mental Retardation for public facilities and any other FFP. Expenditures are for operating the intermediate care facilities and community residences serving individuals with mental retardation.

Workforce Competitiveness Trust Fund - to account for funds to support the development and implementation of employer and work responsive programs to enhance worker skills, income, productivity and retention and to increase the quality and competitiveness of Massachusetts firms. The fund is administered by the Executive Office of Labor and Workforce Development.

Agricultural Inspection and Infrastructure Trust Fund - to account for agricultural inspection fee revenues, interest or investment earnings on such monies; and all other monies credited or transferred to the fund by law. Expenditures from the fund shall be for agricultural programs and costs related to the Agricultural Innovation Center. Any unexpended balance in the fund at the end of the fiscal year, not to exceed \$200,000, shall not revert to the General Fund but shall remain available for expenditure in subsequent fiscal years.

Massachusetts Board of Higher Education Scholar-Internship Match Fund - to provide a match for industry scholarships given to Massachusetts students going on to study for a post-secondary degree at Massachusetts public higher education institutions. The amount to be matched through the Scholar-Internship Match Fund shall not exceed \$5,000 per student, contingent upon receiving a corresponding industry scholarship or internship of up to the same amount.

District Local Technical Assistance Fund - to account for grants to regional planning agencies for technical assistance to municipalities and to develop a statewide permitting model. Technical assistance services funded by these grants shall include services for zoning, land use planning, conservation, public safety planning, information technology and statistical trend modeling. Expenditures from this fund may not exceed \$2.8 million in any fiscal year.

Educational Rewards Grant Program Fund - to account for grants to students in accredited post-secondary certificate or vocational technology programs or associate degrees in targeted high-demand occupations.

Housing and Economic Development Trust Fund - to account for (i) grants, bequests, gifts or contributions of cash or securities, or contributions of services or property in kind from any persons or other governmental, nongovernmental, quasi-governmental or local governmental entities and (ii) all interest earned on monies in the trust. Expenditures shall be made only for the following purposes: (i) operating costs of the executive office of housing and community development, including the divisions and programs within the executive office; (ii) operating costs of the Massachusetts marketing partnership and the offices within the partnership, and (iii) costs associated with housing and economic development programs, grants and initiatives of the secretary.

Climate Change Adaptation Infrastructure Investment Fund - to account for amounts credited or transferred to the fund by the general court or any other source including, without limitation, federal grants, loan repayments, investment earnings on monies in the fund and any other amounts required to be credited to the fund. Amounts credited to the fund may be used for the costs associated with the operations of the division of waterways and the office of dam safety, the department of environmental protection, the department of fish and game and the office of coastal zone management for the costs associated with operations. The fund shall be used to provide grants or loans to agencies of the Commonwealth and local governmental bodies to finance or refinance costs of inspection, repair and removal projects.

Human Service Salary Reserve Fund - to account for funds transferred from the General Fund to provide a one-time subsidy to personnel earning less than \$40,000 in annual compensation who are employed by private human service providers that deliver human and social services under contracts with departments within the Executive Office of Health and Human Services and the Executive Office of Elder Affairs.

County Correction Fund - to account for approximately 7.5% of the deeds excise tax distributed to counties for the operation of county correctional facilities. With consolidation of counties into the Commonwealth in FY10, this fund became inactive in FY11.

Commonwealth Sewer Rate Relief Fund - to account for transfers of amounts from the General Fund or other funds; used for the purpose of mitigating sewer rate increases and making sewer rate relief grants to municipalities.

Public Health Trust Fund - to account for the collection of fees on slot machines assessed under Section 56 of Chapter 23K of the MGL and all other monies credited or transferred to the fund from any other source under law. Funds shall be expended to assist social service and public health programs dedicated to addressing problems associated with compulsive gambling.

Gaming Licensing Fund - to account for the collection of all gaming establishment licensing fees established under Chapter 23K of the MGL and excluding initial application fees. Monies from this fund shall be transferred to various funds in accordance with Section 93 of Chapter 194 of the Acts of 2011. This fund expired on December 31, 2015.

Securities Fraud Prosecution Fund - to account for criminal penalties, fines and settlements collected under chapter 110A and any income from the investment of amounts credited to the fund. Expenditures from this fund are for investigations and enforcement of and dissemination of information about the requirements of Chapter 110A. The Fund shall not exceed a maximum of \$500,000. Amounts collected in excess of the maximum shall be deposited in the General Fund.

Flood Control Compact Fund - to account for any funds authorized and specifically designated to the fund by the general court plus any interest or investment earnings on any such monies. Expenditures shall be made for costs arising under any compact authorized by the general court. No expenditure from the fund shall cause it to become deficient at any point.

Public Records Assistance Fund - to account for revenues collected from punitive damages fines assessed to agencies or municipalities in violation of certain public record laws and other monies designated to be credited to the fund such as appropriations, bond proceeds, gifts, grants, private contributions, operating transfers and earned investment income. To be used to provide grants to municipalities to support information technology capabilities and improve access to public records. Money that is unexpended at the end of each fiscal year shall not revert to the General Fund and shall be available for expenditure by the fund in the subsequent fiscal year.

Olmsted Park Improvement Fund - to account for expenditures by the Department of Conservation & Recreation for activities of the Department related for the purposes of providing rehabilitation and improvement grants to cities and towns with an Olmsted Park within its municipal boundaries. The fund shall consist of public and private sources such as gifts, grants and donations, interest earned on revenues from gifts, grants and donations and any funds provided from other sources.

Transportation Infrastructure Enhancement Trust Fund - to account for assessments received based on the number of annual rides given in a fiscal year by each transportation network company within the commonwealth; $\frac{1}{2}$ of the funds are proportionately distributed to cities and towns, $\frac{1}{4}$ of the funds are distributed to the Massachusetts Development Finance Agency on behalf of small businesses operating in taxicab, livery, or hackney industries, and the final $\frac{1}{4}$ is distributed to the Commonwealth Transportation Fund.



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Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | Lotteries | | | Gaming | | Universal Health Care Funds | |
|---|----------------|--------------------------|--------------|----------------|----------------|---|-------------------------|
| | Federal Grants | State Lottery and Gaming | Arts Lottery | Gaming Control | Gaming Revenue | Catastrophic Illness in Children Relief | Commonwealth Care Trust |
| REVENUES AND OTHER FINANCING SOURCES | | | | | | | |
| Revenues: | | | | | | | |
| Taxes..... | \$ — | \$ 525 | \$ — | \$ — | \$ 63,432 | \$ — | \$ 145,290 |
| Assessments | — | — | — | — | — | — | — |
| Federal grants and reimbursements | 2,369,542 | — | — | — | — | — | — |
| Departmental | — | 5,205,548 | 48,952 | 28,155 | 10 | — | 160,570 |
| Miscellaneous | 7 | 2,815 | 111 | — | — | — | — |
| Total revenues..... | 2,369,549 | 5,208,888 | 49,063 | 28,155 | 63,442 | — | 305,860 |
| Other financing sources: | | | | | | | |
| Operating transfers in | — | — | — | — | — | 3,046 | — |
| Health safety net trust transfer..... | — | — | — | — | — | — | — |
| Medical assistance transfer..... | — | — | — | — | — | — | — |
| Delivery system transformation initiatives trust transfer .. | — | — | — | — | — | — | — |
| Total other financing sources | — | — | — | — | — | 3,046 | — |
| Total revenues and other financing sources | 2,369,549 | 5,208,888 | 49,063 | 28,155 | 63,442 | 3,046 | 305,860 |
| EXPENDITURES AND OTHER FINANCING USES | | | | | | | |
| Expenditures: | | | | | | | |
| Judiciary | 1,667 | — | — | — | — | — | — |
| Inspector General | — | — | — | — | — | — | — |
| Governor and Lieutenant Governor | — | — | — | — | — | — | — |
| Secretary of the Commonwealth | 1,135 | — | — | — | — | — | — |
| Treasurer and Receiver-General..... | 2,001 | 4,082,413 | 39,335 | 68 | — | — | — |
| Attorney General | 22,521 | — | — | 1,297 | — | — | — |
| District Attorney..... | 2,553 | — | — | — | — | — | — |
| Sheriffs' Departments..... | 4,007 | — | — | — | — | — | — |
| Disabled Persons Protection Commission..... | 159 | — | — | — | — | — | — |
| Board of Library Commissioners | 2,854 | — | — | — | — | — | — |
| Massachusetts Gaming Commission..... | — | — | — | 20,481 | — | — | — |
| Comptroller | — | — | — | — | — | — | — |
| Administration and Finance | 5,235 | — | — | 14 | — | — | 252,043 |
| Energy and Environmental Affairs..... | 36,348 | — | — | — | — | — | — |
| Health and Human Services | 464,632 | — | — | 431 | — | 2,098 | — |
| Massachusetts Department of Transportation | 83 | — | — | — | — | — | — |
| Executive Office of Education | 990,415 | — | — | — | — | — | — |
| Center for Health Information and Analysis | 208 | — | — | — | — | — | — |
| Public Safety and Security | 141,829 | — | — | 7 | — | — | — |
| Housing and Economic Development | 484,455 | — | — | — | — | — | — |
| Labor and Workforce Development..... | 137,428 | — | — | — | — | — | — |
| Debt service: | | | | | | | |
| Principal retirement | — | — | — | — | — | — | — |
| Interest and fiscal charges | — | — | — | — | — | — | — |
| Total expenditures | 2,297,530 | 4,082,413 | 39,335 | 22,298 | — | 2,098 | 252,043 |
| Other financing uses: | | | | | | | |
| Fringe benefit cost assessment | 65,869 | 10,400 | — | 2,348 | — | 141 | — |
| Lottery operating reimbursements..... | — | 100,392 | — | — | — | — | — |
| Lottery distributions | — | 1,015,683 | 9,728 | — | — | — | — |
| Operating transfers out | 43,712 | — | — | 1,663 | 63,442 | 47 | 3,046 |
| Commonwealth care trust transfer | — | — | — | — | — | — | 76,552 |
| Health safety net trust transfer..... | — | — | — | — | — | — | — |
| Federal reimbursement transfer out..... | — | — | — | — | — | — | — |
| Total other financing uses..... | 109,581 | 1,126,475 | 9,728 | 4,011 | 63,442 | 188 | 79,598 |
| Total expenditures and other financing uses | 2,407,111 | 5,208,888 | 49,063 | 26,309 | 63,442 | 2,286 | 331,641 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (37,562) | — | — | 1,846 | — | 760 | (25,781) |
| Fund balances (deficits) at beginning of year | (9,707) | — | — | 3,528 | — | 3,814 | 60,279 |
| Fund balances (deficits) at end of year..... | \$ (47,269) | \$ — | \$ — | \$ 5,374 | \$ — | \$ 4,574 | \$ 34,498 |

See accountants' review report

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | Non-Budgeted Other Funds | | | | | | | |
|---|-----------------------------------|--|--|------------------------------------|-------------------------|---|------------------------|------------------------------|
| | Dam and Seawall Repair or Removal | Department of Telecommunication and Energy Trust | Fingerprint-Based Background Check Trust | Liability Management and Reduction | Medical Marijuana Trust | Essex Regional Emergency Communication Center | Dockside Testing Trust | Civil Monetary Penalty (CMP) |
| REVENUES AND OTHER FINANCING SOURCES | | | | | | | | |
| Revenues: | | | | | | | | |
| Taxes..... | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Assessments | — | 4,555 | — | — | — | — | — | — |
| Federal grants and reimbursements | — | — | — | — | — | — | — | — |
| Departmental | — | — | 4,628 | 2,081 | 10,625 | — | 175 | 1,859 |
| Miscellaneous | 657 | 3 | — | 11 | — | 668 | — | — |
| Total revenues..... | 657 | 4,558 | 4,628 | 2,092 | 10,625 | 668 | 175 | 1,859 |
| Other financing sources: | | | | | | | | |
| Operating transfers in | — | — | — | — | — | — | — | — |
| Health safety net trust transfer..... | — | — | — | — | — | — | — | — |
| Medical assistance transfer..... | — | — | — | — | — | — | — | — |
| Delivery system transformation initiatives trust transfer .. | — | — | — | — | — | — | — | — |
| Total other financing sources | — | — | — | — | — | — | — | — |
| Total revenues and other financing sources | 657 | 4,558 | 4,628 | 2,092 | 10,625 | 668 | 175 | 1,859 |
| EXPENDITURES AND OTHER FINANCING USES | | | | | | | | |
| Expenditures: | | | | | | | | |
| Judiciary | — | — | — | — | — | — | — | — |
| Inspector General | — | — | — | — | — | — | — | — |
| Governor and Lieutenant Governor | — | — | — | — | — | — | — | — |
| Secretary of the Commonwealth | — | — | — | — | — | — | — | — |
| Treasurer and Receiver-General..... | — | — | — | — | — | — | — | — |
| Attorney General | — | — | — | 76 | — | — | — | — |
| District Attorney..... | — | — | — | — | — | — | — | — |
| Sheriffs' Departments..... | — | — | — | — | — | 437 | — | — |
| Disabled Persons Protection Commission..... | — | — | — | — | — | — | — | — |
| Board of Library Commissioners | — | — | — | — | — | — | — | — |
| Massachusetts Gaming Commission..... | — | — | — | — | — | — | — | — |
| Comptroller | — | — | — | 2,022 | — | — | — | — |
| Administration and Finance | — | — | — | — | — | — | — | — |
| Energy and Environmental Affairs..... | 5,833 | 3,523 | — | — | — | — | — | — |
| Health and Human Services | — | — | — | — | 3,687 | — | 125 | 826 |
| Massachusetts Department of Transportation | — | — | — | — | — | — | — | — |
| Executive Office of Education | — | — | — | — | — | — | — | — |
| Center for Health Information and Analysis | — | — | — | — | — | — | — | — |
| Public Safety and Security | — | — | 4,500 | — | — | — | — | — |
| Housing and Economic Development | — | — | — | — | — | — | — | — |
| Labor and Workforce Development..... | — | — | — | — | — | — | — | — |
| Debt service: | | | | | | | | |
| Principal retirement | — | — | — | — | — | — | — | — |
| Interest and fiscal charges | — | — | — | — | — | — | — | — |
| Total expenditures | 5,833 | 3,523 | 4,500 | 2,098 | 3,687 | 437 | 125 | 826 |
| Other financing uses: | | | | | | | | |
| Fringe benefit cost assessment | — | 1,040 | 275 | 29 | 519 | — | 36 | — |
| Lottery operating reimbursements..... | — | — | — | — | — | — | — | — |
| Lottery distributions | — | — | — | — | — | — | — | — |
| Operating transfers out | — | 97 | — | — | 183 | 1 | 13 | — |
| Commonwealth care trust transfer | — | — | — | — | — | — | — | — |
| Health safety net trust transfer..... | — | — | — | — | — | — | — | — |
| Federal reimbursement transfer out..... | — | — | — | — | — | — | — | — |
| Total other financing uses..... | — | 1,137 | 275 | 29 | 702 | 1 | 49 | — |
| Total expenditures and other financing uses | 5,833 | 4,660 | 4,775 | 2,127 | 4,389 | 438 | 174 | 826 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (5,176) | (102) | (147) | (35) | 6,236 | 230 | 1 | 1,033 |
| Fund balances (deficits) at beginning of year | 10,851 | 3,196 | 5,067 | 1,876 | 4,995 | 107 | 384 | 4,952 |
| Fund balances (deficits) at end of year..... | \$ 5,675 | \$ 3,094 | \$ 4,920 | \$ 1,841 | \$ 11,231 | \$ 337 | \$ 385 | \$ 5,985 |

