



Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

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THOMAS G. SHACK III, ESQ.
COMPTROLLER

September 6, 2018

Honorable Joan 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 Mesdames and Gentlemen:

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 2017 (**see attachment 1**) as published on page 99 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 2012 through FY 2016, (**see attachment 2**).

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

Sincerely,

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

TGS/sp
Enc.

cc: Jennifer Miller, AGO Deputy Chief, Government Bureau
Christopher Marino, Budget Director, Senate Ways and Means Committee
David Bunker, Budget Director, House Ways and Means Committee

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

LMRF Premiums for FY2017

Department	FY2017 Premium
AGO	1,820.00
AGR	3,732.39
ALA	115.17
BCC	12,036.00
BHC	507.46
BRC	2,804.84
BSC	727.00
BSD	5,998.13
CCC	166.12
CDA	764.10
CHE	176.46
CME	5,334.67
CPC	48.35
DCP	5,868.51
DCR	108,602.54
DFS	7,756.90
DMH	47,058.63
DMR	116,290.64
DOC	189,650.89
DOR	24,936.85
DOS	152.13
DOT	380,048.15
DPH	35,632.61
DPS	1,912.50
DSS	11,621.02
DYS	16,123.03
EEC	48.74
EHS	51,108.73
ENE	178.16
ENV	15,242.40
EOL	139.23
EPS	932.30
EQE	17,336.89
FRC	20,808.69
FSC	705.37
FWE	2,073.04
GCC	249.82
HCC	5,992.00
HLY	125.83
HSD	2,131.00
ITD	685.72
LOT	14,558.97
MAS	3,000.00
MBC	250.00
MCA	342.41
MCC	1,119.17

MIL	980.00
MMA	1,260.00
MRC	4,142.00
NAC	208.40
NEC	1,000.00
OHA	4,785.76
PAR	23,967.55
POL	458,397.51
SDB	35,256.32
SDC	7,069.29
SDE	28,654.92
SDF	10,475.91
SDH	6,454.12
SDM	126,389.59
SDN	6,953.94
SDP	18,887.73
SDS	11,788.27
SDW	57,350.00
SOR	357.57
SRB	1,984.06
SSA	13,089.55
STC	4,000.00
SUF	461.67
TRC	44,715.63
UMS	86,148.41
WEL	1,067.90
WSC	7,500.00

Grand Total: **2,080,259.66**

*AGO - Dept. Absorbed Cost 943.09

Total FY17 Revenue: **2,081,202.75**