

Commonwealth of Massachusetts

Statutory Basis Financial Report

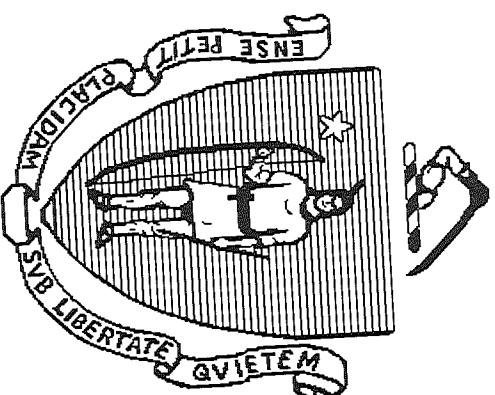
Fiscal Year Ended June 30, 1997

Argeo Paul Cellucci
Governor

Charles D. Baker
Secretary for
Administration and Finance

William Kilmartin
Comptroller

Commonwealth of Massachusetts



Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 1997

William Kilmartin, CGFM
State Comptroller

Prepared by
*The Financial Reporting and Analysis Bureau
Office of the State Comptroller*

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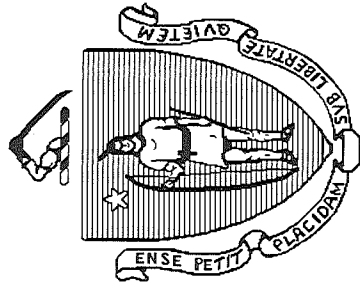
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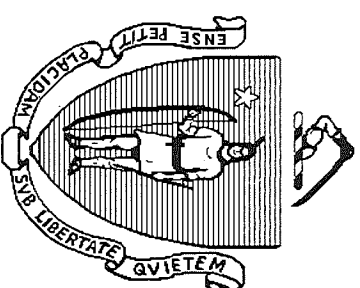
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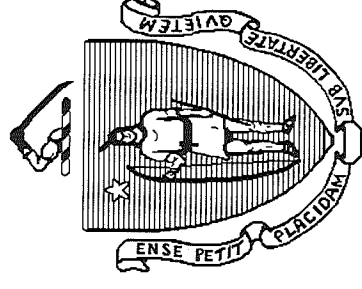


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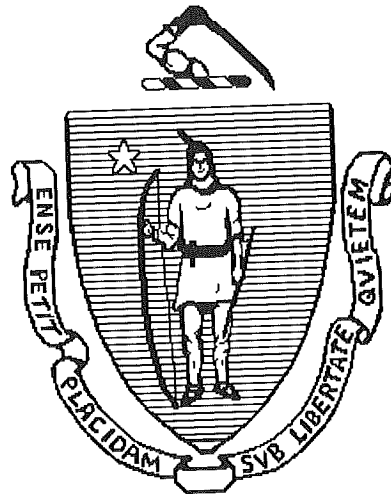


Comptroller's Letter of Transmittal
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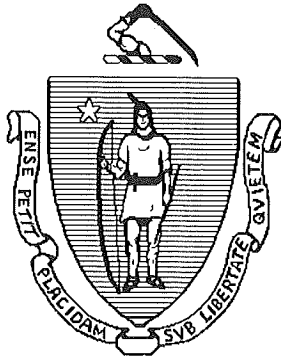
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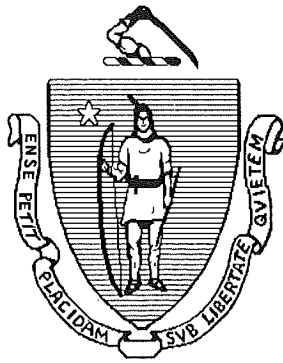
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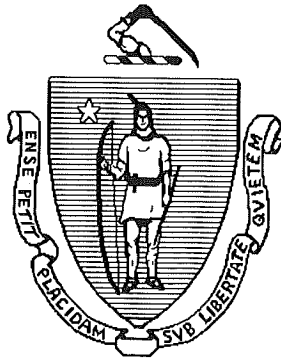


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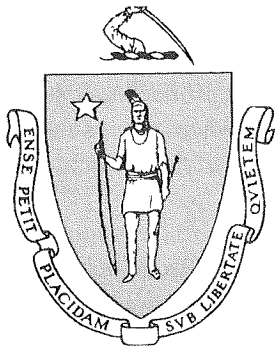
Introductory Section



Comptroller's Letter of Transmittal
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*William Kilmartin,
Comptroller
One Ashburton Place
Boston, MA 02108*

October 31, 1997

***To the Citizens of the Commonwealth of Massachusetts,
Governor Argeo Paul Cellucci, and Honorable Members of the General
Court***

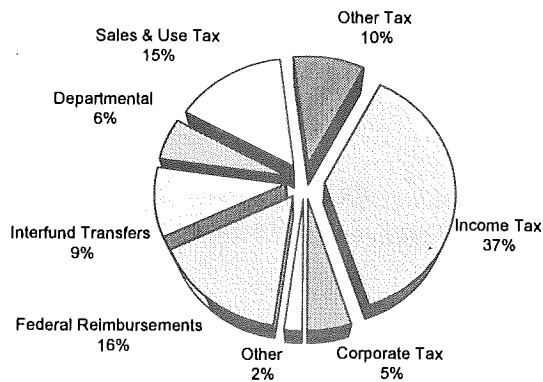
The financial condition of the Commonwealth for the fiscal year ended June 30, 1997 is excellent. For the seventh consecutive year, the Commonwealth has accomplished a positive balance in the budgeted funds. The balance in the budgeted funds of \$1.394 billion is more than 10% of annual tax revenues, and thus conforms to professional standards for a prudent year end balance. Also, per special statutory direction approximately \$343.7 million was transferred to capital outlay and local aid, instead of remaining in the budgetary surplus. Of the \$1.394 billion, \$799.3 million is in the Stabilization Fund. This fund, sometimes called the "rainy day" fund, represents the Commonwealth's reserves for future purposes.

In accordance with Massachusetts General Laws, the Office of the Comptroller transmits the Statutory Basis Financial Report for the fiscal year ended June 30, 1997 (FY97). This report is audited by a firm of Independent Certified Public Accountants and is published on October 31st. The publication of this report represents the conclusion of financial activity and the final closing of the books on the statutory basis for FY97.

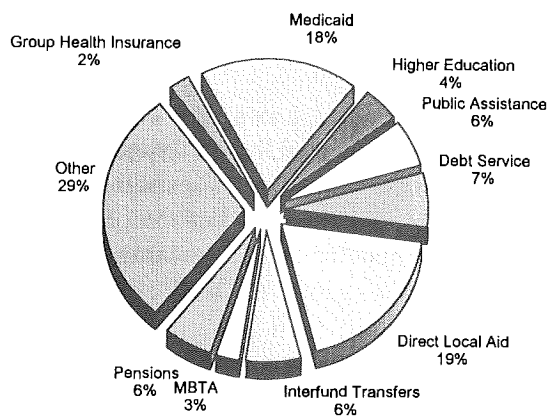
This report includes the budgeted funds, non-budgeted special revenue funds, capital project funds, and fiduciary funds. The financial operations of these funds are accounted and reported in the Massachusetts Management Accounting and Reporting System (MMARS), the statewide accounting system operated by the Commonwealth. Detail information for each revenue and expenditure account is available from MMARS.

This report is intended to satisfy the requirements in state finance law to present fairly the results of FY97 activity in the Commonwealth's funds, to compute and certify the balance in the Stabilization Fund and Tax Reduction Fund, and to disclose and report certain aspects of financial performance as directed by statute. The statutory basis of accounting is defined in Massachusetts law. This basis of accounting is typically used to budget and control daily fiscal operations. The statutory basis of accounting is not in accordance with generally accepted accounting principles (GAAP) as defined for governments by the Government Accounting Standards Board. We will report the Commonwealth's financial position on a GAAP basis in early January, 1998 in our Comprehensive Annual Financial Report (CAFR).

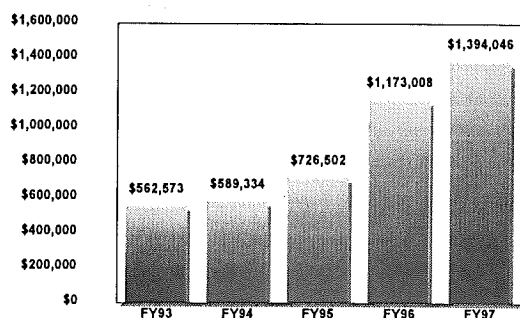
Revenues And Other Sources



Expenditures And Other Uses



Budgeted Funds - Fund Balance (Amounts in thousands)



Budgeted Funds

In FY97, sources of funds exceeded uses of funds for an operating gain of \$221.0 million. This follows an operating gain of \$446.5 million in FY96, \$137 million in FY95, \$26 million in FY94, \$13 million in FY93 and \$312 million in FY92. A net gain from operations, when reported for multiple consecutive years, is considered by professional standards to demonstrate a structural balance between inflows and outflows. The Commonwealth has accomplished such structural balance.

From a net budgeting perspective, overall revenues and other financing sources are up 4.9% from FY96 to FY97. The multi-year trend line is presented in the Statistical Section of this report. When analyzed from a multi-year perspective, the proportion of each revenue source to the total did not materially change from FY96 to FY97. Expenditures and other financing uses are up 6.3% from FY96 to FY97. Again, the multi-year trend line is presented in the statistical section. It is evident that some redistribution of proportions did occur from FY96 to FY97 (for example the local aid category is higher).