See accountants' review report

| Non-Budgeted Other Funds | | | | | | | | | |
|---|------------------------------------|---|--------------|---|--------------------------------------|------------------------------|---|---|----------------------------|
| MBTA State and Local Contribution | Community Preservation Trust | Health Insurance Portability and Accountability Act | State Racing | Division of Professional Licensure Trust | Victims of Drunk Driving Trust | State Athletic Commission | Organ and Tissue Donor Registration | Department of Fire Services Hazardous Material Emergency Mitigation Response Recovery Trust | Registers Technological |
| \$ 992,220 | \$ 26,676 | \$ — | \$ 902 | \$ — | \$ — | \$ 45 | \$ — | \$ — | \$ — |
| 163,998 | — | — | 573 | — | — | — | — | — | — |
| — | — | 14,189 | — | — | — | — | — | — | — |
| — | — | — | 650 | 10,998 | 446 | 22 | 137 | 127 | 4,904 |
| — | 97 | — | 583 | — | 3 | — | — | — | — |
| 1,156,218 | 26,773 | 14,189 | 2,708 | 10,998 | 449 | 67 | 137 | 127 | 4,904 |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| 1,156,218 | 26,773 | 14,189 | 2,708 | 10,998 | 449 | 67 | 137 | 127 | 4,904 |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| 1,156,218 | — | — | — | — | — | — | — | — | 3,729 |
| — | — | — | — | — | 622 | — | — | — | — |
| — | — | — | — | — | 275 | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | 2,478 | — | — | — | — | — | — |
| — | 26,860 | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | 13,821 | 70 | — | — | — | 198 | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | 63 | 84 | — | 207 | — |
| — | — | — | — | 8,374 | — | 26 | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| 1,156,218 | 26,860 | 13,821 | 2,548 | 8,374 | 960 | 110 | 198 | 207 | 3,729 |
| — | 29 | 302 | 125 | 1,833 | 79 | 27 | — | — | 537 |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | 13 | 88 | 154 | 565 | 36 | 11 | — | — | 211 |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | 42 | 390 | 279 | 2,398 | 115 | 38 | — | — | 748 |
| 1,156,218 | 26,902 | 14,211 | 2,827 | 10,772 | 1,075 | 148 | 198 | 207 | 4,477 |
| — | (129) | (22) | (119) | 226 | (626) | (81) | (61) | (80) | 427 |
| — | 21,667 | 7,643 | 1,807 | 4,792 | 1,657 | 393 | 774 | 486 | 1,340 |
| \$ — | \$ 21,538 | \$ 7,621 | \$ 1,688 | \$ 5,018 | \$ 1,031 | \$ 312 | \$ 713 | \$ 406 | \$ 1,767 |

continued

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | Non-Budgeted Other Funds | | | | | | | |
|--|--------------------------------------|-------------------------------|-----------------|---|-------------------------------------|--|--|---|
| | County Registers Technological | State Election Campaign | Enhanced 911 | Counsel for Indigent Salary Enhancement Trust | Smart Growth Housing Trust | Special Projects Permitting and Oversight | Division of Energy Resources Credit Trust | School Modernization and Reconstruction Trust |
| REVENUES AND OTHER FINANCING SOURCES | | | | | | | | |
| Revenues: | | | | | | | | |
| Taxes..... | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 816,795 |
| Assessments | — | — | — | — | — | — | — | — |
| Federal grants and reimbursements | — | — | — | — | — | — | — | — |
| Departmental | 2,607 | — | 105,827 | — | — | 2,445 | — | — |
| Miscellaneous | — | 256 | 196 | — | — | — | 7 | — |
| Total revenues..... | 2,607 | 256 | 106,023 | — | — | 2,445 | 7 | 816,795 |
| Other financing sources: | | | | | | | | |
| Operating transfers in | — | — | — | — | — | — | — | — |
| Health safety net trust transfer..... | — | — | — | — | — | — | — | — |
| Medical assistance transfer..... | — | — | — | — | — | — | — | — |
| Delivery system transformation initiatives trust transfer .. | — | — | — | — | — | — | — | — |
| Total other financing sources | — | — | — | — | — | — | — | — |
| Total revenues and other financing sources | 2,607 | 256 | 106,023 | — | — | 2,445 | 7 | 816,795 |
| EXPENDITURES AND OTHER FINANCING USES | | | | | | | | |
| Expenditures: | | | | | | | | |
| Judiciary | — | — | — | — | — | — | — | — |
| Inspector General | — | — | — | — | — | — | — | — |
| Governor and Lieutenant Governor | — | — | — | — | — | — | — | — |
| Secretary of the Commonwealth | — | — | — | — | — | — | — | — |
| Treasurer and Receiver-General..... | — | — | — | — | — | — | — | 816,795 |
| Attorney General | — | — | — | — | — | — | — | — |
| District Attorney..... | — | — | — | — | — | — | — | — |
| Sheriffs' Departments..... | — | — | 4,868 | — | — | — | — | — |
| Disabled Persons Protection Commission..... | — | — | — | — | — | — | — | — |
| Board of Library Commissioners | — | — | — | — | — | — | — | — |
| Massachusetts Gaming Commission..... | — | — | — | — | — | — | — | — |
| Comptroller | — | — | — | — | — | — | — | — |
| Administration and Finance | 1,690 | — | 1,037 | — | — | — | — | — |
| Energy and Environmental Affairs..... | — | — | — | — | — | 1,687 | 32 | — |
| Health and Human Services | — | — | 57 | — | — | — | — | — |
| Massachusetts Department of Transportation | — | — | — | — | — | — | — | — |
| Executive Office of Education | — | — | — | — | — | — | — | — |
| Center for Health Information and Analysis | — | — | — | — | — | — | — | — |
| Public Safety and Security | — | — | 95,704 | — | — | — | — | — |
| Housing and Economic Development | — | — | — | — | 1,084 | — | — | — |
| Labor and Workforce Development..... | — | — | — | — | — | — | — | — |
| Debt service: | | | | | | | | |
| Principal retirement | — | — | — | — | — | — | — | — |
| Interest and fiscal charges | — | — | — | — | — | — | — | — |
| Total expenditures | 1,690 | — | 101,666 | — | 1,084 | 1,687 | 32 | 816,795 |
| Other financing uses: | | | | | | | | |
| Fringe benefit cost assessment | — | — | 2,661 | — | — | 422 | — | — |
| Lottery operating reimbursements..... | — | — | — | — | — | — | — | — |
| Lottery distributions | — | — | — | — | — | — | — | — |
| Operating transfers out | — | — | 2,380 | — | — | 207 | 3 | — |
| Commonwealth care trust transfer | — | — | — | — | — | — | — | — |
| Health safety net trust transfer..... | — | — | — | — | — | — | — | — |
| Federal reimbursement transfer out..... | — | — | — | — | — | — | — | — |
| Total other financing uses..... | — | — | 5,041 | — | — | 629 | 3 | — |
| Total expenditures and other financing uses | 1,690 | — | 106,707 | — | 1,084 | 2,316 | 35 | 816,795 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 917 | 256 | (684) | — | (1,084) | 129 | (28) | — |
| Fund balances (deficits) at beginning of year | 2,185 | 681 | 123,355 | 2 | 1,084 | 2,670 | 1,768 | — |
| Fund balances (deficits) at end of year..... | \$ 3,102 | \$ 937 | \$ 122,671 | \$ 2 | \$ — | \$ 2,799 | \$ 1,740 | \$ — |

See accountants' review report

| Non-Budgeted Other Funds | | | | | | |
|--------------------------|--------------------------------------|-----------------------------------|--|---|-------------------------------------|-----------------------------------|
| Roche Community Rink | Health Care Workforce Transformation | Fire Prevention and Public Safety | Cigarette Fire Safety and Firefighter Protection Act Enforcement | Nursing and Allied Health Workforce Development Trust | Health Information Technology Trust | Build America Bonds Subsidy Trust |
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | 67,718 | 46,778 |
| 49 | — | 40 | 2,047 | 303 | — | — |
| — | — | — | — | — | — | — |
| 49 | — | 40 | 2,047 | 303 | 67,718 | 46,778 |
| — | — | — | — | 200 | 8,853 | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | 200 | 8,853 | — |
| 49 | — | 40 | 2,047 | 503 | 76,571 | 46,778 |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | 729 | — | — | — | 116,143 | — |
| — | — | — | — | — | — | — |
| — | — | — | — | 724 | — | — |
| — | — | — | — | — | — | — |
| — | — | 22 | 1,137 | — | — | — |
| — | — | — | — | — | — | — |
| — | 5,148 | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | 46,727 |
| — | 5,877 | 22 | 1,137 | 724 | 116,143 | 46,727 |
| — | 20 | — | 59 | 33 | 1,333 | — |
| — | — | — | — | — | — | — |
| — | 206 | 4 | 31 | 13 | 256 | 8,216 |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| — | 226 | 4 | 90 | 46 | 1,589 | 8,216 |
| — | 6,103 | 26 | 1,227 | 770 | 117,732 | 54,943 |
| 49 | (6,103) | 14 | 820 | (267) | (41,161) | (8,165) |
| 455 | 6,391 | 91 | 1,396 | 524 | (3,963) | 8,463 |
| \$ 504 | \$ 288 | \$ 105 | \$ 2,216 | \$ 257 | \$ (45,124) | \$ 298 |

continued

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | Non-Budgeted Other Funds | | | | | | | |
|--|---|---|--|-------------------------------|--|---------------------------------|-------------------------|---|
| | Housing Preservation and Stabilization | Office of Refugees and Immigrants Trust | Veterans Independence Plus Initiative Trust | Environmental Police Trust | Domestic and Sexual Violence Prevention and Victim Assistance | Seafood Marketing Program | Government Land Bank | Natural Heritage and Endangered Species |
| REVENUES AND OTHER FINANCING SOURCES | | | | | | | | |
| Revenues: | | | | | | | | |
| Taxes | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Assessments | — | — | — | — | — | — | — | — |
| Federal grants and reimbursements | — | — | — | — | — | — | — | 819 |
| Departmental | — | — | 1,371 | 500 | 14 | 250 | — | 450 |
| Miscellaneous | — | 85 | — | — | — | — | — | 352 |
| Total revenues | — | 85 | 1,371 | 500 | 14 | 250 | — | 1,621 |
| Other financing sources: | | | | | | | | |
| Operating transfers in | 3,140 | — | — | — | — | — | 12,250 | — |
| Health safety net trust transfer | — | — | — | — | — | — | — | — |
| Medical assistance transfer | — | — | — | — | — | — | — | — |
| Delivery system transformation initiatives trust transfer.. | — | — | — | — | — | — | — | — |
| Total other financing sources | 3,140 | — | — | — | — | — | 12,250 | — |
| Total revenues and other financing sources | 3,140 | 85 | 1,371 | 500 | 14 | 250 | 12,250 | 1,621 |
| EXPENDITURES AND OTHER FINANCING USES | | | | | | | | |
| Expenditures: | | | | | | | | |
| Judiciary | — | — | — | — | — | — | — | — |
| Inspector General | — | — | — | — | — | — | — | — |
| Governor and Lieutenant Governor | — | — | — | — | — | — | — | — |
| Secretary of the Commonwealth | — | — | — | — | — | — | — | — |
| Treasurer and Receiver-General | — | — | — | — | — | — | — | — |
| Attorney General | — | — | — | — | — | — | — | — |
| District Attorney | — | — | — | — | — | — | — | — |
| Sheriffs' Departments | — | — | — | — | — | — | — | — |
| Disabled Persons Protection Commission | — | — | — | — | — | — | — | — |
| Board of Library Commissioners | — | — | — | — | — | — | — | — |
| Massachusetts Gaming Commission | — | — | — | — | — | — | — | — |
| Comptroller | — | — | — | — | — | — | — | — |
| Administration and Finance | — | — | — | — | — | — | — | — |
| Energy and Environmental Affairs | — | — | — | 453 | — | 211 | — | 2,022 |
| Health and Human Services | 896 | 124 | 1,528 | — | — | — | — | — |
| Massachusetts Department of Transportation | — | — | — | — | — | — | — | — |
| Executive Office of Education | — | — | — | — | — | — | — | — |
| Center for Health Information and Analysis | — | — | — | — | — | — | — | — |
| Public Safety and Security | — | — | — | — | — | — | — | — |
| Housing and Economic Development | 159 | — | — | — | — | — | — | — |
| Labor and Workforce Development | — | — | — | — | — | — | — | — |
| Debt service: | | | | | | | | |
| Principal retirement | — | — | — | — | — | — | 10,147 | — |
| Interest and fiscal charges | — | — | — | — | — | — | 2,103 | — |
| Total expenditures | 1,055 | 124 | 1,528 | 453 | — | 211 | 12,250 | 2,022 |
| Other financing uses: | | | | | | | | |
| Fringe benefit cost assessment | — | — | — | 87 | — | — | — | 381 |
| Lottery operating reimbursements | — | — | — | — | — | — | — | — |
| Lottery distributions | — | — | — | — | — | — | — | — |
| Operating transfers out | 5,747 | — | — | 53 | — | — | — | 5 |
| Commonwealth care trust transfer | — | — | — | — | — | — | — | — |
| Health safety net trust transfer | — | — | — | — | — | — | — | — |
| Federal reimbursement transfer out | — | — | — | — | — | — | — | — |
| Total other financing uses | 5,747 | — | — | 140 | — | — | — | 386 |
| Total expenditures and other financing uses | 6,802 | 124 | 1,528 | 593 | — | 211 | 12,250 | 2,408 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (3,662) | (39) | (157) | (93) | 14 | 39 | — | (787) |
| Fund balances (deficits) at beginning of year | 9,791 | 61 | 488 | 93 | 11 | 172 | (35,033) | 2,838 |
| Fund balances (deficits) at end of year | \$ 6,129 | \$ 22 | \$ 331 | \$ — | \$ 25 | \$ 211 | \$ (35,033) | \$ 2,051 |

