



Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

ONE ASHBURTON PLACE, 9TH FLOOR
BOSTON, MASSACHUSETTS 02108
TELEPHONE (617) 727-5000
WWW.MASS.GOV/COMPTROLLER

THOMAS G. SHACK III, ESQ.
COMPTROLLER

December 26, 2018

Honorable Joan B. Lovely, Vice Chair
Senate Committee on Ways and Means

Honorable Jeffrey Sánchez, Chair
House Committee on Ways and Means

The Honorable Michael Heffernan, Secretary
Executive Office for Administration and Finance

The Honorable Maura Healey
Attorney General

Dear Vice Chair Lovely, Chair Sánchez, Secretary Heffernan and Attorney General Healey:

As required by Chapter 29 Sec 2TT of the Mass. General Laws, the Office of the Comptroller is submitting this report on the Liability Management & Reduction Fund to the House and Senate Committees on Ways & Means, the Secretary of Administration & Finance, and the Attorney General.

This report contains the Fund's financial statement for FY 2018 (**see attachment 1**) as published on page 100 in the audited Commonwealth Statutory Basis Financial Report (SBFR). Revenues consist of interest income from investments, categorized as miscellaneous revenue and departmental premiums, derived from each department's five-year average for tort payments and litigation costs from FY 2013 through FY 2017, (**see attachment 2**).

If you have any questions regarding this information, please contact Kathy Sheppard, Deputy Comptroller at 617.973.2666.

Sincerely,

Jeffrey Shapiro
First Deputy Comptroller

TGS/sp
Enc.

cc: Christopher Marino, Budget Director, Senate Ways and Means Committee
David Bunker, Budget Director, House Ways and Means Committee
Catharine Hornby, Assistant Secretary for Budget, Administration and Finance
Juliana Rice, AGO Deputy Chief, Government Bureau

Non-Budgeted Special Revenue Funds
Combining Statement of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	Universal Health Care Funds			Non-Budgeted Other Funds			
	Community Hospital Reinvestment Trust	Non-acute Care Hospital Reimbursement Trust	Substance Use Disorder Federal Reinvestment Trust	Dam and Seawall Repair or Removal	Department of Telecommunication and Energy Trust	Fingerprint-Based Background Check Trust	Liability Management and Reduction
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments	—	9,153	—	—	4,840	—	—
Federal grants and reimbursements.....	—	8,883	6,083	—	—	—	—
Departmental.....	—	—	—	835	—	4,022	2,234
Miscellaneous.....	—	—	—	86	6	—	20
Total revenues.....	—	18,036	6,083	921	4,846	4,022	2,254
Other financing sources:							
Operating transfers in.....	10,000	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—
Total other financing sources.....	10,000	—	—	—	—	—	—
Total revenues and other financing sources.....	10,000	18,036	6,083	921	4,846	4,022	2,254
EXPENDITURES AND OTHER FINANCING USES							
Expenditures:							
Judiciary.....	—	—	—	—	—	—	—
Inspector General.....	—	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—	—
Secretary of the Commonwealth.....	—	—	—	—	—	—	—
Treasurer and Receiver-General.....	—	—	—	—	—	—	—
Attorney General.....	—	—	—	—	—	—	69
District Attorney.....	—	—	—	—	—	—	—
Sheriffs' Departments.....	—	—	—	—	—	—	—
Disabled Persons Protection Commission	—	—	—	—	—	—	—
Board of Library Commissioners.....	—	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—	2,128
Administration and Finance.....	—	—	—	—	—	—	—
Energy and Environmental Affairs.....	—	—	—	1,000	3,285	—	—
Health and Human Services.....	9,662	17,609	3,156	—	—	—	—
Executive Office of Technology Services and Security.....	—	—	—	—	—	—	—
Massachusetts Department of Transportation.....	—	—	—	—	—	—	—
Executive Office of Education.....	—	—	—	—	—	—	—
Center for Health Information and Analysis.....	—	—	—	—	—	—	—
Public Safety and Security	—	—	—	—	—	3,295	—
Housing and Economic Development.....	—	—	—	—	—	—	—
Labor and Workforce Development.....	—	—	—	—	—	—	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Interest and fiscal charges.....	—	—	—	—	—	—	—
Total expenditures	9,662	17,609	3,156	1,000	3,285	3,295	2,197
Other financing uses:							
Fringe benefit cost assessment.....	—	—	—	—	1,026	285	30
Lottery operating reimbursements	—	—	—	—	—	—	—
Lottery distributions.....	—	—	—	—	—	—	—
Operating transfers out.....	—	—	—	—	85	177	—
Total other financing uses.....	—	—	—	—	1,111	462	30
Total expenditures and other financing uses.....	9,662	17,609	3,156	1,000	4,396	3,757	2,227
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	338	427	2,927	(79)	450	265	27
Fund balances/(deficits) at beginning of year.....	497	—	—	5,675	3,094	4,920	1,841
Fund balances/(deficits) at end of year.....	\$ 835	\$ 427	\$ 2,927	\$ 5,596	\$ 3,544	\$ 5,185	\$ 1,868

See accountants' review report

LMRF Premiums for FY2018

Department	FY2018 Premium
AGO	1,288.05
AGR	3,422.19
ALA	121.59
ANF	527.88
BCC	18,476.13
BHC	957.59
BRC	1,915.84
BSC	767.55
BSD	7,154.99
CCC	481.03
CDA	806.72
CHE	497.56
CME	10,800.58
DCP	7,182.23
DCR	110,192.57
DFS	3,018.09
DMH	55,996.77
DMR	89,054.42
DOC	181,257.37
DOE	146.96
DOR	7,534.93
DOS	160.61
DOT	450,769.35
DPH	25,804.43
DPU	346.75
DSS	6,305.27
DYS	17,213.86
EEC	51.45
EHS	76,944.28
ENV	17,061.05
EOL	786.90
EPS	1,072.77
EQE	18,252.72
FRC	21,208.26
FSC	2,222.80
FWE	2,014.86
GCC	4,377.28
HCC	6,281.88
HLY	132.84
HSD	2,249.86
LOT	16,506.73
MAS	3,167.33
MBC	263.94
MCA	1,417.28
MCC	1,181.59
MIL	1,034.66

MRC	4,202.00
NAC	220.02
NFK	287.86
PAR	27,729.56
POL	489,973.84
QCC	527.88
REG	2,019.18
RCC	211.15
SDB	37,222.89
SDC	12,104.61
SDE	16,528.14
SDF	9,287.68
SDH	6,497.39
SDM	137,691.23
SDN	8,819.91
SDP	21,141.03
SDS	17,494.07
SDW	74,421.88
SOR	7,345.65
SRB	2,780.31
SSA	14,224.38
STC	4,223.11
SUF	278.16
TRC	34,918.36
UMS	123,539.09
WEL	1,127.47
WES	56.06
WSC	<u>624.48</u>

Total FY18 Revenue: **2,233,927.18**