The FY97 activity in the budgeted funds is summarized and compared to FY96 in the Budgeted Funds - Operations table. Financial statements for each of the 50 individual budgeted funds are included in the financial section of this report.

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. The table isolates this interfund activity from the budgeted sources and uses to align more clearly forecasts prepared during the budget process to the detailed fund accounting of the Commonwealth's annual financial statements. For example, this table isolates the assessments on municipalities collected by the Commonwealth and paid to the MBTA and regional transit authorities.

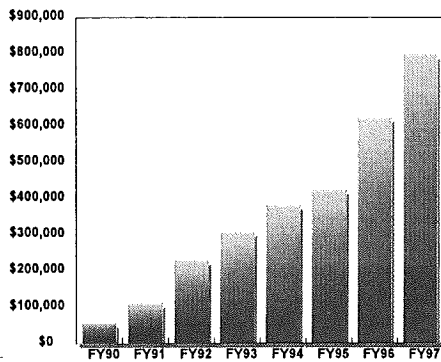
The graph of Budgeted Funds - Fund Balance shows the combined fund balance in the budgeted funds for the past five years. This "bottom line" perspective demonstrates the accumulation of resources attributable to balanced budgets over the multi-year period.

The FY97 ending balance of \$1.394 billion is composed of \$225.1 million reserved for continuing appropriations and debt service, \$799.3 million reserved in the Stabilization Fund, \$91.8 million reserved in the Tax Reduction Fund, and \$277.8 million as undesignated surplus available for appropriation in FY98.

Budgeted Funds - Operations
(Amounts in thousands)

	1996	1997
Beginning fund balances:		
Reserved and designated.....	\$ 128,121	\$ 263,344
Tax Reduction Fund Current.....	-	150,000
Tax Reduction Fund Future.....	-	81,722
Stabilization Fund.....	425,405	543,303
Undesignated.....	172,976	134,639
Total.....	726,502	1,173,008
Revenues and other sources:		
Taxes.....	12,049,183	12,864,501
Federal reimbursements.....	3,039,091	3,019,692
Departmental and other revenues.....	1,208,156	1,267,882
Interfund transfers from non-budgeted funds and other uses.....	1,031,161	1,017,977
Budgeted revenues and other sources.....	17,327,591	18,170,052
Mass transit assessments.....	147,598	151,525
Intragovernmental Service Fund revenues.....	91,451	83,622
Interfund transfers among budgeted funds and other sources.....	804,792	818,167
Total revenues and other sources.....	18,371,432	19,223,366
Expenditures and other uses:		
Programs and services.....	14,650,697	15,218,752
Debt service.....	1,183,564	1,275,539
Pension.....	1,004,551	1,069,184
Interfund transfers to non-budgeted funds and other uses.....	42,273	385,539
Budgeted expenditures and other uses.....	16,881,085	17,949,014
Payments of mass transit assessments.....	147,598	151,525
Intragovernmental Service Fund expenditures.....	91,451	83,622
Interfund transfers among budgeted funds and other uses.....	804,792	818,167
Total expenditures and other uses.....	17,924,926	19,002,328
Excess of revenues and other sources over expenditures and uses.....	446,506	221,038
Ending fund balances:		
Reserved and designated.....	263,344	225,151
Tax Reduction - Current.....	150,000	91,764
Tax Reduction - Future.....	81,722	-
Stabilization Fund.....	543,303	799,300
Undesignated.....	134,639	277,831
Total.....	\$ 1,173,008	\$ 1,394,046

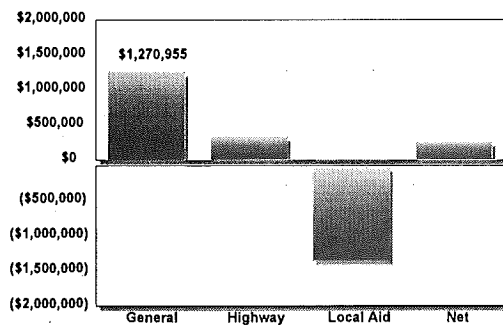
Stabilization Fund Balance
(Amounts in Thousands)



The balance in the Stabilization Fund is a good indicator of the positive financial condition of the Commonwealth. State finance law defines the maximum balance that may accumulate in the Stabilization Fund as an amount not to exceed 5% of all budgeted revenues and other sources. State finance law then directs that any amount in excess of the cap be transferred to the Tax Reduction Fund. This "ceiling" for FY97 was \$908.5 million, so the actual balance in the Stabilization Fund of \$799.3 million was under the cap. There was no such excess and no transfer to the Tax Reduction Fund in FY97. The fund balance of the Stabilization Fund over a multi-year period is presented in the graph Stabilization Fund Balance.

Despite the Commonwealth's positive financial condition, a few cautionary notes are merited. There are certain problems with the definitions in state finance law enacted in 1986, and continued with slight modification to the present. A balanced budget, the "Consolidated Net Surplus", is defined as the combined undesigned component of the General, Local Aid, and Highway Funds. According to this restricted definition, fiscal balance was achieved in FY97 in the amount of \$281.7 million. However, this definition excludes certain components of fund balance, such as reserves for continuing appropriations and the entire balances of other budgeted funds. This idiosyncratic definition has the potential to be misleading and confusing. The Commonwealth should adopt a more straightforward definition of fiscal balance.

**"Consolidated Net Surplus"
Prior to Transfers**



Also problematic is the formula for deposits to the Stabilization and Tax Reduction Funds. Under current law, the "Consolidated Net Surplus" in the General, Highway and Local Aid Funds is measured in comparison to 0.5% of tax revenues, and the excess is computed for transfer to the Stabilization Fund. The Stabilization Fund is examined for the statutory ceiling and any excess is transferred to the Tax Reduction Fund. For the Stabilization Fund transfer, 60% is taken from the General Fund and 40% from the Local Aid Fund. Other funds in surplus, such as the Highway Fund, do not contribute to the transfer. This engenders a counter intuitive situation where by the Local Aid Fund, which is in deficit, contributes to the transfer, and becomes more deficient, while positive balances in the Highway Fund and other funds do not. State finance law should be amended to eliminate this convoluted bookkeeping and rationalize the contributions to the Stabilization and Tax Reduction Funds.

Further complicating this issue is the existence of a large number of "minor" budgeted funds. Over the past several years, dozens of new "minor" funds have been created by splitting off revenues and expenditures previously accounted for as part of a major fund, such as the General Fund. These funds are currently excluded from the definition of fiscal balance and are likewise excluded from the contributions to the Stabilization and Tax Reduction Funds.

The trend to fragment the budget into such special interest funds should be addressed with a plan to either consolidate to a more reasonable number of funds or to include these funds in the definition of fiscal balance.

A final cautionary note pertains to the pending disposition of the current surplus. Maintaining a prudent portion of the surplus in the strategic reserve, called the Stabilization Fund, is paramount. The Legislature and Governor now face the challenge to frame fiscal policy for the remainder of this surplus. There are numerous choices, each of which has long term implications on how the Commonwealth maintains its positive financial position. These choices include one-time authorizations such as tax reduction and capital projects or continued annual appropriation for increased spending on programs.

Whatever choices are made, it is important to maintain the long term structural balance. Simply stated, accumulated balances should not be committed entirely to purposes with ongoing spending requirements. To say this another way, the initiation of new continuing programs or permanent tax cuts must be examined as to the risk of creating a structural imbalance in future years.

Non-Budgeted Funds

The Non-Budgeted Funds represent operations whereby the government has imposed its sovereign authority but has excluded these operations from the annual budget process. During FY97, the Commonwealth maintained 25 active non-budgeted funds, including the Lottery Funds, Federal Grants Fund, the Sewer Rate Relief Fund, and the Uncompensated Care Fund. These funds are frequently referred to as special revenue or dedicated revenue funds. The financial concept is that specified revenue inflows will be matched to related expenditure outflows, so that each fund will balance. The funds are considered non-budgeted because the authorization for expenditures is in the General Law which created the fund, not the annual budget.

The FY97 activity in these Non-Budgeted Funds is summarized and compared to FY96 in the table of Non-Budgeted Funds - Operations. Individual financial statements are presented in the financial section of this report.

Non-Budgeted Funds - Operations
(Amounts in thousands)

	1996	1997
Beginning fund balance.....	\$ 112,729	\$ 178,108
Revenues and other sources:		
Taxes.....	8,665	9,918
Assessments.....	319,034	330,723
Federal grants and reimbursements.....	1,217,935	1,213,554
Departmental and miscellaneous.....	3,536,873	3,475,262
Transfers and other sources.....	182,233	87,500
Total revenues and sources.....	5,264,740	5,116,957
Expenditures and other uses:		
Programs and services.....	4,175,954	4,189,619
Debt service.....	8,217	2,747
Transfers and other uses.....	1,015,190	946,821
Total expenditures and uses.....	5,199,361	5,139,187
Excess of revenues and sources over expenditures and uses...	65,379	(22,230)
Ending fund balance.....	\$ 178,108	\$ 155,878

While the Federal Grants Fund has a positive fund balance, the deficiency in cash is \$19.5 million. This situation is expected, since the Commonwealth performs draw downs from the federal government a few days after the cash disbursement, to assure an "interest neutral" condition on the timing of the federal-state cash exchange. These requirements were established by the Cash Management Improvement Act of 1990.