See accountants' review report

| | |
|--------------------------|--|
| Non-Budgeted Other Funds | |
|--------------------------|--|

[illegible]

continued

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | Non-Budgeted Other Funds | | | | | | |
|--|---|---|----------------------------------|--|--|------------------------|--|
| | Victims of Human Trafficking Trust | Department of Public Utilities Storm Trust | Economic Empowerment Trust | Homeless Animal Prevention and Care | Horseneck Beach Reservation Trust | Environmental Trust | Social Innovation Financing Trust |
| REVENUES AND OTHER FINANCING SOURCES | | | | | | | |
| Revenues: | | | | | | | |
| Taxes..... | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Assessments | — | 384 | — | — | — | — | — |
| Federal grants and reimbursements | — | — | — | — | — | — | — |
| Departmental | 15 | — | — | — | 39 | 729 | — |
| Miscellaneous | — | — | 51 | 365 | — | 26 | — |
| Total revenues..... | 15 | 384 | 51 | 365 | 39 | 755 | — |
| Other financing sources: | | | | | | | |
| Operating transfers in | — | — | — | — | — | — | — |
| Health safety net trust transfer..... | — | — | — | — | — | — | — |
| Medical assistance transfer..... | — | — | — | — | — | — | — |
| Delivery system transformation initiatives trust transfer .. | — | — | — | — | — | — | — |
| Total other financing sources | — | — | — | — | — | — | — |
| Total revenues and other financing sources | 15 | 384 | 51 | 365 | 39 | 755 | — |
| EXPENDITURES AND OTHER FINANCING USES | | | | | | | |
| Expenditures: | | | | | | | |
| Judiciary | — | — | — | — | — | — | — |
| Inspector General | — | — | — | — | — | — | — |
| Governor and Lieutenant Governor | — | — | — | — | — | — | — |
| Secretary of the Commonwealth | — | — | — | — | — | — | — |
| Treasurer and Receiver-General..... | — | — | 25 | — | — | — | — |
| Attorney General | — | — | — | — | — | — | — |
| District Attorney..... | — | — | — | — | — | — | — |
| Sheriffs' Departments..... | — | — | — | — | — | — | — |
| Disabled Persons Protection Commission..... | — | — | — | — | — | — | — |
| Board of Library Commissioners | — | — | — | — | — | — | — |
| Massachusetts Gaming Commission..... | — | — | — | — | — | — | — |
| Comptroller | — | — | — | — | — | — | — |
| Administration and Finance | — | — | — | — | — | — | 1,926 |
| Energy and Environmental Affairs..... | — | 179 | — | 245 | 28 | 983 | — |
| Health and Human Services | — | — | — | — | — | — | — |
| Massachusetts Department of Transportation | — | — | — | — | — | — | — |
| Executive Office of Education | — | — | — | — | — | — | — |
| Center for Health Information and Analysis | — | — | — | — | — | — | — |
| Public Safety and Security | — | — | — | — | — | — | — |
| Housing and Economic Development | — | — | — | — | — | — | — |
| Labor and Workforce Development..... | — | — | — | — | — | — | — |
| Debt service: | | | | | | | |
| Principal retirement | — | — | — | — | — | — | — |
| Interest and fiscal charges | — | — | — | — | — | — | — |
| Total expenditures | — | 179 | 25 | 245 | 28 | 983 | 1,926 |
| Other financing uses: | | | | | | | |
| Fringe benefit cost assessment | — | 55 | — | 7 | — | 87 | — |
| Lottery operating reimbursements..... | — | — | — | — | — | — | — |
| Lottery distributions | — | — | — | — | — | — | — |
| Operating transfers out | — | 5 | 151 | — | — | 43 | — |
| Commonwealth care trust transfer | — | — | — | — | — | — | — |
| Health safety net trust transfer..... | — | — | — | — | — | — | — |
| Federal reimbursement transfer out..... | — | — | — | — | — | — | — |
| Total other financing uses..... | — | 60 | 151 | 7 | — | 130 | — |
| Total expenditures and other financing uses | — | 239 | 176 | 252 | 28 | 1,113 | 1,926 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 15 | 145 | (125) | 113 | 11 | (358) | (1,926) |
| Fund balances (deficits) at beginning of year | 1 | 151 | 125 | 203 | 74 | 3,013 | 5,223 |
| Fund balances (deficits) at end of year..... | \$ 16 | \$ 296 | \$ — | \$ 316 | \$ 85 | \$ 2,655 | \$ 3,297 |

See accountants' review report

| Non-Budgeted Other Funds | | | | | | | | | |
|--------------------------|---------------------------|------------------------|--|----------------------------------|---------------------------------------|--------------------------------------|---|--|--------------------|
| Children's Trust | Child Support Enforcement | Military Family Relief | Department of Industrial Accidents Special | Logan Airport Health Study Trust | State Public Health HIV and Hepatitis | Head Injury Treatment Services Trust | Board of Registration in Medicine Trust | Water Pollution Abatement Project Administration | Child Care Quality |
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| — | — | — | 21,943 | — | — | — | — | 8,545 | — |
| — | 25,166 | — | — | — | — | — | — | — | — |
| — | 5,015 | — | 5,837 | — | — | 6,974 | 9,140 | — | 206 |
| 2 | 131 | 299 | 24 | 270 | 149 | 4 | — | — | — |
| 2 | 30,312 | 299 | 27,804 | 270 | 149 | 6,978 | 9,140 | 8,545 | 206 |
| — | — | — | — | — | — | 1,601 | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | 1,601 | — | — | — |
| 2 | 30,312 | 299 | 27,804 | 270 | 149 | 8,579 | 9,140 | 8,545 | 206 |
| 1 | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | 7 | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | 214 | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | 30,254 | — | — | — | — | — | — | — | — |
| — | — | — | — | 130 | 93 | 7,427 | 6,505 | 4,936 | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | 300 | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | 747 | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| 1 | 30,475 | 300 | 747 | 130 | 93 | 7,427 | 6,505 | 4,936 | — |
| — | 2,483 | — | 4,851 | — | — | 203 | 1,398 | 1,476 | — |
| — | — | — | — | — | — | — | — | — | — |
| — | 1,059 | — | 19,086 | — | — | 59 | 486 | 1,642 | — |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| — | 3,542 | — | 23,937 | — | — | 262 | 1,884 | 3,118 | — |
| 1 | 34,017 | 300 | 24,684 | 130 | 93 | 7,689 | 8,389 | 8,054 | — |
| 1 | (3,705) | (1) | 3,120 | 140 | 56 | 890 | 751 | 491 | 206 |
| 195 | 17,570 | 883 | 7,056 | 31 | 115 | 6,151 | 8,888 | 1,807 | 797 |
| \$ 196 | \$ 13,865 | \$ 882 | \$ 10,176 | \$ 171 | \$ 171 | \$ 7,041 | \$ 9,639 | \$ 2,298 | \$ 1,003 |

continued

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | Non-Budgeted Other Funds | | | | | | | |
|---|----------------------------------|--|-------------------------------|------------------------|----------------------|--------------------------|---------------|---|
| | Convention and Exhibition Center | Firearms Fingerprint Identity Verification Trust | Grant Anticipation Note Trust | Race Horse Development | Community Mitigation | Capital Needs Investment | Tourism Trust | Long-Term Care Facility Quality Improvement |
| REVENUES AND OTHER FINANCING SOURCES | | | | | | | | |
| Revenues: | | | | | | | | |
| Taxes..... | \$ 133,789 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 10,000 | \$ — |
| Assessments | — | — | — | — | — | — | — | — |
| Federal grants and reimbursements | — | — | 536,280 | — | — | — | — | — |
| Departmental | — | 2,000 | — | 14,213 | — | — | — | 5 |
| Miscellaneous | 418 | — | 590 | — | — | — | — | — |
| Total revenues..... | 134,207 | 2,000 | 536,870 | 14,213 | — | — | 10,000 | 5 |
| Other financing sources: | | | | | | | | |
| Operating transfers in | — | — | 36,046 | — | — | — | — | — |
| Health safety net trust transfer..... | — | — | — | — | — | — | — | — |
| Medical assistance transfer..... | — | — | — | — | — | — | — | — |
| Delivery system transformation initiatives trust transfer .. | — | — | — | — | — | — | — | — |
| Total other financing sources | — | — | 36,046 | — | — | — | — | — |
| Total revenues and other financing sources | 134,207 | 2,000 | 572,916 | 14,213 | — | — | 10,000 | 5 |
| EXPENDITURES AND OTHER FINANCING USES | | | | | | | | |
| Expenditures: | | | | | | | | |
| Judiciary | — | — | — | — | — | — | — | — |
| Inspector General | — | — | — | — | — | — | — | — |
| Governor and Lieutenant Governor | — | — | — | — | — | — | — | — |
| Secretary of the Commonwealth | — | — | — | — | — | — | — | — |
| Treasurer and Receiver-General..... | — | — | 184 | — | — | — | — | — |
| Attorney General | — | — | — | — | — | — | — | — |
| District Attorney..... | — | — | — | — | — | — | — | — |
| Sheriffs' Departments..... | — | — | — | — | 245 | — | — | — |
| Disabled Persons Protection Commission..... | — | — | — | — | — | — | — | — |
| Board of Library Commissioners | — | — | — | — | — | — | — | — |
| Massachusetts Gaming Commission..... | — | — | — | 13,345 | 445 | — | — | — |
| Comptroller | — | — | — | — | — | — | — | — |
| Administration and Finance | 41,295 | — | — | — | — | — | — | — |
| Energy and Environmental Affairs..... | — | — | — | — | — | — | — | — |
| Health and Human Services | — | — | — | — | — | — | — | — |
| Massachusetts Department of Transportation | — | — | — | — | — | — | — | — |
| Executive Office of Education | — | — | — | — | — | — | — | — |
| Center for Health Information and Analysis | — | — | — | — | — | — | — | — |
| Public Safety and Security | — | 920 | — | — | — | — | — | — |
| Housing and Economic Development | — | — | — | — | — | 2,799 | 6,468 | — |
| Labor and Workforce Development..... | — | — | — | — | — | — | — | — |
| Debt service: | | | | | | | | |
| Principal retirement | 22,210 | — | 44,440 | — | — | — | — | — |
| Interest and fiscal charges | 32,330 | — | 35,919 | — | — | — | — | — |
| Total expenditures | 95,835 | 920 | 80,543 | 13,345 | 690 | 2,799 | 6,468 | — |
| Other financing uses: | | | | | | | | |
| Fringe benefit cost assessment | — | — | — | — | — | — | — | — |
| Lottery operating reimbursements..... | — | — | — | — | — | — | — | — |
| Lottery distributions | — | — | — | — | — | — | — | — |
| Operating transfers out | — | — | — | — | — | — | 3,100 | — |
| Commonwealth care trust transfer | — | — | — | — | — | — | — | — |
| Health safety net trust transfer..... | — | — | — | — | — | — | — | — |
| Federal reimbursement transfer out..... | — | — | 489,130 | — | — | — | — | — |
| Total other financing uses..... | — | — | 489,130 | — | — | — | 3,100 | — |
| Total expenditures and other financing uses | 95,835 | 920 | 569,673 | 13,345 | 690 | 2,799 | 9,568 | — |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 38,372 | 1,080 | 3,243 | 868 | (690) | (2,799) | 432 | 5 |
| Fund balances (deficits) at beginning of year | 88,827 | 2,119 | 86,609 | 12,964 | 17,100 | 3,521 | — | — |
| Fund balances (deficits) at end of year..... | \$ 127,199 | \$ 3,199 | \$ 89,852 | \$ 13,832 | \$ 16,410 | \$ 722 | \$ 432 | \$ 5 |