In the Lottery Funds, gross revenues continued to increase from FY96 to FY97. Net profits also increased, so that distributions to cities and towns for local aid increased by \$33.6 million. At the conclusion of FY97, special legislation directed that Lottery profits in excess of a specified formula not be transferred to the budget surplus. Instead, an amount of \$25.3 million has been reserved in the Lottery Funds and is authorized for distribution for local aid in early FY98, to be in addition to amounts otherwise authorized.

The Sewer Rate Relief Fund was established with a transfer of \$30.0 million from the General Fund in FY94. This fund is administered by the Department of Revenue for the purpose of providing assistance in the mitigation of sewer rate increases. In each subsequent year, the Commonwealth has provided additional funds and the FY97 ending balance after expenditure and other financial operations is \$11.4 million.

The Uncompensated Care, Labor Shortage and Medical Security Funds were set up, in 1988, as part of the universal health care legislation. In the intervening time, several aspects and purposes to the funds have been modified in legislation. These funds have grown to an annual revenue volume in excess of \$439.1 million, with a combined fund balance of over \$95.0 million.

In FY96, a new non-budgeted fund, the Capital Expenditure Reserve Fund, was created. Pursuant to statute and agreement with the Massachusetts Turnpike Authority (MTA), funding in the amount of \$100 million was provided by the MTA relating to the Central Artery/Tunnel Project. This funding is in addition to state and federal funding in the Capital Projects Funds for the project. In FY96, the amount of \$42.7 million was expended. The balance, \$59.7 million including interest, was expended in FY97. Legislation passed in FY97 requires the Massachusetts Turnpike Authority to contribute an additional \$700 million and the Massachusetts Port Authority to contribute \$200 million in future fiscal years.

The graph Non-Budgeted Funds - Fund Balance shows the combined fund balance in the non-budgeted funds for the past five years. In each year the entire balance is designated for the specific purpose of the respective fund.

Certain funds have accumulated positive balances and do not report current year activity. Serious consideration should be given to abolishing the Freight Rail, Passenger Rail, and JFK Library and Park funds and transferring the balances to the General Fund.

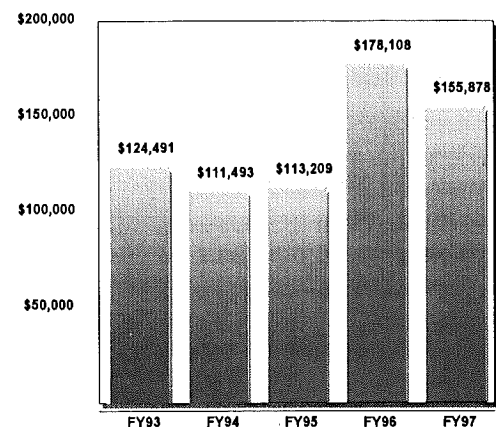
The Government Land Bank Fund has a chronic and structural fund deficit. This fund should be abolished and the deficit absorbed into the General Fund.

A periodic reexamination of all non-budgeted funds is sound financial practice.

Capital Projects Funds

The purpose of these funds is to construct or acquire capital assets for governmental use. The Governor may propose capital outlay budgets which, upon enactment by a two-thirds vote of the Legislature and approval by the Governor, become capital outlay acts. Numerous capital outlay acts may be combined for reporting in an individual Capital Projects Fund but each act is accounted for as a separate subfund, which records authorization for expenditures in itemized capital appropriation accounts and equivalent authorizations to issue bonds or notes in anticipation of federal reimbursements.

Non-Budgeted Funds - Fund Balance
(Amounts in thousands)



Certain funds or subfunds may also be authorized in law to receive other revenues: including transfers of surplus from the Budgeted Funds. At the conclusion of FY97, legislation was enacted to create a new Capital Investment Trust Fund with \$229.8 million transferred from the budgetary surplus. This fund will support capital projects without the need to issue bonds. In addition the amount of \$89.5 million was transferred from budgetary surplus to provide financing to existing Capital Project Funds in lieu of bonds.

The FY97 financial activity for the capital projects funds is summarized and compared to FY96 in the table Capital Project Funds - Operations. Individual fund statements are presented in the financial section of this report, and footnotes contain additional information about the related debt.

Capital Projects Funds - Operations
(Amounts in thousands)

	1996	1997
Beginning fund deficit.....	\$ (394,031)	\$ (217,574)
Revenues and other sources:		
Federal grants and reimbursements.....	888,352	1,035,630
Departmental and miscellaneous.....	1,916	2,089
General obligation financing.....	939,658	899,471
Special obligation financing.....	147,457	-
Proceeds of refunding bonds.....	-	722,621
Transfers from budgetary surplus.....	-	89,503
Capital investment trust fund.....	-	229,800
Transfers and other sources.....	132,423	175,958
Total revenues and sources.....	2,109,806	3,155,072
Expenditures and other uses:		
Acquisition of assets.....	1,825,034	2,213,249
Payments to refunded bond escrow.....	-	722,621
Transfers and other uses.....	108,315	133,405
Total expenditures and uses.....	1,933,349	3,069,275
Excess (deficiency) of revenues and sources over expenditures and uses.....	176,457	85,797
Ending fund deficit.....	\$ (217,574)	\$ (131,777)

The graph Capital Projects Funds - Fund Deficit shows the combined fund deficit in the Capital Projects Funds for the past five years.

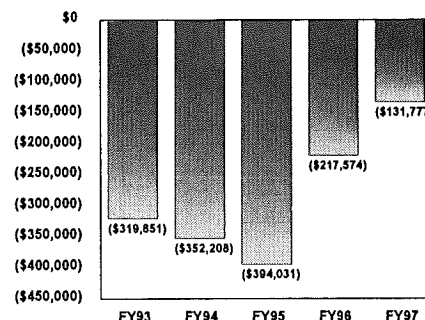
The financial concept is that each capital outlay authorization is balanced, creating authorization for inflows, (proceeds from sales of bonds and federal reimbursements or other revenues), and authorization for expenditure. However imbalances due to timing differences develop when the outflow (expenditure) precedes the inflow (sale of bonds or receipt of reimbursement). Federal tax arbitrage rules, which discourage sale of bonds in anticipation of expenditures, contribute to such timing differences. As a result, the capital projects funds may report temporary fund deficits. This situation also creates a cash deficit in these funds.

The Commonwealth has a practice of pooling cash from all governmental funds, so the short term cash deficits in the capital projects funds create a drain on the Commonwealth's overall cash flow. The Commonwealth should continue to analyze and balance the economic effects of interest income on the pooled cash to interest expense related to issuance of capital debt.

The five-year graph shows the effect of elapsed time between capital expenditures and the sale of related debt. In FY97, the Commonwealth could have issued additional, currently authorized bonds. Had such action been taken, fund deficits (and cash balances) would have improved accordingly and long term liabilities would have increased.

The Administration has implemented a coordinated fiscal strategy for the management of the Capital Projects Funds. Aspects of this strategy include a five-year capital budget linked to debt management and cash management. The focus of this strategy is to manage capital spending and thus outstanding debt to levels the Administration considers appropriate for the Commonwealth. An important part of the strategy is to contain capital spending within an annual administrative cap. As additional capital outlays have been enacted and significant projects such as the Central Artery have been authorized, the challenge to restrain spending to such limits is increasing. Strategies to manage this situation, such as additional financing for capital projects exemplified in the Massachusetts Turnpike Authority's participation in the Capital Expenditure Reserve Fund and the new Capital Investment Trust Fund previously described, should be continued.

**Capital Projects Funds -
Fund Deficit**
(Amounts in thousands)



Certain funds have not reported financial activity for the past two fiscal years, and serious considerations should be given to abolishing these funds. Inactive funds include the Lockup Facilities Improvements, Suffolk County Jail Facility, Federally-Assisted Housing and the Environmental Challenge Capital Project Funds.

Fiduciary Funds (Excluding Agency Funds)

The fiduciary funds record the Commonwealth's responsibility for assets it controls on behalf of other parties. Examples of such funds are the Unemployment Compensation and Pension Trust Funds. The following table, which excludes assets held on a purely custodial capacity in agency funds, summarizes FY97 activity of the fiduciary funds. As evidenced, the Commonwealth acts as the fiduciary for a significant volume of financial activity.

Fiduciary Fund - Operations (Amounts in thousands)

	1996	1997
Beginning fund balance.....	\$ 13,956,365	\$ 16,815,371
Revenues and other sources:		
Taxes.....	1,131,469	1,174,332
Federal reimbursements.....	21,569	29,701
Departmental and other revenues.....	652,813	680,748
Interfund transfers and other sources.....	855,930	908,092
Investment earnings.....	2,288,682	3,372,852
Total revenues and sources.....	4,950,463	6,165,725
Expenditures and other uses:		
Expenditures.....	1,988,047	2,023,789
Interfund transfers.....	103,410	69,265
Total expenditures and uses.....	2,091,457	2,093,054
Excess of revenues and sources over expenditures and uses.....	2,859,006	4,072,671
Ending fund balance.....	\$ 16,815,371	\$ 20,888,042

Non-Appropriated Funds of Higher Education

The Statutory Basis Financial Report includes the financial operations of the non-appropriated funds of the 25 Institutions of Higher Education in the Statistical Section of the report. Over the past few years, significant efforts have been taken by the Comptroller's Office and most institutions to improve the accuracy and timeliness of this segment of the financial report.

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 income. These financial resources are integral parts of the total financial activity of each campus, and represent resources in addition to amounts made available from appropriations.

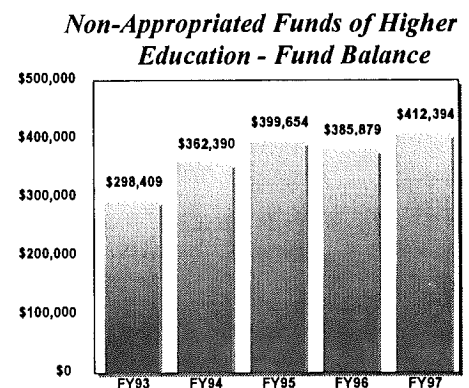
Non-Appropriated Funds Of Higher Education - Operations (Amounts in thousands)

	1996	1997
Beginning fund balance.....	\$ 399,654	\$ 385,879
Revenues and other sources:		
Federal Grants and reimbursements.....	234,777	204,615
Departmental and miscellaneous.....	1,095,258	1,155,355
Transfers and other sources.....	92,408	160,134
Total revenues and sources.....	1,422,443	1,520,104
Expenditures and other uses:		
Programs and services.....	1,264,247	1,260,017
Transfers and other uses.....	171,971	233,572
Total expenditures and uses.....	1,436,218	1,493,589
Excess (deficiency) of revenues and sources over expenditures and uses..	(13,775)	26,515
Ending fund balance.....	\$ 385,879	\$ 412,394

The FY97 financial activity for the non-appropriated funds of higher education is summarized and compared to FY96 in the table of Non-Appropriated Funds of Higher Education - Operations. Individual campus statements are presented in the statistical section of this report.

The graph Non-Appropriated Funds of Higher Education - Fund Balance shows the combined fund balance for the non-appropriated funds of higher education for the past five years.

The combined balance represents a \$322 million portion for the University of Massachusetts, \$43 million for the State College system, and \$47 million for the Community College system. These balances are designated for specific purposes, such as restrictions on endowments or other specialized purposes specified by the funding contributions.



Conclusions And Recommendations

As evidenced in this Statutory Basis Financial Report, the Commonwealth's financial condition continued to be excellent in FY97. Building upon this foundation, a detailed review of these financial statements suggests, in my opinion, the need for consideration of the following recommendations to further improve and strengthen state finance law and fiscal practice.

1. The Commonwealth should redefine the concept of consolidated net surplus and change the computation for deposits to the Stabilization and Tax Reduction Funds. The existence of numerous budgeted funds tends to fragment the budget process, and introduces unwarranted complexities into the policy debate on fiscal balance.
2. The Commonwealth should modify state finance law to budget consistently with generally accepted accounting principles (GAAP) for governments. Over the past several years many incremental changes have occurred, so that statutory practice now resembles GAAP more closely. However, a few significant differences remain, and additional modifications to state finance law are warranted.
3. The policy and fiscal strategy to accomplish acceptable cash balances in the Capital Projects Funds, and to manage spending to the administratively capped debt limit, should continue. The Commonwealth has committed to an extensive capital projects agenda, and great discipline will be needed to assure spending on these projects is matched with financing from bonds, federal reimbursement, transfer of budgetary surplus and financial participation from component units. Assuring proper balance between outflows and inflows, and limiting the segment funded by bonds to the administratively imposed limit, will be a major challenge.
4. The rationale for the continued existence of some of the non-budgeted funds should be examined, and certain funds should be modified to an "on-budget" status. Specifically, the non-budgeted fund with a fund deficit and the three non-budgeted funds with surplus and no activity in recent years should be eliminated and consolidated into the General Fund.

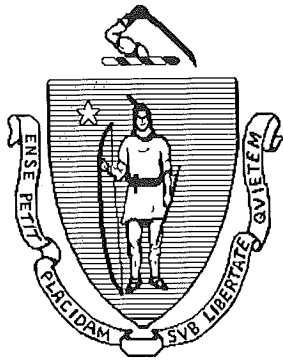
5. The Commonwealth recently modified state finance law and fiscal practice to elevate attention to the revenue side of state finance. For example, a statewide revenue optimization campaign collected \$47.1 million in FY96 and \$41.3 million in FY97 and is authorized and ongoing in FY98. This increased emphasis on both tax and non-tax revenue should continue.
6. The Commonwealth must increase its investment in information technology as a source of solutions to its business problems. Significant opportunities exist to improve the productivity of the administration of government, and an increased budget for technology projects will yield a substantial and favorable return on investment.

In conclusion, I express my thanks and appreciation to the many dedicated people in the departments of state government for their cooperation and assistance to make FY97 a successful year. I am grateful to former Governor Weld, his successor Governor Cellucci, Secretary for Administration and Finance Baker and other elected officials and persons in the Executive and Legislative branches for supporting the work of this Office. We will continue to put forward our best efforts so that your support is well founded. And to Martin Benison, Deputy Comptroller and the staff in the Accounting and Financial Reporting Bureau, and the other managers and professionals at the Comptroller's Office, I express once more a special gratitude. You have worked above the normal call of duty to administer the fiscal business of state government and to assemble this report.

Respectfully transmitted,



William Kilmartin
Comptroller



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CONSTITUTIONAL OFFICERS

Argeo Paul Cellucci
Governor

William F. Galvin
Secretary of State

L. Scott Harshbarger
Attorney General

Joseph D. Malone
Treasurer and Receiver-General

A. Joseph DeNucci
Auditor

LEGISLATIVE OFFICERS

Thomas F. Birmingham
President of the Senate

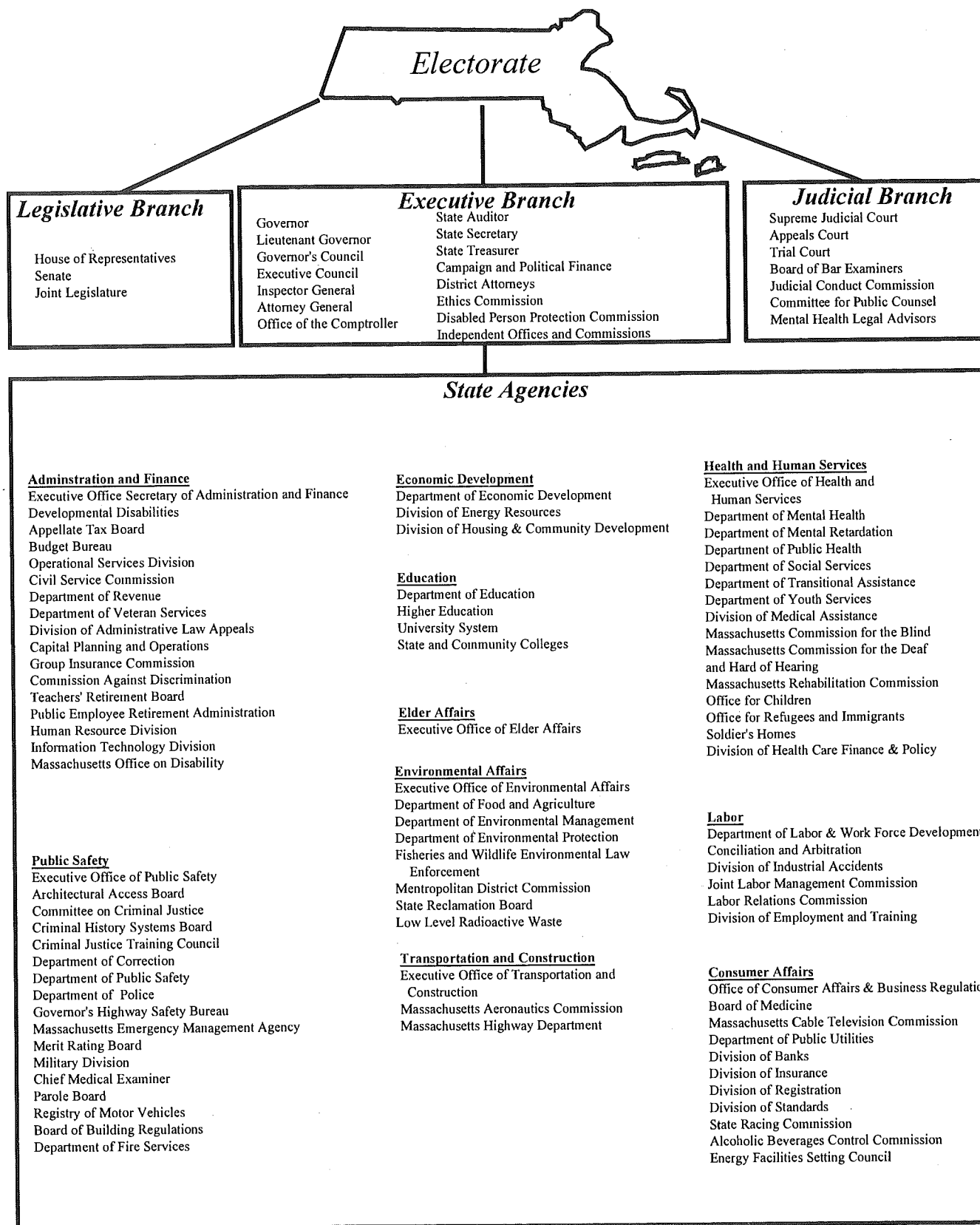
Thomas M. Finneran
Speaker of the House

JUDICIAL OFFICERS

Herbert P. Wilkins
Chief Justice, Supreme Judicial Court

Joseph P. Warner
Chief Justice, Appeals Court

John J. Irwin
Chief Justice for Administration and Management, Trial Court



REPORT PREPARED BY:

Martin J. Benison, CGFM
Deputy Comptroller

Anita Rose Rapino
Administrative Assistant

Financial Reporting And Analysis Bureau:

Bhavdeep J. Trivedi, CGFM
Director

Marybeth Shaughnessy, CPA, CGFM
Assistant Director

John Haran, CPA, CGFM
Accountant

Pauline Lieu, CPA, CGFM
Accountant

Neil Gouse, CGFM
Accountant

Daryl E. Byers
Systems Analyst

Cathy DiGianni
Administrative Secretary

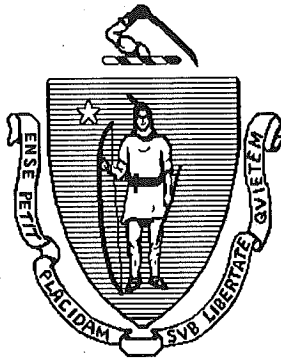
Padmanabh Patel
Intern

Ya Yee Chen
Intern

Michael Dunn
Intern

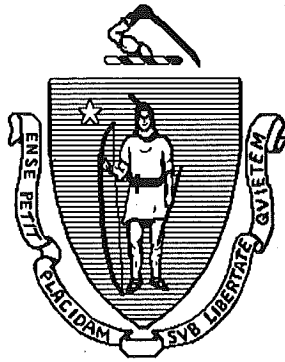
Lauren Johnson
Layout and Design
Director Resource Management

James Powers, CPA
Special Projects

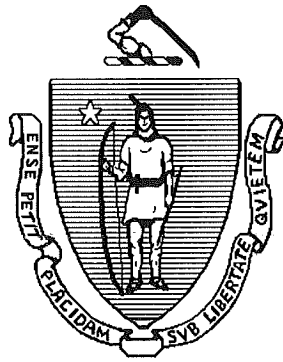


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Financial Section



Independent Auditor's Report
Combined Financial Statements - Statutory Basis
Combining and Individual Fund Financial Statements - Statutory Basis



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**Independent Auditors' Report**

Mr. William Kilmartin, Comptroller
The Commonwealth of Massachusetts

We have audited the accompanying combined financial statements - statutory basis of the Commonwealth of Massachusetts as of June 30, 1997, and for the year then ended, listed in the foregoing table of contents. These combined financial statements - statutory basis are the responsibility of the management of the Commonwealth of Massachusetts. Our responsibility is to express an opinion on these combined financial statements - statutory basis based on our audit. We did not audit the financial statements of the Pension Reserves Investment Trust, which is the investment vehicle of the Commonwealth of Massachusetts' Pension Trust Funds, the financial statements of which reflect 86 percent and 46 percent, respectively, of the total assets and total revenues of the Fiduciary Fund Type. We did not audit the operations of the Massachusetts State Teachers' and Employees' Retirement Systems Trust, the financial operations of which reflect 10 percent of the revenues of the Fiduciary Fund Type, for the period from July 1, 1996 through the date of its merger with the Pension Reserves Investment Trust on December 31, 1996. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the entities not audited by us included in the Fiduciary Fund Type referred to above, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements - statutory basis are free of material misstatement. The financial statements of the Pension Reserves Investment Trust and the Massachusetts State Teachers' and Employees' Retirement Systems Trust were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements - statutory basis. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement - statutory basis presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

As described in Note 2 to the combined financial statements - statutory basis, the Commonwealth of Massachusetts prepares its combined financial statements - statutory basis on a prescribed basis of accounting that demonstrates compliance with General Laws and budgetary principles and funds of the Commonwealth of Massachusetts which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, based upon our audit and the reports of the other auditors, such combined financial statements - statutory basis referred to above present fairly, in all material respects, the financial position of the Commonwealth of Massachusetts as of June 30, 1997, and the results of its operations for the year then ended, on the basis of accounting described in Note 2.

As discussed in Note 14 to the combined financial statements - statutory basis, the Commonwealth of Massachusetts has changed its reporting requirements for the combined financial statements - statutory basis.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements - statutory basis taken as a whole. The combining and individual fund statements - statutory basis, and required supplemental information listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the combined financial statements - statutory basis of the Commonwealth of Massachusetts. These statements, schedules and required supplemental information are also the responsibility of the management of the Commonwealth of Massachusetts. Such additional information has been subjected to the auditing procedures applied in the audit of the combined financial statements - statutory basis and, based on our audit and the reports of other auditors, in our opinion, is fairly stated in all material respects in relation to the combined financial statements - statutory basis taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and accordingly, we express no opinion on such data.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 1997 on our consideration of the Commonwealth of Massachusetts internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the use of elected and appointed officials of the Commonwealth of Massachusetts and should not be used for any other purposes. This report is a matter of public record and its distribution is not limited.

Deloitte & Touche LLP

October 31, 1997

Combined Financial Statements -Statutory Basis

All Fund Types And Account Groups
Combined Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	Governmental Fund Types			Fiduciary Fund Types
	Budgeted	Non-budgeted Special Revenue	Capital Projects	Trust and Agency
ASSETS AND OTHER DEBITS				
Cash and short-term investments.....	\$ 2,371,364	\$ 180,050	\$ 249,818	\$ 1,229,252
Cash on deposit with U.S. Treasury.....	-	-	-	1,222,725
Cash with fiscal agent.....	24,823	-	-	-
Investments.....	-	-	-	19,528,772
Advances to related entity.....	229,063	-	-	-
Assets held in trust.....	-	-	-	1,708,422
Receivables, net of allowance for uncollectibles:				
Taxes.....	6,486	949	-	-
Due from federal government.....	371,546	137,705	165,528	-
Other receivables.....	52,776	2,282	-	218,393
Due from cities and towns.....	141,580	-	-	-
Due from other funds.....	3,657	-	-	-
Fixed assets:				
Land.....	-	-	-	-
Buildings.....	-	-	-	-
Machinery and equipment.....	-	-	-	-
Construction in progress.....	-	-	-	-
Amount to be provided for retirement of long-term obligations	-	-	-	-
Total assets and other debits.....	\$ 3,201,295	\$ 320,986	\$ 415,346	\$ 23,907,564
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Deficiency in cash and short-term investments.....	\$ 1,206,082	\$ 19,479	\$ 215,644	\$ -
Accounts payable.....	585,985	145,037	331,239	520,792
Accrued payroll.....	15,182	592	240	34
Other liabilities.....	-	-	-	2,469,062
Due to cities and towns.....	-	-	-	20,142
Due to federal government.....	-	-	-	-
Due to other funds.....	-	-	-	3,657
Capital leases.....	-	-	-	-
Bonds and notes payable.....	-	-	-	-
Total liabilities.....	1,807,249	165,108	547,123	3,013,687
Fund equity and other credits:				
Investment in general fixed assets.....	-	-	-	-
Fund balances (deficit):				
Reserved for:				
Continuing appropriations.....	180,260	-	-	-
Commonwealth stabilization.....	799,300	-	-	-
Tax reduction fund-current.....	91,764	-	-	-
Tax reduction fund-future.....	-	-	-	-
Debt service.....	44,891	-	-	-
Employees' pension benefits.....	-	-	-	19,560,061
Unemployment benefits.....	-	-	-	1,222,725
Capital projects.....	-	-	229,800	-
Unreserved:				
Designated for specific purpose.....	-	155,878	-	111,091
Undesignated.....	277,831	-	(361,577)	-
Total fund equity (deficit) and other credits.....	1,394,046	155,878	(131,777)	20,893,877
Total liabilities, fund equity and other credits.....	\$ 3,201,295	\$ 320,986	\$ 415,346	\$ 23,907,564

See notes to combined financial statements - statutory basis.