See accountants' review report

| Non-Budgeted Other Funds | | MassDOT | | | Totals (Memorandum only) | |
|---|--|--|---|--|-----------------------------|--------------|
| Sexual Assault Nurse Examiner Trust | Massachusetts Transportation Trust | Central Artery/ Tunnel Project Repair and Maintenance Trust | Motor Vehicle Safety Inspection Trust | Transportation Infrastructure and Development | 2017 | 2016 |
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ 2,214,074 | \$ 2,183,221 |
| — | — | — | — | — | 754,577 | 638,305 |
| — | 78,230 | — | — | — | 3,255,134 | 3,162,489 |
| — | 474,752 | — | 57,815 | — | 6,368,897 | 6,402,887 |
| — | 10,201 | 1,614 | 165 | 201 | 46,203 | 337,701 |
| — | 563,183 | 1,614 | 57,980 | 201 | 12,638,885 | 12,724,603 |
| — | 653,372 | — | — | — | 741,566 | 653,328 |
| — | — | — | — | — | — | 30,000 |
| — | — | — | — | — | 403,367 | 665,564 |
| — | — | — | — | — | 189,149 | 186,907 |
| — | 653,372 | — | — | — | 1,334,082 | 1,535,799 |
| — | 1,216,555 | 1,614 | 57,980 | 201 | 13,972,967 | 14,260,402 |
| — | — | — | — | — | 1,668 | 2,279 |
| — | — | — | — | — | 218 | 264 |
| — | 132 | — | — | — | 132 | 112 |
| — | — | — | — | — | 4,864 | 4,825 |
| — | 294 | — | — | — | 6,097,339 | 6,264,536 |
| — | — | — | — | — | 24,515 | 18,231 |
| — | — | — | — | — | 3,042 | 2,338 |
| — | 1,428 | — | — | — | 10,985 | 9,632 |
| — | — | — | — | — | 159 | 66 |
| — | — | — | — | — | 2,854 | 2,915 |
| — | — | — | — | — | 36,749 | 33,692 |
| — | — | — | — | — | 2,022 | 2,381 |
| — | 6,228 | — | — | — | 392,502 | 379,029 |
| — | 3,015 | — | 3,053 | — | 117,823 | 168,668 |
| — | 118 | — | — | — | 1,948,856 | 2,074,966 |
| — | 1,166,066 | 7,405 | 12,117 | 10,349 | 1,196,021 | 1,113,180 |
| — | — | — | — | — | 991,602 | 986,175 |
| — | — | — | — | — | 208 | 222 |
| — | 187 | — | — | — | 245,863 | 232,465 |
| — | 61 | — | — | — | 503,427 | 487,688 |
| — | 16 | — | — | — | 168,718 | 164,260 |
| — | — | — | — | — | 76,797 | 196,594 |
| — | — | — | — | — | 117,079 | 99,217 |
| — | 1,177,545 | 7,405 | 15,170 | 10,349 | 11,943,443 | 12,243,735 |
| — | 85,611 | — | 1,505 | — | 189,437 | 166,947 |
| — | — | — | — | — | 100,392 | 107,935 |
| — | — | — | — | — | 1,025,411 | 975,255 |
| — | 18,829 | — | 44,435 | — | 324,162 | 249,497 |
| — | — | — | — | — | 76,552 | 44,482 |
| — | — | — | — | — | — | 30,000 |
| — | — | — | — | — | 489,130 | 500,928 |
| — | 104,440 | — | 45,940 | — | 2,205,084 | 2,075,044 |
| — | 1,281,985 | 7,405 | 61,110 | 10,349 | 14,148,527 | 14,318,779 |
| — | (65,430) | (5,791) | (3,130) | (10,148) | (175,560) | (58,377) |
| — | 817,996 | 390,112 | 8,847 | 22,760 | 2,066,898 | 2,125,275 |
| \$ — | \$ 752,566 | \$ 384,321 | \$ 5,717 | \$ 12,612 | \$ 1,891,338 | \$ 2,066,898 |



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Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources used to acquire or construct major capital assets of the Commonwealth and to finance local governmental capital projects.

General Capital Projects Fund - to account for proceeds of bonds sold to fund the construction or acquisition of capital assets for general Commonwealth purposes, excluding highway construction and projects targeted for specific localities or purposes. Effective September 1, 2009, this fund includes reimbursements to the Massachusetts Department of Transportation (MassDOT) for capital projects activity.

Convention and Exhibition Center Project Fund - to account for proceeds of bonds to finance the construction of a convention center in the City of Boston.

Capital Improvements and Investment Trust Fund - to account for the Commonwealth's reimbursement to cities and towns for expenses incurred for projects for construction and reconstruction of town and county ways.

Highway Capital Projects Fund - to account for the proceeds of bonds sold to finance construction of state highways and to fund the Commonwealth's share of Federally sponsored highway construction.

Federal Highway Construction Program - to account for federal highway construction grants which, with the Commonwealth's required share of matching funds, finance interstate highways and similar projects within Massachusetts to promote a nationwide highway system.

OTHER FUNDS:

This fund accounts for the proceeds of bonds used to finance land and transportation equipment for economic development.

Government Land Bank Capital Projects Fund - to account for proceeds of bonds used to finance the acquisition, holding, protection, maintenance, repair or use of lands and for personnel and the administrative costs of the Massachusetts Development Finance Agency.

LOCAL AID FUND:

Local Aid Capital Projects Fund - to account for the proceeds of bonds sold to finance the construction of correctional facilities, water pollution abatement projects and other local projects in specific localities of the Commonwealth. The fund accounts for the proceeds of bonds to finance improvements to lockup facilities, state police lockup facilities and to finance improvements to County Correctional Facilities, and other monies received by the Department of Conservation and Recreation pertaining to state parks, reservations and recreation areas outside the metropolitan parks district.

MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT) FUND:

Central Artery Statewide Road and Bridge Infrastructure Fund - to account for bond proceeds, certain revenues from Registry of Motor Vehicle fees, (net of debt service expenditures) and payments from authorities. The purpose of expenditures from the fund is to meet the estimated additional costs associated with the Central Artery/Ted Williams Tunnel Project and for costs of the statewide road and bridge program.

The following funds have been enacted in legislation but were inactive in FY17 and are not presented in this report:

Capital Investment Trust Fund - to account for a transfer from the General Fund to finance appropriated items of a capital nature pursuant to sections 2E and 107 of Chapter 88 of the Acts of 1997.

Transportation Deferred Maintenance Trust Fund - to account for funds transferred from various sources by the Secretary of Administration and Finance to design, construct, maintain and repair the Commonwealth's roads and bridges.

Capital Projects Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | General Capital Projects | Convention and Exhibition Center Capital | Capital Improvements and Investment Trust | Highway Capital Projects |
|--|-----------------------------|--|---|-----------------------------|
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Revenues: | | | | |
| Federal grants and reimbursements | \$ 53,308 | \$ — | \$ — | \$ — |
| Departmental..... | — | — | — | — |
| Miscellaneous | — | — | — | 999 |
| Total revenues..... | 53,308 | — | — | 999 |
| Other financing sources: | | | | |
| Issuance of general obligation bonds..... | 1,747,599 | — | — | 661,076 |
| Bond premiums (discounts) on general obligation bonds | 151,740 | — | — | 58,684 |
| Issuance of special obligation bonds | — | — | — | 461,975 |
| Bond premiums (discounts) on special obligation bonds..... | — | — | — | 55,148 |
| Issuance of current refunding bonds..... | 53,899 | — | 1,850 | 82,577 |
| Issuance of advance refunding bonds..... | 1,125,037 | — | 263 | 535,984 |
| Bond premiums (discounts) on advance refunding bonds..... | 278,444 | — | 70 | 136,517 |
| Federal reimbursement transfer in | — | — | — | — |
| State share of federal highway construction..... | — | — | — | — |
| Total other financing sources..... | 3,356,719 | — | 2,183 | 1,991,961 |
| Total revenues and other financing sources..... | 3,410,027 | — | 2,183 | 1,992,960 |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Expenditures: | | | | |
| Judiciary..... | 18,847 | — | — | — |
| Inspector General..... | 40 | — | — | — |
| Governor and Lieutenant Governor..... | — | — | — | — |
| Secretary of the Commonwealth | 1,530 | — | — | — |
| Treasurer and Receiver-General | 14,148 | — | — | — |
| Auditor of the Commonwealth | 2,936 | — | — | — |
| Attorney General | 743 | — | — | 184 |
| Ethics Commission | 87 | — | — | — |
| District Attorney | 5 | — | — | — |
| Sheriffs' Departments..... | 3,448 | — | — | — |
| Board of Library Commissioners | 12,435 | — | — | — |
| Comptroller..... | 137 | — | — | — |
| Administration and Finance..... | 619,123 | — | — | 200 |
| Energy and Environmental Affairs..... | 198,560 | — | — | 526 |
| Health and Human Services..... | 61,937 | — | — | — |
| Massachusetts Department of Transportation..... | 102,982 | — | — | 1,084,137 |
| Executive Office of Education..... | 54,352 | — | — | — |
| Public Safety and Security..... | 40,760 | — | — | — |
| Housing and Economic Development | 354,433 | — | — | 5,034 |
| Labor and Workforce Development..... | 1,754 | — | — | — |
| Total expenditures..... | 1,488,257 | — | — | 1,090,081 |
| Other financing uses: | | | | |
| Payments to advance refunding bonds escrow | 1,403,481 | — | 333 | 672,502 |
| Principal on current refundings | 53,899 | — | 1,850 | 82,577 |
| Fringe benefit cost assessment..... | 15,517 | — | — | — |
| Operating transfers out | — | — | — | — |
| State share of federal highway construction..... | — | — | — | 111,172 |
| Total other financing uses..... | 1,472,897 | — | 2,183 | 866,251 |
| Total expenditures and other financing uses..... | 2,961,154 | — | 2,183 | 1,956,332 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses..... | 448,873 | — | — | 36,628 |
| Fund balances (deficits) at beginning of year..... | (198,836) | 8,393 | — | (180,744) |
| Fund balances (deficits) at end of year | \$ 250,037 | \$ 8,393 | \$ — | \$ (144,116) |

See accountant's review report

| Federal Highway Construction Program | Government Land Bank Capital Projects | Local Aid Capital Projects | MassDOT | | Totals (Memorandum only) | |
|--|---|-------------------------------|--|------------|-----------------------------|------|
| | | | Central Artery Statewide Road and Bridge Infrastructure | | 2017 | 2016 |
| | | | | | | |
| \$ 5,046 | \$ — | \$ — | \$ — | \$ 58,354 | \$ 85,759 | |
| 2,757 | — | — | — | 2,757 | 2,922 | |
| — | — | — | 327 | 1,324 | 1,352 | |
| 7,803 | — | — | 327 | 62,435 | 90,033 | |
| — | — | — | — | 2,408,675 | 2,259,209 | |
| — | — | — | — | 210,424 | 184,014 | |
| — | — | — | — | 461,975 | 500,000 | |
| — | — | — | — | 55,148 | 59,535 | |
| — | — | 1,503 | 48,660 | 188,490 | 250,000 | |
| — | 3,498 | 7 | — | 1,664,790 | 1,212,655 | |
| — | 880 | 2 | — | 415,912 | 211,375 | |
| 489,130 | — | — | — | 489,130 | 500,929 | |
| 111,172 | — | — | — | 111,172 | 93,736 | |
| 600,302 | 4,378 | 1,512 | 48,660 | 6,005,716 | 5,271,453 | |
| 608,105 | 4,378 | 1,512 | 48,987 | 6,068,151 | 5,361,486 | |
| — | — | — | — | 18,847 | 14,690 | |
| — | — | — | — | 40 | — | |
| — | — | — | — | — | 188 | |
| — | — | — | — | 1,530 | 1,535 | |
| — | — | — | — | 14,148 | 13,749 | |
| — | — | — | — | 2,936 | 2,333 | |
| 15 | — | — | — | 943 | 365 | |
| — | — | — | — | 87 | 627 | |
| — | — | — | — | 5 | — | |
| — | — | — | — | 3,448 | 3,572 | |
| — | — | — | — | 12,435 | 19,440 | |
| — | — | — | — | 137 | 395 | |
| — | 500 | 1 | — | 619,824 | 653,288 | |
| 2,055 | — | — | — | 201,141 | 235,121 | |
| 48 | — | — | — | 61,986 | 47,140 | |
| 605,974 | — | — | 78 | 1,793,170 | 2,002,480 | |
| — | — | — | — | 54,352 | 52,554 | |
| — | — | — | — | 40,760 | 41,227 | |
| — | — | — | — | 359,467 | 296,261 | |
| — | — | — | — | 1,754 | 5,099 | |
| 608,092 | 500 | 1 | 78 | 3,187,010 | 3,390,064 | |
| — | 4,378 | 9 | — | 2,080,702 | 1,424,030 | |
| — | — | 1,503 | 48,660 | 188,490 | 250,000 | |
| 11 | — | — | — | 15,528 | 13,490 | |
| — | — | — | — | — | 2 | |
| — | — | — | — | 111,172 | 93,736 | |
| 11 | 4,378 | 1,512 | 48,660 | 2,395,892 | 1,781,258 | |
| 608,103 | 4,878 | 1,513 | 48,738 | 5,582,902 | 5,171,322 | |
| 2 | (500) | (1) | 249 | 485,249 | 190,164 | |
| 512 | — | 12 | 35,967 | (334,696) | (524,860) | |
| \$ 514 | \$ (500) | \$ 11 | \$ 36,216 | \$ 150,553 | \$ (334,696) | |



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Supplemental Information



Calculation of Transfers – Stabilization and Tax Reduction Funds
Schedule A – FY2017 Tax Revenues by Revenue Class
Schedule B – Calculation of Cap on Stabilization Fund
Schedule C – Detail of Elimination of Budgetary Inter Fund Activity
Non-Tax Revenue Initiatives
Schedule of Pension and Post Employment Health Benefits – Last Six Fiscal Years