Account Groups		Totals (Memorandum Only)	
General Fixed Assets	General Long-term Obligations	1997	1996
\$ -	\$ -	\$ 4,030,484	\$ 2,897,318
-	-	1,222,725	761,987
-	-	24,823	22,571
-	-	19,528,772	16,205,800
-	-	229,063	227,512
-	-	1,708,422	1,648,336
-	-	7,435	3,715
-	-	674,779	467,831
-	-	273,451	189,534
-	-	141,580	138,766
-	-	3,657	7,901
564,854	-	564,854	534,160
3,700,765	-	3,700,765	3,867,046
1,177,749	-	1,177,749	978,158
121,370	-	121,370	43,334
-	10,402,669	10,402,669	10,167,746
<u>\$ 5,564,738</u>	<u>\$ 10,402,669</u>	<u>\$ 43,812,598</u>	<u>\$ 38,161,715</u>
\$ -	\$ -	\$ 1,441,205	\$ 666,528
-	-	1,583,053	1,297,336
-	-	16,048	42,527
-	-	2,469,062	2,344,033
-	-	20,142	18,147
-	-	-	51
-	-	3,657	7,901
-	131,375	131,375	102,168
-	10,271,294	10,271,294	10,305,578
-	10,402,669	15,935,836	14,784,269
5,564,738	-	5,564,738	5,422,698
-	-	180,260	240,773
-	-	799,300	543,303
-	-	91,764	150,000
-	-	-	81,722
-	-	44,891	22,571
-	-	19,560,061	15,956,271
-	-	1,222,725	761,987
-	-	229,800	-
-	-	266,969	281,056
-	-	(83,746)	(82,935)
<u>5,564,738</u>	<u>-</u>	<u>27,876,762</u>	<u>23,377,446</u>
<u>\$ 5,564,738</u>	<u>\$ 10,402,669</u>	<u>\$ 43,812,598</u>	<u>\$ 38,161,715</u>

All Governmental Fund Types And Expendable Trust Funds
Combined Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	Governmental Fund Types		
	Budgeted	Non-budgeted Special Revenue	Capital Projects
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ 12,864,501	\$ 9,918	\$ -
Assessments.....	226,070	330,723	-
Federal grants and reimbursements.....	3,019,692	1,213,554	1,035,630
Departmental.....	1,107,736	3,442,527	353
Miscellaneous.....	169,223	32,735	1,736
Total revenues.....	17,387,222	5,029,457	1,037,719
Other financing sources:			
Proceeds of general obligation bonds.....	-	-	899,471
Proceeds of special obligation bonds.....	-	-	-
Proceeds of refunding bonds.....	-	-	722,621
Fringe benefit cost recovery.....	197,667	-	-
Lottery reimbursements.....	76,486	5,024	-
Lottery distributions.....	685,137	-	-
Transfer for MBTA contract assistance.....	137,869	-	-
Sewer rate relief.....	-	54,398	-
Caseload mitigation.....	128,000	-	-
Surplus transfer to capital projects.....	-	-	89,503
Capital investment trust fund transfer.....	-	-	229,800
Operating transfers in.....	176,732	28,078	-
Collective bargaining reserve.....	50,000	-	-
Stabilization transfer.....	234,253	-	-
Transfer for tax reduction.....	150,000	-	-
State share of federal highway construction.....	-	-	175,958
Other sources.....	-	-	-
Total other financing sources.....	1,836,144	87,500	2,117,353
Total revenues and other financing sources.....	19,223,366	5,116,957	3,155,072
EXPENDITURE AND OTHER FINANCING USES			
Expenditures:			
Legislature.....	48,968	-	1,643
Judiciary.....	426,054	2,121	9,176
Inspector General.....	1,602	-	728
Governor and Lieutenant Governor.....	5,263	-	-
Secretary of the Commonwealth.....	16,358	780	1,352
Treasurer and Receiver-General.....	96,590	2,583,437	21,337
Auditor of the Commonwealth.....	12,766	-	600
Attorney General.....	23,531	3,071	1,694
Ethics Commission.....	1,193	-	-
District Attorney.....	60,335	931	31
Office of Campaign & Political Finance.....	670	-	-
Disabled Persons Protection Commission.....	1,429	47	-
Board of Library Commissioners.....	3,862	2,495	14,395
Comptroller.....	6,730	-	1,756
Administration and finance.....	992,637	66,361	235,607
Environmental affairs.....	178,577	23,381	107,020
Health and human services.....	3,577,268	657,246	39,150
Transportation and construction.....	794,087	12,486	1,657,581
Education.....	179,540	389,569	19,494
Educational affairs.....	-	-	-
Higher education.....	806,470	4,358	6,767
Public safety.....	827,995	28,455	23,724
Economic development.....	163,890	225,943	71,057
Elder affairs.....	140,834	25,982	93

Fiduciary Fund Type	Totals (Memorandum Only)	
Expendable Trust	1997	1996
\$ 1,174,332	\$ 14,048,751	\$ 13,189,317
1,686	558,479	558,852
29,701	5,298,577	5,166,947
6,724	4,557,340	4,486,962
214,808	418,502	464,657
1,427,251	24,881,649	23,866,735
-	899,471	939,658
-	-	147,457
-	722,621	-
-	197,667	216,887
-	81,510	76,558
-	685,137	651,496
-	137,869	157,523
-	54,398	23,200
-	128,000	-
-	89,503	-
-	229,800	-
6,971	211,781	424,489
-	50,000	60,000
-	234,253	177,405
-	150,000	231,722
-	175,958	132,423
2,073	2,073	2,155
9,044	4,050,041	3,240,973
1,436,295	28,931,690	27,107,708
-	50,611	48,889
229	437,580	405,530
-	2,330	1,875
-	5,263	4,682
5	18,495	17,251
7,033	2,708,397	2,591,407
285	13,651	12,614
1,724	30,020	27,082
-	1,193	1,139
3,215	64,512	58,743
-	670	652
-	1,476	1,395
-	20,752	14,903
-	8,486	9,079
5,320	1,299,925	1,140,948
7,613	316,591	333,479
18,299	4,291,963	4,345,850
2,609	2,466,763	2,232,468
1,140	589,743	525,672
-	-	13,696
103	817,698	763,545
2,967	883,141	865,286
2,732	463,622	534,208
50	166,959	162,180

All Governmental Fund Types And Expendable Trust Funds
Combined Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	Governmental Fund Types		
	Budgeted	Non-budgeted Special Revenue	Capital Projects
Expenditures (continued):			
Consumer affairs.....	35,367	1,586	43
Labor.....	38,213	154,856	7
Direct local aid.....	3,558,139	6,514	-
Medicaid.....	3,455,531	-	-
Pension.....	1,069,184	-	-
Debt service:			
Principal retirement.....	750,459	2,210	-
Interest and fiscal charges.....	525,080	537	-
Total expenditures.....	17,798,622	4,192,366	2,213,248
Other financing uses:			
Payments to refunded bond escrow agent.....	-	-	722,621
Fringe benefit cost assessment.....	63,017	42,617	16,990
Lottery operating reimbursements.....	-	81,510	-
Lottery distributions.....	-	685,137	-
Transfer for MBTA contract assistance.....	137,869	-	-
State share of federal highway construction.....	-	59,753	116,205
Operating transfers out.....	66,866	77,804	211
Sewer rate relief.....	54,398	-	-
Collective bargaining reserve.....	50,000	-	-
Caseload mitigation.....	128,000	-	-
Capital investment trust fund transfer.....	229,800	-	-
Surplus transfer for capital projects.....	89,503	-	-
Stabilization transfer.....	234,253	-	-
Transfer for tax reduction.....	150,000	-	-
Total other financing uses.....	1,203,706	946,821	856,027
Total expenditures and other financing uses.....	19,002,328	5,139,187	3,069,275
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	221,038	(22,230)	85,797
Fund balances (deficits) at beginning of year.....	1,173,008	178,108	(217,574)
Fund balances (deficits) at end of year.....	\$ 1,394,046	\$ 155,878	\$ (131,777)

See notes to combined financial statements - statutory basis.

Fiduciary Fund Type	Totals (Memorandum Only)	
	1997	1996
Expendable Trust		
7,098	44,094	41,805
837,727	1,030,796	968,918
-	3,564,653	3,251,965
-	3,455,531	3,415,949
-	1,069,184	1,004,551
-	752,669	684,266
-	525,617	507,515
898,149	25,102,385	23,987,542
-	722,621	-
2,365	124,989	139,164
-	81,510	76,558
-	685,137	651,496
-	137,869	157,523
-	175,958	132,423
66,900	211,781	424,489
-	54,398	23,200
-	50,000	60,000
-	128,000	-
-	229,800	-
-	89,503	-
-	234,253	177,405
-	150,000	231,722
69,265	3,075,819	2,073,980
967,414	28,178,204	26,061,522
468,881	753,486	1,046,186
859,100	1,992,642	946,456
\$ 1,327,981	\$ 2,746,128	\$ 1,992,642