See review report

Calculation of Transfers: Stabilization Fund*

Fiscal Year Ended June 30, 2017

(Amounts are in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 29, Section 5c. It presents information contained in the official books and accounting records of the Commonwealth. Financial statements supporting this calculation are presented in the Financial Section of this report.

| | General Fund | Commonwealth Transportation Fund | Massachusetts Tourism Fund | Gaming Local Aid | Total |
|---|--------------|--|-------------------------------|---------------------|-------------|
| Budgeted Fund Undesignated Balances..... | \$ (144,268) | \$ 144,797 | | \$ (528) | \$ — |
| Fund Balance Deficit Elimination Transfers Per Section 5C of Ch. 29..... | 144,268 | (144,797) | — | 528 | — |
| Fund Balances after Deficit Elimination Transfers (Consolidated Net Surplus)..... | — | — | — | — | — |
| <u>Disposition of Consolidated Net Surplus per Section 107 of Ch. 47 of the Acts of 2017:</u> | | | | | |
| To the Massachusetts Community Preservation Trust Fund..... | — | — | — | — | — |
| To the Massachusetts Life Sciences Investment Fund..... | — | — | — | — | — |
| Remaining Consolidated Net Surplus to be Deposited in Stabilization Fund | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> |

Stabilization Balance Reconciliation:

| | |
|---|----------------------------|
| Balance as of July 1, 2016 | \$ 1,291,514 |
| Capital Gains Tax Transfers to Stabilization Fund during FY2017 per Chapter 29, Section 5G..... | — |
| Judgments and Settlements In Excess of \$10 Million Transferred to Stabilization Fund per Ch. 29, Section 2H..... | — |
| Transfer of certain tax revenues to the Stabilization Fund | 377 |
| Stabilization Fund investment income..... | 8,787 |
| Less Transfers from Stabilization Fund during FY 2017..... | — |
| Remaining Consolidated Net Surplus Deposited in Stabilization Fund, per Calculation Above | — |
| Stabilization Fund Balance as of June 30, 2017 | <u>\$ 1,300,678</u> |

* Excludes funds with no FY17 balances or activity

Note: Details may not add to totals due to rounding

Calculation Of Transfers: Tax Reduction Fund

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

This statement is prepared pursuant to Chapters 29 Sections 2H and 2I of the Massachusetts General Laws, as amended. It is prepared on the statutory basis of accounting and presents information contained in the official books and accounting records of the Commonwealth. Supporting information is presented in individual schedules, as indicated, and in the Financial Section of this report.

The computation is as follows:

Part 1: Comparison of Stabilization Fund, after current fiscal year transfers, to 15% of budgeted revenues and other financial resources:

| | |
|--|--------------|
| Undesignated fund balance in the Stabilization Fund..... | \$ 1,300,678 |
| Allowable Stabilization Fund balance (per Schedule B) | 6,175,099 |
| | <hr/> |
| Stabilization Fund excess, if any, transferable to Tax Reduction Fund..... | \$ — |
| | <hr/> |

Part 2: Status of Stabilization Fund after transfers:

| | |
|--|--------------|
| Stabilization Fund balance | \$ 1,300,678 |
| Transfer to Tax Reduction Fund..... | — |
| | <hr/> |
| Stabilization Fund balance after transfer to Tax Reduction Fund..... | \$ 1,300,678 |
| | <hr/> |

Part 3: Status of Tax Reduction Fund after transfers:

| | |
|---|-------|
| Tax Reduction Fund balance | \$ — |
| Transfers from Stabilization Fund..... | — |
| | <hr/> |
| Tax Reduction Fund balance after transfers..... | \$ — |
| | <hr/> |

Schedule A
FY2017 Tax Revenues By Revenue Class

Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | |
|--|-------------------|
| Alcoholic beverages..... | \$ 84,468 |
| Cigarette..... | 490,308 |
| Cigarette excise - Commonwealth Care | 129,129 |
| Corporations | 2,196,474 |
| Deeds | 297,193 |
| Estate and inheritance | 336,633 |
| Health care coverage penalty - Commonwealth Care | 16,162 |
| Income | 14,683,715 |
| Insurance..... | 358,170 |
| Motor and special fuels..... | 769,442 |
| Room occupancy | 253,947 |
| Sales and use..... | 6,240,822 |
| Club alcoholic beverages | 929 |
| Motor vehicle excise..... | 97 |
| Convention center surcharges..... | 16,868 |
| Community preservation | 26,676 |
| Satellite | 10,942 |
| Gaming revenue - Mass Gaming Commission | 63,432 |
| State racing - Mass Gaming Commission | 902 |
| Beano | 1,312 |
| Raffles and bazaars | 955 |
| Boxing..... | 45 |
| DOI excess and surplus lines | 39,349 |
| UI surcharge..... | 24,400 |
| FY 2017 state tax revenue | \$ 26,042,370 |

This schedule is prepared on the statutory basis of accounting. It presents tax revenues as reported in the governmental funds of the Commonwealth. It differs from the schedule of tax collections prepared by the Comptroller, Commissioner of Revenue and State Auditor for calculations in accordance with Chapter 62F of the General Laws, as amended. The differences are due to 2/5ths of Beano revenue and the health care coverage penalty in the Commonwealth Care Fund, both of which are recognized on the statutory basis of accounting but are not accounted for on the schedule of tax collections prepared by the Department of Revenue.

Schedule B
Calculation of Cap on Stabilization Fund

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | |
|--|---------------------|
| Total budgeted revenues and other financial resources pertaining to the budgeted funds..... | \$ 41,784,743 |
| Elimination of budgetary interfund activity exclusive of fund closure (per Schedule C) | (617,416) |
| Budgeted revenues and other financial resources pertaining to the budgeted funds | 41,167,327 |
| Allowable Stabilization Fund balance, 15% of budgeted revenue | <u>\$ 6,175,099</u> |

Calculation of Stabilization Fund Cap as defined by Massachusetts General Laws Chapter 29 Section 2H.

Schedule C
Detail of Elimination of Budgetary Inter Fund Activity

Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | | |
|--|----|-----------|
| Adjustments to revenues : | | |
| Transfer to the Intragovernmental Service Fund..... | \$ | (417,935) |
| Adjustments to other financing sources and uses: | | |
| Fringe benefit cost assessments..... | | (4,440) |
| Transfer from the Intragovernmental Service Fund to the General Fund | | (5,840) |
| RMV license plates..... | | (4,213) |
| Transfer from General Fund to the Commonwealth Transportation Fund..... | | (40,000) |
| Other fund deficit support | | (144,797) |
| Other | | (191) |
| Elimination of budgetary interfund activity | \$ | (617,416) |



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Non-Tax Revenue Initiatives

Fiscal Year Ended June 30, 2017
(Amounts in thousands)

Chapter 653, Acts of 1989, amended Chapter 29 of the Massachusetts General Laws by adding Sections 29D and 29E, which authorize certain non-tax revenue initiatives and require reporting thereon, as follows.

I. Debt Collection:

Pursuant to Massachusetts General Laws Chapter 29, Section D, Chapter 7A Section 8, allows private debt collection agencies to engage in debt collection for the Commonwealth. The fees paid are contingency-based from the proceeds collected. Collections and fees paid during FY17 were (amounts in thousands):

| Department Collectors | Collections | Fees |
|---|-----------------|---------------|
| Collecto, Inc..... | \$ 3,506 | \$ 461 |
| Allen Daniels | 955 | 144 |
| Premier Credit of North America, LLC..... | 689 | 134 |
| Delta..... | 671 | 104 |
| Financial Asset Management Systems, Inc | 196 | 15 |
| Linebarger, Goggan, Blair & Sampson, LLP..... | 42 | 12 |
| Total | <u>\$ 6,059</u> | <u>\$ 870</u> |

Under the same program, the following amounts were collected and fees paid for the Institutions of Higher Education (these figures are as subset of the above) (amounts in thousands):

| Department Collectors | Collections | Fees |
|--|-----------------|---------------|
| Collecto, Inc | \$ 3,034 | \$ 387 |
| Allen Daniels | 624 | 95 |
| Delta | 566 | 87 |
| Premier Credit of North America, LLC | 515 | 97 |
| Total..... | <u>\$ 4,739</u> | <u>\$ 666</u> |

II. Cost Avoidance:

The Comptroller's appropriation authorizes contract arrangements engaged on a contingent fee basis for the purpose of identification and pursuit of cost saving/avoidance opportunities. During FY17, the following amounts were generated (amounts in thousands):

| | |
|----------------------------------|---------------|
| State expenditures avoided | \$ 192 |
| Contractor payments | (36) |
| Net cost savings/avoidance | <u>\$ 156</u> |

III. Intercept:

Intercept is authorized by M.G.L. Chapter 7A Section 3 and 815 CMR 9:06. Intercept is an automated process that offsets Commonwealth payments to delinquent receivables that have been approved by the Office of the State Comptroller. FY17 activity (amounts in thousands):

| | |
|--|-----------|
| Total Commonwealth intercepts | \$ 17,259 |
| Amounts included above that were intercepted on behalf of the Institutions of Higher Education | \$ 8,908 |

Schedule of Pension and Post Employment Health Benefits

(Amounts in thousands except for percentages)

Pension funding progress for the last six fiscal years

| | Actuarial Value of Plan Assets | Actuarial Accrued Liability | Unfunded Actuarial Liability (UAAL) | Funded Ratio | Annual Covered Payroll | UAAL as a % of Covered Payroll |
|--|--------------------------------------|-----------------------------------|--|-----------------|------------------------------|---|
| State Employee's Retirement System | | | | | | |
| Actuarial Valuation as of January 1, 2017..... | \$ 24,773,042 | \$ 38,316,719 | \$ 13,543,677 | 64.7% | \$ 5,927,012 | 228.5% |
| Actuarial Valuation as of January 1, 2016..... | 23,465,963 | 36,966,278 | 13,500,315 | 63.5% | 5,792,288 | 233.1% |
| Actuarial Valuation as of January 1, 2015..... | 22,720,160 | 33,679,150 | 10,958,990 | 67.5% | 5,591,911 | 196.0% |
| Actuarial Valuation as of January 1, 2014..... | 21,581,133 | 30,679,600 | 9,098,467 | 70.3% | 5,344,510 | 170.2% |
| Actuarial Valuation as of January 1, 2013..... | 20,317,389 | 29,385,442 | 9,068,053 | 69.1% | 5,183,195 | 175.0% |
| Actuarial Valuation as of January 1, 2012..... | 20,507,644 | 27,784,731 | 7,277,087 | 73.8% | 4,922,388 | 147.8% |

Teachers' Retirement System

| | | | | | | |
|--|---------------|---------------|---------------|-------|--------------|--------|
| Actuarial Valuation as of January 1, 2017..... | \$ 25,638,136 | \$ 49,193,503 | \$ 23,555,367 | 52.1% | \$ 6,583,871 | 357.8% |
| Actuarial Valuation as of January 1, 2016..... | 24,593,787 | 46,562,807 | 21,969,020 | 52.8% | 6,388,732 | 343.9% |
| Actuarial Valuation as of January 1, 2015..... | 23,946,759 | 44,115,769 | 20,169,010 | 54.3% | 6,204,274 | 325.1% |
| Actuarial Valuation as of January 1, 2014..... | 22,940,196 | 40,741,695 | 17,801,499 | 56.3% | 5,962,650 | 298.6% |
| Actuarial Valuation as of January 1, 2013..... | 21,787,470 | 39,135,218 | 17,347,748 | 55.7% | 5,783,294 | 300.0% |
| Actuarial Valuation as of January 1, 2012..... | 22,141,475 | 36,483,027 | 14,341,552 | 60.7% | 5,655,353 | 253.6% |

For a complete analysis of the Commonwealth's actuarial valuation report, please go to <http://www.mass.gov/perac>. Alternatively, copies of the Commonwealth's actuarial valuation may be obtained by contacting the Massachusetts Public Employee Retirement Administration Commission, 5 Middlesex Avenue, Suite 304, Somerville, MA 02145. Telephone number: (617) 666-4446.

State Retiree Benefits Trust Fund

| | Actuarial Value of Plan Assets | Actuarial Accrued Liability | Unfunded Actuarial Liability (UAAL) | Funded Ratio | Annual Covered Payroll | UAAL as a % of Covered Payroll |
|--|--------------------------------------|-----------------------------------|--|-----------------|------------------------------|---|
| Actuarial Valuation as of January 1, 2017..... | \$ 817,400 | \$ 20,263,500 | \$ 19,446,100 | 4.0% | \$ 5,927,012 | 328.1% |
| Actuarial Valuation as of January 1, 2016..... | 760,400 | 17,082,900 | 16,322,500 | 4.5% | 5,792,288 | 281.8% |
| Actuarial Valuation as of January 1, 2015..... | 610,000 | 16,502,800 | 15,892,800 | 3.7% | 5,591,911 | 284.2% |
| Actuarial Valuation as of January 1, 2014..... | 511,200 | 15,670,200 | 15,159,000 | 3.3% | 5,344,510 | 283.6% |
| Actuarial Valuation as of January 1, 2013..... | 406,700 | 15,784,100 | 15,377,400 | 2.6% | 5,183,195 | 296.7% |
| Actuarial Valuation as of January 1, 2012..... | 360,500 | 16,659,400 | 16,298,900 | 2.2% | 4,922,388 | 331.1% |

For a complete analysis of the Commonwealth's actuarial valuation report, please contact the Office of the State Comptroller, 1 Ashburton Place, 9th Floor, Boston, MA 02108. Telephone number: (617) 727-5000.



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Statistical Section



Ten-Year Schedules – Statutory Basis

Higher Education Non-appropriated Funds – Statutory Basis

See review report

Ten-Year Schedule of Revenues and Other Financing Sources
All Governmental Fund Types - Statutory Basis

Fiscal Year Ended June 30, 2017
(Amounts in millions)

| | 2017 | % Total | 2016 | % Total | 2015 | % Total | 2014 | % Total |
|--|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| Taxes | \$ 26,042 | 42.1 | \$ 25,800 | 42.7 | \$ 25,239 | 44.4 | \$ 23,665 | 43.6 |
| Federal reimbursements | 11,801 | 19.1 | 11,528 | 19.1 | 10,287 | 18.1 | 9,265 | 17.1 |
| Federal grants | 2,370 | 3.8 | 2,363 | 3.9 | 2,269 | 4.0 | 2,328 | 4.3 |
| Lotteries | 5,257 | 8.5 | 5,407 | 8.9 | 5,194 | 9.1 | 5,050 | 9.3 |
| Assessments | 1,209 | 2.0 | 1,058 | 1.7 | 1,033 | 1.8 | 1,079 | 2.0 |
| Motor vehicle licenses and registrations | 546 | 0.9 | 546 | 0.9 | 546 | 1.0 | 495 | 0.9 |
| Fees, investment earnings, etc | 4,963 | 8.0 | 5,016 | 8.3 | 4,409 | 7.8 | 4,252 | 7.9 |
| Proceeds of general and special obligation bonds and related premiums | 3,136 | 5.1 | 3,003 | 5.0 | 3,404 | 6.0 | 2,262 | 4.2 |
| Proceeds of refunding bonds | 2,269 | 3.7 | 1,674 | 2.8 | 707 | 1.2 | 722 | 1.3 |
| Other interfund transfers | 4,233 | 6.8 | 4,067 | 6.7 | 3,748 | 6.6 | 5,093 | 9.4 |
| Total revenues and other financing sources | <u>\$ 61,826</u> | <u>100.0</u> | <u>\$ 60,462</u> | <u>100.0</u> | <u>\$ 56,836</u> | <u>100.0</u> | <u>\$ 54,211</u> | <u>100.0</u> |

Certain amounts in fiscal years 2015 to 2008 were reclassified to conform to current presentation.

| 2013 | % Total | 2012 | % Total | 2011 | % Total | 2010 | % Total | 2009 | % Total | 2008 | % Total |
|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| \$ 22,396 | 43.8 | \$ 21,384 | 42.7 | \$ 20,776 | 38.2 | \$ 18,792 | 40.3 | \$ 18,513 | 38.8 | \$ 21,009 | 44.5 |
| 9,078 | 17.8 | 8,931 | 17.8 | 10,151 | 18.6 | 9,374 | 20.1 | 9,139 | 19.1 | 6,937 | 14.7 |
| 2,396 | 4.7 | 2,655 | 5.3 | 3,097 | 5.7 | 3,134 | 6.7 | 2,646 | 5.5 | 2,065 | 4.4 |
| 5,043 | 9.9 | 4,941 | 9.9 | 4,632 | 8.5 | 4,629 | 9.9 | 4,649 | 9.7 | 4,915 | 10.4 |
| 1,018 | 2.0 | 986 | 2.0 | 960 | 1.8 | 971 | 2.1 | 894 | 1.9 | 806 | 1.7 |
| 487 | 1.0 | 474 | 0.9 | 497 | 0.9 | 463 | 1.0 | 383 | 0.8 | 376 | 0.8 |
| 3,858 | 7.5 | 3,580 | 7.2 | 3,461 | 6.4 | 2,828 | 6.0 | 2,798 | 5.9 | 3,199 | 6.8 |
| 1,512 | 3.0 | 1,921 | 3.8 | 2,306 | 4.2 | 1,672 | 3.6 | 2,141 | 4.5 | 1,306 | 2.8 |
| 231 | 0.5 | 480 | 1.0 | 947 | 1.7 | 538 | 1.2 | 390 | 0.8 | — | — |
| 4,982 | 9.8 | 4,731 | 9.4 | 7,618 | 14.0 | 4,233 | 9.1 | 6,197 | 13.0 | 6,538 | 13.9 |
| <u>\$ 51,001</u> | <u>100.0</u> | <u>\$ 50,083</u> | <u>100.0</u> | <u>\$ 54,445</u> | <u>100.0</u> | <u>\$ 46,634</u> | <u>100.0</u> | <u>\$ 47,750</u> | <u>100.0</u> | <u>\$ 47,151</u> | <u>100.0</u> |

Ten-Year Schedule of Tax Revenues By Source
All Governmental Fund Types - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in millions)

| | 2017 | % Total | 2016 | % Total | 2015 | % Total | 2014 | % Total |
|------------------------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| Income..... | \$ 14,684 | 56.3 | \$ 14,394 | 55.9 | \$ 14,449 | 57.2 | \$ 13,202 | 55.8 |
| Sales and use | 6,241 | 24.0 | 6,090 | 23.6 | 5,804 | 23.0 | 5,519 | 23.3 |
| Corporations..... | 2,196 | 8.4 | 2,333 | 9.0 | 2,227 | 8.8 | 2,195 | 9.3 |
| Motor fuels..... | 769 | 3.0 | 767 | 3.0 | 756 | 3.0 | 732 | 3.1 |
| Cigarette and tobacco..... | 619 | 2.4 | 641 | 2.5 | 647 | 2.6 | 661 | 2.8 |
| Insurance | 358 | 1.4 | 369 | 1.4 | 333 | 1.3 | 316 | 1.3 |
| Estate and inheritance | 337 | 1.3 | 399 | 1.5 | 341 | 1.4 | 402 | 1.7 |
| Alcoholic beverages..... | 84 | 0.3 | 83 | 0.3 | 80 | 0.3 | 79 | 0.3 |
| Other | 754 | 2.9 | 724 | 2.8 | 602 | 2.4 | 559 | 2.4 |
| Total taxes..... | <u>\$ 26,042</u> | <u>100.0</u> | <u>\$ 25,800</u> | <u>100.0</u> | <u>\$ 25,239</u> | <u>100.0</u> | <u>\$ 23,665</u> | <u>100.0</u> |

Certain amounts in fiscal years 2016 to 2008 were reclassified to conform to current presentation.

| 2013 | % Total | 2012 | % Total | 2011 | % Total | 2010 | % Total | 2009 | % Total | 2008 | % Total |
|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| \$ 12,831 | 57.3 | \$ 11,911 | 55.6 | \$ 11,576 | 55.6 | \$ 10,110 | 53.8 | \$ 10,584 | 57.2 | \$ 12,484 | 59.4 |
| 5,184 | 23.1 | 5,079 | 23.8 | 4,921 | 23.7 | 4,626 | 24.6 | 3,880 | 21.0 | 4,098 | 19.5 |
| 1,888 | 8.4 | 2,002 | 9.4 | 1,931 | 9.3 | 1,835 | 9.8 | 1,790 | 9.7 | 2,180 | 10.4 |
| 651 | 2.9 | 662 | 3.1 | 661 | 3.2 | 655 | 3.5 | 654 | 3.5 | 673 | 3.2 |
| 558 | 2.6 | 574 | 2.6 | 599 | 2.9 | 597 | 3.1 | 603 | 3.2 | 437 | 2.1 |
| 373 | 1.7 | 318 | 1.5 | 296 | 1.4 | 285 | 1.5 | 309 | 1.7 | 369 | 1.8 |
| 313 | 1.4 | 293 | 1.4 | 310 | 1.5 | 221 | 1.2 | 260 | 1.4 | 254 | 1.2 |
| 77 | 0.3 | 77 | 0.4 | 73 | 0.4 | 72 | 0.4 | 73 | 0.4 | 72 | 0.3 |
| 521 | 2.3 | 468 | 2.2 | 409 | 2.0 | 391 | 2.1 | 360 | 1.9 | 442 | 2.1 |
| <u>\$ 22,396</u> | <u>100.0</u> | <u>\$ 21,384</u> | <u>100.0</u> | <u>\$ 20,776</u> | <u>100.0</u> | <u>\$ 18,792</u> | <u>100.0</u> | <u>\$ 18,513</u> | <u>100.0</u> | <u>\$ 21,009</u> | <u>100.0</u> |

Ten-Year Schedule of Expenditures And Other Financing Uses By Secretariat

All Governmental Fund Types - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in millions)

| | 2017 | % Total | 2016 | % Total | 2015 | % Total | 2014 | % Total |
|---|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| Legislature | \$ 67 | 0.1 | \$ 61 | 0.1 | \$ 60 | 0.1 | \$ 56 | 0.1 |
| Judiciary | 929 | 1.5 | 896 | 1.5 | 852 | 1.5 | 831 | 1.5 |
| Inspector General | 4 | — | 4 | — | 5 | — | 6 | — |
| Governor and Lieutenant Governor | 7 | — | 7 | — | 7 | — | 5 | — |
| Secretary of the Commonwealth | 52 | 0.1 | 45 | 0.1 | 52 | 0.1 | 53 | 0.1 |
| Treasurer and Receiver-General | 6,314 | 10.3 | 6,485 | 10.7 | 6,224 | 11.1 | 5,893 | 10.9 |
| Auditor of the Commonwealth | 21 | — | 20 | — | 21 | — | 19 | — |
| Attorney General | 71 | 0.1 | 63 | 0.1 | 56 | 0.1 | 53 | 0.1 |
| Ethics Commission | 2 | — | 3 | — | 2 | — | 2 | — |
| District Attorney | 123 | 0.2 | 116 | 0.2 | 111 | 0.2 | 108 | 0.2 |
| Office of Campaign and Political Finance | 2 | — | 2 | — | 2 | — | 1 | — |
| Sheriffs' Departments | 624 | 1.0 | 616 | 1.0 | 595 | 1.1 | 571 | 1.0 |
| Disabled Persons Protection Commission | 3 | — | 3 | — | 3 | — | 2 | — |
| Board of Library Commissioners | 40 | 0.1 | 48 | 0.1 | 49 | 0.1 | 45 | 0.1 |
| Massachusetts Gaming Commission | 38 | 0.1 | 35 | 0.1 | 21 | — | 23 | — |
| Comptroller | 16 | — | 17 | — | 20 | — | 18 | — |
| Administration and Finance | 9,016 | 14.6 | 8,823 | 14.8 | 8,832 | 15.9 | 8,862 | 16.3 |
| Energy and Environmental Affairs | 543 | 0.9 | 627 | 1.0 | 628 | 1.1 | 561 | 1.0 |
| Health and Human Services | 23,037 | 37.6 | 22,579 | 37.3 | 20,398 | 36.0 | 18,649 | 34.1 |
| Transportation and Public Works | — | — | — | — | — | — | — | — |
| Massachusetts Department of Transportation | 3,129 | 5.1 | 3,287 | 5.4 | 3,248 | 5.8 | 2,914 | 5.4 |
| Office of the Child Advocate | 1 | — | 1 | — | — | — | — | — |
| Executive Office of Education | 3,280 | 5.3 | 3,320 | 5.5 | 3,218 | 5.7 | 3,130 | 5.8 |
| Center for Health Information and Analysis | 23 | — | 27 | — | 28 | — | 25 | — |
| Public Safety and Security | 1,406 | 2.3 | 1,396 | 2.3 | 1,350 | 2.4 | 1,313 | 2.4 |
| Housing and Economic Development | 1,359 | 2.2 | 1,320 | 2.2 | 1,281 | 2.3 | 1,251 | 2.3 |
| Labor and Workforce Development | 214 | 0.3 | 214 | 0.4 | 223 | 0.4 | 237 | 0.4 |
| Post employment benefits | 2,660 | 4.3 | 2,503 | 4.1 | 2,287 | 3.9 | 2,109 | 3.7 |
| Debt service | 2,479 | 4.0 | 2,470 | 4.1 | 2,507 | 4.5 | 2,410 | 4.4 |
| Payments to advance refunding escrow agent/ Principal on current refunding | 2,269 | 3.7 | 1,674 | 2.8 | 707 | 1.3 | 722 | 1.3 |
| Other fund deficit support | 145 | 0.2 | 71 | 0.1 | 89 | 0.2 | 168 | 0.3 |
| Other interfund transfers | 3,677 | 6.0 | 3,685 | 6.1 | 3,409 | 6.2 | 4,673 | 8.6 |
| Total expenditures and other financing uses | <u>\$ 61,550</u> | <u>100.0</u> | <u>\$ 60,417</u> | <u>100.0</u> | <u>\$ 56,285</u> | <u>100.0</u> | <u>\$ 54,710</u> | <u>100.0</u> |

Schedule reflects changes in accordance with Article 87 reorganizations of the Massachusetts Constitution at various times over the last ten years at point of implementation.