Budgeted Funds

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ 12,188,000	\$ 12,864,501	\$ 676,501
Assessments.....	-	226,070	226,070
Federal grants and reimbursements.....	2,974,900	3,019,692	44,792
Departmental.....	1,271,100	1,107,736	(163,364)
Miscellaneous.....	-	169,223	169,223
Total revenues.....	16,434,000	17,387,222	953,222
Other financing sources:			
Fringe benefit cost recovery.....	-	197,667	197,667
Lottery reimbursements.....	86,539	76,486	(10,053)
Lottery distributions.....	631,543	685,137	53,594
Transfer for MBTA contract assistance.....	-	137,869	137,869
Caseload mitigation.....	-	128,000	128,000
Operating transfers in.....	212,018	176,732	(35,286)
Collective bargaining reserve.....	-	50,000	50,000
Stabilization transfer.....	-	234,253	234,253
Transfer for tax reduction.....	-	150,000	150,000
Total other financing sources.....	930,100	1,836,144	906,044
Total revenues and other financing sources.....	17,364,100	19,223,366	1,859,266
EXPENDITURE AND OTHER FINANCING USES			
Expenditures:			
Legislature.....	70,895	48,968	21,927
Judiciary.....	438,291	426,054	12,237
Inspector General.....	1,612	1,602	10
Governor and Lieutenant Governor.....	6,364	5,263	1,101
Secretary of the Commonwealth.....	17,166	16,358	808
Treasurer and Receiver-General.....	105,470	96,590	8,880
Auditor of the Commonwealth.....	12,770	12,766	4
Attorney General.....	23,825	23,531	294
Ethics Commission.....	1,193	1,193	-
District Attorney.....	60,959	60,335	624
Office of Campaign & Political Finance.....	671	670	1
Disabled Persons Protection Commission.....	1,434	1,429	5
Board of Library Commissioners.....	3,874	3,862	12
Comptroller.....	6,763	6,730	33
Administration and finance.....	1,153,308	992,637	160,671
Environmental affairs.....	197,273	178,577	18,696
Health and human services.....	3,694,642	3,577,268	117,374
Transportation and construction.....	797,186	794,087	3,099
Education.....	184,708	179,540	5,168
Higher education.....	812,886	806,470	6,416
Public safety.....	847,634	827,995	19,639
Economic development.....	172,180	163,890	8,290
Elder affairs.....	141,830	140,834	996
Consumer affairs.....	37,303	35,367	1,936
Labor.....	42,533	38,213	4,320
Direct local aid.....	3,566,896	3,558,139	8,757
Medicaid.....	3,517,736	3,455,531	62,205
Pension.....	1,075,560	1,069,184	6,376
Debt service:			
Principal retirement.....	777,895	750,459	27,436
Interest and fiscal charges.....	542,595	525,080	17,515
Total expenditures.....	18,313,452	17,798,622	514,830
Other financing uses:			
Fringe benefit cost assessment.....	-	63,017	(63,017)
Transfer for MBTA contract assistance.....	137,869	137,869	-
Operating transfers out.....	66,866	66,866	-
Sewer rate relief.....	54,398	54,398	-
Collective bargaining reserve.....	50,000	50,000	-
Caseload mitigation.....	128,000	128,000	-
Capital investment trust fund transfer.....	229,800	229,800	-
Surplus transfer for capital projects.....	-	89,503	(89,503)
Stabilization transfer.....	100,000	234,253	(134,253)
Transfer for tax reduction.....	150,000	150,000	-
Total other financing uses.....	916,933	1,203,706	(286,773)
Total expenditures and other financing uses.....	19,230,385	19,002,328	228,057
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,866,285)	221,038	2,087,323
Fund balances at beginning of year.....	1,173,008	1,173,008	-
Fund balances (deficits) at end of year.....	\$ (693,277)	\$ 1,394,046	\$ 2,087,323

See notes to combined financial statements - statutory basis.

Nonexpendable Trust Fund

Statement Of Revenues, Expenses And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
Operating revenues:		
Investment earnings.....	\$ -	\$ -
Total operating revenues.....	-	-
Operating expenses:		
Administration.....	-	2
Total operating expenses.....	-	2
Net income (deficit).....	-	(2)
Fund balances at beginning of year.....	5,835	5,837
Fund balances at end of year.....	\$ 5,835	\$ 5,835

See notes to combined financial statements - statutory basis.

Pension Trust Funds

Combined Statement of Changes in Net Assets Available for Pension Benefits - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
Additions:		
Commonwealth contributions.....	\$ 899,048	\$ 850,841
Employees contributions.....	457,530	449,210
Total contributions.....	1,356,578	1,300,051
Net investment income:		
Net appreciation in fair value of investments.....	2,823,841	1,786,940
Interest.....	368,654	363,645
Dividends.....	158,922	125,716
Real estate operating income, net.....	54,525	37,929
Alternative investments.....	27,457	14,943
Other.....	156	2,915
Total investment income.....	3,433,555	2,332,088
Less: investment expense.....	60,703	43,406
Net investment income.....	3,372,852	2,288,682
Total additions.....	4,729,430	3,588,733
Deductions:		
Administration.....	3,688	3,673
Retirement benefits and refunds.....	1,121,952	1,083,898
Total deductions.....	1,125,640	1,087,571
Net increase	3,603,790	2,501,162
Net assets available for pension benefits at beginning of year (fund balances reserved for employees' pension benefits).....	15,956,271	13,455,109
Net assets available for pension benefits at end of year (fund balances reserved for employees' pension benefits).....	\$ 19,560,061	\$ 15,956,271

See notes to combined financial statements - statutory basis.

1. FINANCIAL STATEMENT PRESENTATION

Introduction – The accompanying combined financial statements – statutory basis 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. The Office of the Comptroller also publishes the Commonwealth's Comprehensive Annual Financial Report (CAFR) which is prepared on the basis of generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board, the authoritative standard-setting body for establishing governmental accounting and financial reporting principles.

The combined financial statements – statutory basis include all budgeted and non-budgeted funds and account groups 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 combined financial statements – statutory basis 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.

Statutory Basis Accounting – The Commonwealth reports its statutory basis financial position and results of operations in funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. Transactions between funds within a fund type, if any, have not been eliminated.

Account groups are accounting entities used to provide accountability for the Commonwealth's general fixed assets and long-term obligations. They are not considered funds because they do not report expendable available financial resources and related liabilities.

The Fund types and account groups are organized as follows:

Governmental Fund Types - accounts 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. Major budgeted funds include the General, Highway and Local Aid funds which are identified by the Comptroller as the operating funds of the Commonwealth.

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

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 from proceeds of general obligation bonds and operating transfers authorized by the Legislature, which are generally received after the expenditure has been incurred, and from federal reimbursements. Deficit balances in Capital Projects Funds represent amounts to be financed.

Fiduciary Fund Types – account for assets held by the Commonwealth in a trustee capacity (Trust Funds), or as an agent (Agency Funds) for individuals, private organizations, other governmental units, and/or other funds.

Expendable Trust Funds – account for trusts whose principal and investment income may be expended for their designated purpose.

Nonexpendable Trust Funds – account for trusts whose principal cannot be spent.

Pension Trust Funds – account for the net assets available for plan benefits held in trust for the State Employees' and Teachers' Retirement Systems.

Agency Funds – account for assets the Commonwealth holds on behalf of others. Agency Funds are custodial in nature and do not involve measurement of operations.

Account Groups – establish control and accountability over the Commonwealth's general fixed assets and long-term obligations.

General Fixed Assets Account Group – accounts for the general fixed assets of the Commonwealth.

General Long-term Obligations Account Group – accounts for long-term bonds and notes issued by the Commonwealth, capital leases, and certificates of participation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statutory Basis of Accounting – The Statutory Basis Financial Report is prepared from the Commonwealth's books and records and other official reports which 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 Statutory Basis Financial Report is not intended to present the Commonwealth's financial condition and results of operations in conformity with GAAP.

Revenues are generally recognized when cash deposits are received by Treasury. However, revenues receivable for federal grants and reimbursements are recognized when related expenditures are incurred. Amounts due from political subdivisions of the Commonwealth are recognized when considered measurable and available. Deeds excise taxes are recognized at the time of collection by the counties.

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. 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.

The Pension Trust Funds are reported using a flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This measurement focus emphasizes the determination of net income.

The accounting policies followed in preparing the accompanying combined financial statements – statutory basis are described as follows.

Cash and Short-term Investments and Investments –

The Commonwealth follows the practice of pooling the cash and cash equivalents of its Governmental and

Fiduciary Funds. 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, Expendable Trust Funds and to certain Special Revenue Funds when so directed by law.

The Pension Trust Funds, with investments totaling \$18,969,226,000, at fair value, are permitted to make investments in equity securities, fixed income securities, real estate and other alternative investments. For investments traded in an active market, the fair value of the investment will be its market price. The Pension Trust Funds include investments in real estate, venture capital funds, real estate funds, limited partnerships, futures pools, international hedge pools, commodities pools, balanced pools, leverage buyouts, private placements and other alternative investments. The structure, risk profile, return potential and marketability differ from traditional equity and fixed income investments. Concentration of credit risk exists if a number of companies in which the fund has invested are engaged in similar activities and have similar economic characteristics that could cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. To mitigate the exposure to concentrations of risk, the Pension Trust Funds invest in a variety of industries located in diverse geographic areas. As of June 30, 1997, the estimated fair values, determined by management with input from the investment managers, of these real estate and alternative investments were \$1,539,701,000 the Pension Trust Funds, representing .8% of the total assets of the Fiduciary Fund Type.

Securities Lending Program – The Pension Trust Funds participate in securities lending programs. Under these programs, the Trusts receive a fee for allowing brokerage firms to borrow certain securities for a predetermined period of time, securing such loans with cash or collateral typically equaling 102% to 105% of the fair value of the security borrowed. At June 30, 1997, the market value of the securities on loan from the Pension Reserve Investment Trust (PRIT) was approximately \$1,026,000,000. The value of the collateral held by PRIT amounted to \$1,057,000,000 at June 30, 1997. The PRIT securities on loan were collateralized at all times by US Treasury securities of at least 100% of the value.

Receivables – Receivables are stated net of estimated allowances for uncollectible accounts. Reimbursements due to the Commonwealth for its expenditures on

federally-funded reimbursement and grant programs are reported as "Due from federal government."

Advances to Related Entity – The Commonwealth periodically provides working capital advances to the Massachusetts Bay Transportation Authority (MBTA) to fund its net cost of service. A portion of these advances is financed by sales of short-term notes which are repaid through subsequent appropriations by the Legislature and assessments to cities and towns for their respective shares of the MBTA's net cost of service.

Inventories – The costs of materials and supplies are recorded as expenditures in Governmental Funds when purchased. Such inventories are not material in total to the financial statements and therefore are not recorded.