| 2013 | % Total | 2012 | % Total | 2011 | % Total | 2010 | % Total | 2009 | % Total | 2008 | % Total |
|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| \$ 57 | 0.1 | \$ 58 | 0.1 | \$ 58 | 0.1 | \$ 59 | 0.1 | \$ 60 | 0.1 | \$ 58 | 0.1 |
| 802 | 1.5 | 780 | 1.6 | 788 | 1.5 | 788 | 1.7 | 814 | 1.6 | 831 | 1.7 |
| 6 | — | 3 | — | 3 | — | 4 | — | 3 | — | 3 | — |
| 6 | — | 7 | — | 5 | — | 5 | — | 8 | — | 9 | — |
| 50 | 0.1 | 43 | 0.1 | 46 | 0.1 | 54 | 0.1 | 53 | 0.1 | 53 | 0.1 |
| 5,867 | 11.3 | 5,847 | 11.7 | 5,610 | 10.6 | 5,483 | 11.5 | 6,043 | 12.2 | 5,640 | 11.8 |
| 19 | — | 18 | — | 17 | — | 17 | — | 20 | — | 19 | — |
| 50 | 0.1 | 53 | 0.1 | 51 | 0.1 | 53 | 0.1 | 57 | 0.1 | 56 | 0.1 |
| 2 | — | 2 | — | 2 | — | 2 | — | 2 | — | 2 | — |
| 108 | 0.2 | 101 | 0.2 | 97 | 0.2 | 96 | 0.2 | 104 | 0.2 | 104 | 0.2 |
| 1 | — | 1 | — | 3 | — | 1 | — | 1 | — | 1 | — |
| 543 | 1.0 | 532 | 1.1 | 511 | 1.0 | 378 | 0.8 | 295 | 0.6 | 296 | 0.7 |
| 2 | — | 2 | — | 2 | — | 2 | — | 3 | — | 2 | — |
| 41 | 0.1 | 34 | 0.1 | 34 | 0.1 | 34 | 0.1 | 48 | 0.1 | 46 | 0.1 |
| 14 | — | 1 | — | — | — | — | — | — | — | — | — |
| 14 | — | 13 | — | 14 | — | 15 | — | 14 | — | 14 | — |
| 8,665 | 16.8 | 7,456 | 14.9 | 7,206 | 13.7 | 7,040 | 14.9 | 6,892 | 14.2 | 7,059 | 14.8 |
| 490 | 0.9 | 456 | 0.9 | 482 | 0.9 | 529 | 1.1 | 526 | 1.1 | 473 | 1.0 |
| 17,447 | 34.1 | 17,632 | 35.1 | 17,737 | 33.5 | 16,044 | 33.8 | 16,468 | 33.3 | 15,504 | 32.5 |
| — | — | — | — | — | — | 509 | 1.1 | 1,689 | 3.4 | 1,378 | 2.9 |
| 2,439 | 4.7 | 2,323 | 4.6 | 2,278 | 4.3 | 1,542 | 3.2 | — | — | — | — |
| — | — | — | — | 3,225 | 6.1 | 3,184 | 6.7 | 3,390 | 6.9 | 2,989 | 6.3 |
| 2,952 | 5.7 | 3,030 | 6.0 | — | — | — | — | — | — | — | — |
| 9 | — | — | — | 1,172 | 2.2 | 1,308 | 2.7 | 1,456 | 2.9 | 1,381 | 2.9 |
| 1,324 | 2.6 | 1,236 | 2.5 | — | — | — | — | — | — | — | — |
| 1,214 | 2.3 | 1,203 | 2.4 | 1,283 | 2.4 | 1,245 | 2.6 | 981 | 2.0 | 857 | 1.8 |
| 300 | 0.6 | 390 | 0.8 | 428 | 0.8 | 403 | 0.8 | 331 | 0.7 | 274 | 0.6 |
| 1,990 | 3.8 | 1,892 | 3.8 | 1,839 | 3.5 | 1,749 | 3.7 | 1,314 | 2.7 | 1,399 | 2.9 |
| 2,351 | 4.5 | 2,272 | 4.5 | 2,128 | 4.0 | 2,117 | 4.5 | 2,145 | 4.3 | 2,239 | 4.7 |
| 230 | 0.4 | 388 | 0.8 | 540 | 1.0 | 538 | 1.1 | — | — | — | — |
| — | — | — | — | 65 | 0.1 | — | — | 220 | 0.4 | 1,593 | 3.5 |
| 4,752 | 9.2 | 4,352 | 8.7 | 7,272 | 13.8 | 4,373 | 9.2 | 6,456 | 13.1 | 5,403 | 11.3 |
| <u>\$ 51,745</u> | <u>100.0</u> | <u>\$ 50,125</u> | <u>100.0</u> | <u>\$ 52,896</u> | <u>100.0</u> | <u>\$ 47,572</u> | <u>100.0</u> | <u>\$ 49,393</u> | <u>100.0</u> | <u>\$ 47,683</u> | <u>100.0</u> |

Ten-Year Schedule of Budgeted Funds Expenditures and Other Financing Uses By Major Program Category

Fiscal Year Ended June 30, 2017

(Amounts in millions)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Direct local aid..... | \$ 5,703 | \$ 5,568 | \$ 5,420 | \$ 5,292 | \$ 5,116 | \$ 4,929 | \$ 4,785 | \$ 4,837 | \$ 4,724 | \$ 5,040 |
| Medicaid | 15,252 | 14,851 | 13,655 | 11,901 | 10,800 | 10,431 | 10,237 | 9,287 | 8,537 | 8,104 |
| Other Health and Human Services..... | 5,600 | 5,433 | 5,301 | 4,980 | 4,769 | 4,711 | 4,615 | 4,616 | 4,970 | 5,014 |
| Elementary and Secondary Education | 523 | 539 | 515 | 515 | 489 | 436 | 349 | 358 | 496 | 486 |
| Higher Education | 1,168 | 1,194 | 1,162 | 1,092 | 991 | 937 | 943 | 846 | 1,036 | 1,085 |
| Early Education and Care | 540 | 548 | 538 | 510 | 483 | 494 | 515 | 513 | 560 | 550 |
| Public Safety and Security | 1,060 | 1,066 | 1,041 | 1,010 | 960 | 930 | 905 | 1,053 | 1,224 | 1,265 |
| Energy and Environmental Affairs | 222 | 221 | 225 | 215 | 202 | 187 | 186 | 202 | 216 | 227 |
| Post employment benefits | 2,660 | 2,503 | 2,287 | 2,109 | 1,990 | 1,892 | 1,839 | 1,749 | 1,314 | 1,399 |
| Group health insurance | 1,663 | 1,630 | 1,665 | 1,403 | 1,278 | 1,206 | 1,130 | 1,064 | 973 | 853 |
| Debt service | 2,285 | 2,174 | 2,190 | 2,133 | 2,117 | 1,923 | 1,664 | 1,860 | 1,891 | 1,868 |
| Major programs..... | 36,676 | 35,727 | 33,999 | 31,160 | 29,195 | 28,076 | 27,168 | 26,385 | 25,941 | 25,891 |
| Other program expenditures | 3,235 | 3,241 | 3,326 | 3,294 | 3,007 | 2,899 | 2,851 | 2,999 | 2,762 | 2,739 |
| Interfund transfers and other financing uses.. | 1,908 | 1,959 | 1,527 | 3,200 | 3,149 | 2,515 | 5,520 | 1,810 | 3,867 | 4,405 |
| Total expenditures and other financing uses.. | \$ 41,819 | \$ 40,927 | \$ 38,852 | \$ 37,654 | \$ 35,351 | \$ 33,490 | \$ 35,539 | \$ 31,194 | \$ 32,570 | \$ 33,035 |

Ten-Year Schedule of Long-Term Bonds And Notes Outstanding

As of June 30, 2017

(Amounts in millions)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General obligation bonds | \$ 22,717 | \$ 21,668 | \$ 20,802 | \$ 19,387 | \$ 19,140 | \$ 18,852 | \$ 18,517 | \$ 17,683 | \$ 17,052 | \$ 16,085 |
| Grant anticipation notes* | 738 | 657 | 700 | 531 | 449 | 610 | 766 | 991 | 1,134 | 1,536 |
| Special obligation bonds | 2,991 | 2,754 | 2,324 | 2,292 | 1,924 | 1,972 | 1,592 | 1,053 | 1,079 | 1,113 |
| Commonwealth long-term bonds | <u>\$ 26,446</u> | <u>\$ 25,079</u> | <u>\$ 23,826</u> | <u>\$ 22,210</u> | <u>\$ 21,513</u> | <u>\$ 21,434</u> | <u>\$ 20,875</u> | <u>\$ 19,727</u> | <u>\$ 19,265</u> | <u>\$ 18,734</u> |

*Inclusive of cross-over refunding notes but exclusive of unamortized premiums.



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HIGHER EDUCATION

NON-APPROPRIATED ACTIVITY

The Commonwealth's Public Institutions of Higher Education are allowed, by their enabling statutes, to collect, retain, and expend certain fees, rents, donations and other types of revenue. These financial resources are important elements in the overall financial operations of the respective institutions, and are in addition to amounts made available from appropriations. The Public Institutions of Higher Education include:

University of Massachusetts System - The University system includes the campuses at Amherst, Worcester, Boston, Lowell, Dartmouth and certain institutes and programs operated by the Office of the University President.

State University Systems - The State College and University Systems include the three state colleges, and six state universities, which provide four-year post-secondary education programs. These include:

- Bridgewater State University
- Framingham State University
- Fitchburg State University
- Massachusetts College of Art & Design
- Massachusetts Maritime Academy
- Massachusetts College of Liberal Arts
- Salem State University
- Worcester State University
- Westfield State University

Community College System - The Community College System includes the fifteen community colleges, which provide two-year post secondary education programs.

- Berkshire Community College
- Bunker Hill Community College
- Bristol Community College
- Cape Cod Community College
- Greenfield Community College
- Holyoke Community College
- Massasoit Community College
- Massachusetts Bay Community College
- Middlesex Community College
- Mount Wachusett Community College
- Northern Essex Community College
- North Shore Community College
- Quinsigamond Community College
- Roxbury Community College
- Springfield Technical Community College

Higher Education System
Combining Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | | | | Totals | |
|---|-----------------------------------|---------------------------------------|-----------------------|--------------|------------------|
| | University of Massachusetts | State Universities and Colleges | Community Colleges | 2017 | 2016 Restated |
| Revenues and other financing sources: | | | | | |
| Federal grants and reimbursements | \$ 303,622 | \$ 56,969 | \$ 154,998 | \$ 515,589 | \$ 515,907 |
| Departmental revenue | 1,431,375 | 471,319 | 393,399 | 2,296,093 | 2,221,646 |
| Miscellaneous revenue..... | 1,230,322 | 406,368 | 293,609 | 1,930,299 | 1,900,951 |
| Total revenues and other financing sources..... | 2,965,319 | 934,656 | 842,006 | 4,741,981 | 4,638,504 |
| Expenditures and other financing uses | | | | | |
| (by MMARS subsidiary): | | | | | |
| AA Regular employee compensation | 733,701 | 193,115 | 175,805 | 1,102,621 | 1,029,901 |
| BB Regular employee related expenses | 20,361 | 5,895 | 3,531 | 29,787 | 33,502 |
| CC Special employees and contracted services | 266,341 | 140,459 | 204,786 | 611,586 | 611,305 |
| DD Pension and insurance..... | 212,942 | 57,257 | 42,034 | 312,233 | 279,329 |
| EE Administrative expenditures | 207,941 | 82,988 | 35,771 | 326,700 | 214,969 |
| FF Facility operational supplies | 168,253 | 18,731 | 18,872 | 205,856 | 203,126 |
| GG Energy costs and space rental | 136,233 | 41,970 | 28,098 | 206,301 | 208,550 |
| HH Consultant services | 219,420 | 12,420 | 16,919 | 248,759 | 232,818 |
| JJ Operational services..... | 47,172 | 38,354 | 15,922 | 101,448 | 96,423 |
| KK Equipment purchase..... | 30,563 | 6,098 | 9,016 | 45,677 | 50,469 |
| LL Equipment leases, maintenance and repair | 27,189 | 8,607 | 6,262 | 42,058 | 40,500 |
| MM Purchased client services and programs | 37,355 | 4,108 | 2,516 | 43,979 | 43,698 |
| NN Construction and improvements | 136,105 | 40,545 | 21,539 | 198,189 | 192,886 |
| PP Aid to local governments | — | 93 | 5,397 | 5,490 | 4,443 |
| RR Benefit programs..... | 317,676 | 101,102 | 164,130 | 582,908 | 645,764 |
| SS Debt payment..... | 26,873 | 16,210 | 3,825 | 46,908 | 46,134 |
| TT Loans and special payments..... | 213,949 | 121,936 | 39,782 | 375,667 | 449,983 |
| UU Information technology (IT) expenses..... | 87,400 | 31,413 | 30,253 | 149,066 | 148,154 |
| Total expenditures and other financing uses..... | 2,889,474 | 921,301 | 824,458 | 4,635,233 | 4,531,954 |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses..... | 75,845 | 13,355 | 17,548 | 106,748 | 106,550 |
| Fund balance at beginning of year, as restated | 912,909 | 474,604 | 339,147 | 1,726,660 | 1,620,110 |
| Fund balance at end of year | \$ 988,754 | \$ 487,959 | \$ 356,695 | \$ 1,833,408 | \$ 1,726,660 |

Note: Details might not add up due to rounding

University of Massachusetts
Combining Higher Education Non-Appropriated Activity - Statutory Basis
Fiscal Year Ended June 30, 2017
(Amounts in thousands)

| | Totals | |
|---|-------------------|-------------------|
| | 2017 | 2016 Restated |
| Revenues and other financing sources: | | |
| Federal grants and reimbursements | \$ 303,622 | \$ 286,393 |
| Departmental revenue | 1,431,375 | 1,353,498 |
| Miscellaneous revenue | 1,230,322 | 1,231,056 |
| Total revenues and other financing sources | 2,965,319 | 2,870,947 |
| Expenditures and other financing uses (by MMARS subsidiary): | | |
| AA Regular employee compensation | 733,701 | 680,953 |
| BB Regular employee related expenses | 20,361 | 24,379 |
| CC Special employees and contracted services | 266,341 | 263,184 |
| DD Pension and insurance | 212,942 | 195,523 |
| EE Administrative expenditures | 207,941 | 104,810 |
| FF Facility operational supplies | 168,253 | 165,509 |
| GG Energy costs and space rental | 136,233 | 141,738 |
| HH Consultant services | 219,420 | 205,830 |
| JJ Operational services | 47,172 | 42,167 |
| KK Equipment purchase | 30,563 | 33,702 |
| LL Equipment leases, maintenance and repair | 27,189 | 26,677 |
| MM Purchased client services and programs | 37,355 | 36,969 |
| NN Construction and improvements | 136,105 | 127,452 |
| PP Aid to local governments | — | — |
| RR Benefit programs | 317,676 | 370,759 |
| SS Debt payment | 26,873 | 28,378 |
| TT Loans and special payments | 213,949 | 286,243 |
| UU Information technology (IT) expenses | 87,400 | 91,407 |
| Total expenditures and other financing uses | 2,889,474 | 2,825,680 |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | 75,845 | 45,267 |
| Fund balance at beginning of year, as restated | 912,909 | 867,642 |
| Fund balance at end of year | <u>\$ 988,754</u> | <u>\$ 912,909</u> |

Note: Details might not add up due to rounding

State University and College System
Combining Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | Bridgewater State University | Framingham State University | Fitchburg State University | Massachusetts College of Art |
|--|------------------------------------|-----------------------------------|----------------------------------|---------------------------------|
| Revenues and other financing sources: | | | | |
| Federal grants and reimbursements | \$ 14,732 | \$ 5,943 | \$ 7,932 | \$ 2,312 |
| Departmental revenue | 130,911 | 51,687 | 55,563 | 28,992 |
| Miscellaneous revenue | 90,842 | 67,406 | 35,279 | 24,171 |
| Total revenues and other financing sources | 236,485 | 125,036 | 98,774 | 55,475 |
| Expenditures and other financing uses (by MMARS subsidiary): | | | | |
| AA Regular employee compensation | 72,358 | 11,831 | 22,057 | 11,940 |
| BB Regular employee related expenses | 1,325 | 433 | 456 | 388 |
| CC Special employees and contracted services | 42,969 | 10,904 | 12,865 | 5,873 |
| DD Pension and insurance | 24,791 | 3,671 | 5,357 | 1,113 |
| EE Administrative expenditures | 9,223 | 46,933 | 2,615 | 2,225 |
| FF Facility operational supplies | 1,654 | 2,538 | 1,355 | 1,221 |
| GG Energy costs and space rental | 5,052 | 3,887 | 4,542 | 2,082 |
| HH Consultant services | 1,769 | 1,310 | 1,015 | 1,423 |
| JJ Operational services | 12,290 | 7,057 | 1,355 | 2,187 |
| KK Equipment purchase | 928 | 577 | 670 | 330 |
| LL Equipment leases, maintenance and repair | 2,396 | 852 | 861 | 359 |
| MM Purchased client services and programs | 2,119 | 471 | 270 | — |
| NN Construction and improvements | 4,113 | 2,804 | 5,098 | 7,121 |
| PP Aid to local governments | — | — | — | — |
| RR Benefit programs | 25,002 | 8,684 | 9,903 | 10,130 |
| SS Debt payment | 1,826 | 410 | — | — |
| TT Loans and special payments | 18,814 | 14,648 | 20,582 | 8,840 |
| UU Information technology (IT) expenses | 6,019 | 3,646 | 3,727 | 1,750 |
| Total expenditures and other financing uses | 232,648 | 120,656 | 92,728 | 56,982 |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | 3,837 | 4,380 | 6,046 | (1,507) |
| Fund balance at beginning of year, as restated | 30,744 | 59,235 | 42,178 | 16,371 |
| Fund balance at end of year | \$ 34,581 | \$ 63,615 | \$ 48,224 | \$ 14,864 |

Note: Details might not add up due to rounding

| Massachusetts Maritime Academy | Massachusetts College of Liberal Arts | Salem State University | Worcester State University | Westfield State University | Totals | |
|--------------------------------------|---|------------------------------|----------------------------------|----------------------------------|------------|------------------|
| | | | | | 2017 | 2016 Restated |
| \$ 1,258 | \$ 3,141 | \$ 12,714 | \$ 441 | \$ 8,496 | \$ 56,969 | \$ 56,453 |
| 10,698 | 22,222 | 20,043 | 61,595 | 89,608 | 471,319 | 476,256 |
| 11,518 | 14,879 | 93,329 | 23,562 | 45,383 | 406,368 | 378,686 |
| 23,474 | 40,242 | 126,086 | 85,598 | 143,487 | 934,656 | 911,395 |
| 7,623 | 10,136 | 30,651 | 4,888 | 21,630 | 193,115 | 177,584 |
| 1,053 | 370 | 416 | 838 | 616 | 5,895 | 5,618 |
| 7,967 | 7,242 | 18,329 | 8,685 | 25,626 | 140,459 | 133,787 |
| 1,501 | 1,197 | 10,389 | 1,159 | 8,079 | 57,257 | 46,114 |
| 1,268 | 1,953 | 13,303 | 2,980 | 2,486 | 82,988 | 70,674 |
| 1,393 | 388 | 3,235 | 2,242 | 4,705 | 18,731 | 15,149 |
| 1,812 | 1,820 | 5,664 | 11,815 | 5,294 | 41,970 | 41,454 |
| 1,146 | 756 | 1,523 | 2,072 | 1,406 | 12,420 | 11,989 |
| 8,352 | 3,470 | 1,416 | 1,127 | 1,100 | 38,354 | 38,773 |
| 1,477 | 57 | 358 | 791 | 909 | 6,098 | 5,949 |
| 1,238 | 99 | 430 | 1,466 | 905 | 8,607 | 7,663 |
| — | — | 711 | — | 537 | 4,108 | 4,011 |
| 2,175 | 1,178 | 4,247 | 3,829 | 9,979 | 40,545 | 44,748 |
| — | 72 | 21 | — | — | 93 | 156 |
| 1,333 | 6,447 | 17,568 | 11,221 | 10,815 | 101,102 | 98,600 |
| — | 637 | 355 | 495 | 12,486 | 16,210 | 13,864 |
| 7,760 | 2,886 | 14,744 | 706 | 32,955 | 121,936 | 132,688 |
| 3,002 | 1,095 | 5,958 | 2,210 | 4,006 | 31,413 | 29,069 |
| 49,100 | 39,803 | 129,318 | 56,524 | 143,534 | 921,301 | 877,888 |
| (25,626) | 439 | (3,232) | 29,074 | (47) | 13,355 | 33,507 |
| 39,743 | 13,473 | 26,980 | 176,269 | 69,611 | 474,604 | 441,098 |
| \$ 14,117 | \$ 13,912 | \$ 23,748 | \$ 205,343 | \$ 69,564 | \$ 487,959 | \$ 474,604 |

Community College System
Combining Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 2017

(Amounts in thousands)

| | Berkshire Community College | Bunker Hill Community College | Bristol Community College | Cape Cod Community College | Greenfield Community College | Holyoke Community College | Massasoit Community College |
|--|-----------------------------------|-------------------------------------|---------------------------------|----------------------------------|------------------------------------|---------------------------------|-----------------------------------|
| Revenues and other financing sources: | | | | | | | |
| Federal grants and reimbursements | \$ 3,745 | \$ 23,433 | \$ 17,937 | \$ 4,807 | \$ 3,581 | \$ 10,291 | \$ 17,028 |
| Departmental revenue | 7,384 | 56,281 | 26,825 | 11,037 | 13,198 | 14,395 | 40,110 |
| Miscellaneous revenue | 7,452 | 32,798 | 37,250 | 14,935 | 6,020 | 19,501 | 23,507 |
| Total revenues and other financing sources.... | 18,581 | 112,512 | 82,012 | 30,779 | 22,799 | 44,187 | 80,645 |
| Expenditures and other financing uses | | | | | | | |
| (by MMARS subsidiary): | | | | | | | |
| AA Regular employee compensation | 2,507 | 37,428 | 12,895 | 4,313 | 5,541 | 6,775 | 16,047 |
| BB Regular employee related expenses | 110 | 264 | 425 | 172 | 18 | 346 | 121 |
| CC Special employees and contracted services.... | 5,694 | 18,628 | 32,942 | 10,860 | 6,012 | 9,065 | 19,894 |
| DD Pension and insurance | 903 | 2,980 | 4,812 | 2,087 | 2,071 | 2,141 | 5,255 |
| EE Administrative expenditures | 1,291 | 2,985 | 1,900 | 1,853 | 1,268 | 1,817 | 1,860 |
| FF Facility operational supplies | 428 | 1,133 | 909 | 406 | 266 | 1,973 | 1,462 |
| GG Energy costs and space rental | 760 | 3,461 | 4,347 | 1,745 | 943 | 1,265 | 1,318 |
| HH Consultant services | 426 | 1,256 | 778 | 313 | 371 | 489 | 2,642 |
| JJ Operational services | 615 | 1,867 | 761 | 509 | 380 | 1,214 | 622 |
| KK Equipment purchase | 46 | 852 | 1,050 | 608 | 244 | 1,487 | 694 |
| LL Equipment leases, maintenance and repair.... | 153 | 631 | 269 | 166 | 186 | 133 | 573 |
| MM Purchased client services and programs | 25 | 266 | 748 | — | 6 | 33 | 257 |
| NN Construction and improvements | 323 | 4,393 | 1,426 | 782 | 410 | 1,878 | 2,328 |
| PP Aid to local governments | — | — | 199 | — | 33 | 341 | 3,946 |
| RR Benefit programs | 1,672 | 25,638 | 18,196 | 5,691 | 4,786 | 12,387 | 11,617 |
| SS Debt payment | 17 | 245 | — | — | — | 335 | 977 |
| TT Loans and special payments | 2,852 | — | 429 | — | 155 | 750 | 7,005 |
| UU Information technology (IT) expenses | 648 | 7,013 | 2,255 | 1,152 | 915 | 2,277 | 2,563 |
| Total expenditures and other financing uses .. | 18,470 | 109,040 | 84,341 | 30,657 | 23,605 | 44,706 | 79,181 |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | 111 | 3,472 | (2,329) | 122 | (806) | (519) | 1,464 |
| Fund balance at beginning of year, restated ... | 2,971 | 19,964 | 14,997 | 22,722 | 2,933 | 15,556 | 33,450 |
| Fund balance at end of year | \$ 3,082 | \$ 23,436 | \$ 12,668 | \$ 22,844 | \$ 2,127 | \$ 15,037 | \$ 34,914 |

Note: Details might not add up due to rounding

| Massachusetts Bay Community College | Middlesex Community College | Mount Wachusett Community College | Northern Essex Community College | North Shore Community College | Quinsigamond Community College | Roxbury Community College | Springfield Technical Community College | Totals | |
|--|-----------------------------------|--|---|--|--------------------------------------|---------------------------------|--|-----------|------------------|
| | | | | | | | | 2017 | 2016 Restated |
| \$ 3,925 | \$ 15,741 | \$ 1,848 | \$ 10,267 | \$ 12,284 | \$ 13,053 | \$ 5,312 | \$ 11,746 | \$154,998 | \$173,061 |
| 19,784 | 36,967 | 28,168 | 36,823 | 27,582 | 44,930 | 736 | 29,180 | 393,399 | 391,892 |
| 16,733 | 35,316 | 18,388 | 24,451 | 16,132 | 4,408 | 17,929 | 18,789 | 293,609 | 291,210 |
| 40,442 | 88,024 | 48,404 | 71,541 | 55,998 | 62,391 | 23,977 | 59,715 | 842,006 | 856,163 |
| 2,761 | 16,850 | 23,861 | 14,089 | 22,682 | 8,358 | 189 | 1,510 | 175,805 | 171,366 |
| 247 | 604 | 271 | 273 | 143 | — | 69 | 467 | 3,531 | 3,505 |
| 14,104 | 25,634 | 10,059 | 15,578 | 7,622 | 15,369 | 3,791 | 9,535 | 204,786 | 214,334 |
| 1,574 | 6,206 | 3,747 | 4,585 | 2,162 | 2,678 | 114 | 718 | 42,034 | 37,693 |
| 2,044 | 2,507 | 1,976 | 1,891 | 1,619 | 2,537 | 7,558 | 2,666 | 35,771 | 39,485 |
| 560 | 856 | 1,399 | 1,449 | 2,835 | 2,753 | 423 | 2,020 | 18,872 | 22,468 |
| 2,234 | 2,633 | 539 | 2,282 | 1,214 | 3,195 | 770 | 1,392 | 28,098 | 25,357 |
| 832 | 1,151 | 1,690 | 412 | 1,614 | 1,280 | 1,481 | 2,185 | 16,919 | 14,999 |
| — | 2,518 | 1,006 | 2,610 | 206 | 1,278 | 1,069 | 1,267 | 15,922 | 15,483 |
| — | 535 | 305 | 430 | 125 | 608 | 588 | 1,444 | 9,016 | 10,818 |
| — | 1,430 | 62 | 252 | 189 | 734 | 132 | 1,353 | 6,262 | 6,160 |
| 358 | — | 119 | — | 310 | — | — | 394 | 2,516 | 2,717 |
| 2,226 | 186 | 2,819 | 1,531 | 590 | 817 | 227 | 1,601 | 21,539 | 20,686 |
| — | — | 273 | — | 604 | — | — | — | 5,397 | 4,287 |
| 8,670 | 206 | 1,169 | 24,796 | 11,167 | 14,881 | 6,960 | 16,295 | 164,130 | 176,406 |
| 13 | — | 311 | 675 | 1,253 | — | — | — | 3,825 | 3,892 |
| — | 24,907 | — | 109 | 200 | 374 | — | 3,000 | 39,782 | 31,053 |
| 2,470 | 1,507 | 54 | 2,393 | 2,213 | 4,101 | 628 | 65 | 30,253 | 27,678 |
| 38,093 | 87,730 | 49,660 | 73,355 | 56,748 | 58,963 | 23,999 | 45,912 | 824,458 | 828,385 |
| 2,349 | 294 | (1,256) | (1,814) | (750) | 3,428 | (22) | 13,803 | 17,548 | 27,777 |
| 17,882 | 13,349 | 10,796 | 7,377 | 13,422 | 6,264 | 21,223 | 136,242 | 339,147 | 311,370 |
| \$ 20,231 | \$ 13,643 | \$ 9,540 | \$ 5,563 | \$ 12,672 | \$ 9,692 | \$ 21,201 | \$ 150,045 | \$356,695 | \$339,147 |



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Commonwealth of Massachusetts

STATUTORY BASIS FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2017