General Fixed Assets – General fixed asset acquisitions are recorded as expenditures in the acquiring fund and capitalized in the General Fixed Assets Account Group in the year purchased. General fixed assets are recorded at historical cost, or at estimated historical cost if actual historical cost is not available. Donated fixed assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized.

The Commonwealth capitalizes all land. It capitalizes buildings and equipment, including computer software, with costs in excess of fifteen thousand dollars at the date of acquisition and with expected useful lives greater than one year. Interest incurred during construction is not material and is not capitalized. Public domain general fixed assets and infrastructure (roads, bridges, tunnels, dams, water and sewer systems, etc.) are not capitalized. No depreciation is provided on general fixed assets.

Interfund/Intrafund Transactions – During the course of its operations, the Commonwealth records transactions between funds and/or between departments. On the statutory basis, transactions between Governmental and Fiduciary Fund Types are recorded as adjustments to the funds' cash accounts. As a result, a fund may report a deficiency in cash and short-term investments.

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

Risk Financing – The Commonwealth does not insure for employees workers' compensation, casualty, theft, tort

claims and other losses. Such liabilities are not recognized 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 in FY97 by the Public Employee Retirement Administration Commission. For personal injury or property damages, Chapter 258 of the Massachusetts General Laws (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.

The Commonwealth has entered into agreements for insurance for Central Artery/Third Harbor Tunnel Project workers' compensation and certain other claims that may arise in the course of the Project. This special arrangement has been approved by the Federal Highway Administration as a cost-effective method to fund current and potential future claims by contractors, workers, and other parties affected by the project. Pursuant to the agreement, the Commonwealth conveys a sum of money to the agent each month. This amount includes both federal and state share. The agent manages and settles all claims. At the conclusion of the program, the balance remaining, if any, will be returned to the Commonwealth and the federal government. The monthly amount conveyed to the agent is accounted for (on the statutory basis of accounting) as an expenditure in the Federal Highway Capital Projects Fund.

Encumbrances – Encumbrance accounting is utilized in the Governmental Fund Types 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 are reported as statutory basis liabilities and expenditures; excess encumbrances are lapsed.

Fringe Benefit Cost Recovery – The Commonwealth appropriates and pays the fringe benefit costs of its employees and retirees through the General Fund and the Intragovernmental Service 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 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 \$197,667,000 in the budgeted funds are offset by fringe benefit costs assessments of \$124,989,000 in the governmental fund types and the expendable trust funds. In addition, \$72,678,000 is assessed against the higher education non-appropriated activity which is not included in the combined financial statements - statutory basis.

Compensated Absences – 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 then-current rate of pay. Vacation and sick leave are recorded as expenditures when paid.

Fund Balances – The Commonwealth reports fund balances as reserved where legally restricted for a specific future use. Otherwise, these balances are considered unreserved.

Fund balance has been reserved as follows:

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

“Reserved for Commonwealth stabilization” – identifies amounts set aside in the Commonwealth Stabilization Fund according to Section 5 and 5C of Chapter 29.

“Reserved for tax reduction fund - current and future” - identifies the amount set aside according to Section 6 of Chapter 29B of the Massachusetts General Laws. The amount can only be used to reduce personal income taxes as provided in the Chapter.

“Reserved for debt service” – identifies amounts held by fiscal agents to fund future debt service obligations pertaining to the Commonwealth Fiscal Recovery Loan Act of 1990, and to Special Obligation Revenue Bonds authorized under Section 20 of Chapter 29 of the Massachusetts General Laws and Chapter 33, Acts of 1991.

“Reserved for employees’ pension benefits” – identifies

the net assets of the Commonwealth’s public employee retirement systems which cannot be used for any other purpose.

“Reserved for unemployment benefits” – identifies amounts reserved for payment of unemployment compensation.

“Reserved for capital projects” - identifies amounts reserved for capital projects.

Unreserved fund balance is segregated into two components:

“Designated for specific purpose” – identifies all unreserved fund balances for which the Legislature or Executive Branch has evidenced an intention to restrict for a specific purpose.

“Undesignated” – consists of cumulative surpluses or deficits of the Governmental Fund Types not otherwise designated.

Reclassification – Certain reclassifications have been made to the 1996 account balances to conform to the presentation used in 1997.

In instances where reorganization resulted in departments changing secretariats in 1997, prior year numbers have been restated. Changes in individual programs or items of appropriation have not been restated.

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 appropriations 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 account's expenditure budget.

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 to allocate fringe benefits and other costs which are mandated by state finance law are not itemized in the appropriation process or separately budgeted.

The original fiscal year 1997 appropriations act was Chapter 151, Acts of 1996. This appropriation act authorized \$16,664,007,000 in direct appropriations. In addition, the act continued \$814,203,000 in authorizations to retain and expend certain non-tax revenues of which \$783,274,000 was estimated to be collected and expended, plus \$99,230,000 of interagency chargebacks. Chapter 151 included estimates of \$12,188,000,000 in tax revenues and approximately \$5,152,000,000 in non-tax revenues. With these revenues (exclusive of chargebacks) projected to total approximately \$17,340,000,000 and with unreserved balances of approximately \$134,044,000 carried forward from the fiscal year 1996, the budget as presented in this original appropriation act was considered to be in balance.

During fiscal year 1997, the Legislature also passed and the Governor signed, with some modification through veto, Chapters 204, 365, 414, 435 of the Acts of 1996, and Chapters 1, 10, and 36 of the Acts of 1997, which included numerous supplemental budgetary appropriations. These supplements added \$136,808,000 in direct appropriations and \$2,445,000 in additional retained revenue authorizations.

Subsequent to June 30, 1997 the Legislature passed and the Governor signed Chapters 43, 48, and 88 of the Acts of 1997 which included \$223,392,000 in additional supplemental appropriations \$20,260,000 in additional retained revenue authorizations and \$50,000 in additional interagency chargebacks. The cumulative fiscal year 1997 appropriations, retained revenues, and interagency chargebacks totaled \$17,960,395,000. Appropriations

continued from fiscal year 1996 totaled approximately \$240,773,000, and certain interfund transfers directed by statute totaled approximately \$1,029,216,000.

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 discrepancy to separately published budget documents. 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 statutorily required to pay debt service, regardless of whether such amounts are appropriated. In addition, certain interfund assessments to allocate fringe benefits and other costs which are mandated by state finance law are not itemized in the appropriation process or separately budgeted.

The following table isolates this interfund activity from the budgeted sources and uses to align more clearly forecasts prepared during the budget process to the detailed fund accounting of the Commonwealth's statutory financial 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.....	\$19,223,366	\$19,002,328
Adjustments to revenues and expenditures		
Municipal transit assessments.....	(151,525)	(151,525)
Transfer to the Intragovernmental Service Fund Revenues.....	(83,622)	(83,622)
Adjustments to other financing sources and uses:		
MBTA subsidy transfer.....	(137,869)	(137,869)
Fringe benefit cost assessments.....	(63,017)	(63,017)
Transfer from the Intragovernmental Service Fund to the General Fund.....	(2,402)	(2,402)
Transfer from the Revenue Maximization Fund to the General Fund.....	(50,245)	(50,245)
RMV License Plates.....	(2,274)	(2,274)
Caseload Mitigation Transfers.....	(128,000)	(128,000)
Stabilization transfers.....	(234,253)	(234,253)
Collective Bargaining Reserve.....	(50,000)	(50,000)
Transfer to Tax Reduction Fund.....	(150,000)	(150,000)
Miscellaneous.....	(107)	(107)
Actual as presented on budgetary documents.....	\$18,170,052	\$17,949,014

Following is a list of budgeted funds grouped by

categories:

Major Budgeted Funds: General Fund, Highway Fund, Infrastructure Fund (subfund of Highway Fund) and Local Aid Fund.

Other Budgeted Funds: Commonwealth Stabilization Fund.

Administrative Control Funds: Tax Reduction Fund, Intergovernmental Service Fund, Revenue Maximization Fund, Collective Bargaining Reserve Fund and Commonwealth Fiscal Recovery Fund.

Environmental Funds: Natural Heritage and Endangered Species Fund, Mosquito and Greenhead Fly Control Fund, Inland Fisheries and Game Fund, Environmental Challenge Fund, Toxics Use Reduction Fund, Clean Environment Fund, Environmental Permitting and Compliance Assurance Fund, Underground Storage Tank Petroleum Product Cleanup Fund, Environmental Law Enforcement Fund, Public Access Fund, Harbors and Inland Waters Maintenance Fund, Marine Fisheries Fund, Watershed Management Fund, Low Level Radioactive Waste Management Fund, Asbestos Cost Recovery Fund, Clean Air Act Compliance Fund, Solid Waste Disposal Fund, and Second Century Fund.

Other Budgeted Special Revenue Funds: Antitrust Law Enforcement Fund, Victim and Witness Assistance Fund, Intercity Bus Capital Assistance Fund, Motorcycle Safety Fund, Drug Analysis Fund, Re-Employment and Job Placement Fund, Trust Fund for the Head Injury Treatment Services, Massachusetts Tourism Fund, Health Care Access Fund, Ponkapoag Recreational Fund, Leo J. Martin Recreation Fund, Division of Insurance Fund, Health Protection Fund, State Building Management Fund, Reggie Lewis Track & Athletic Center Fund, Assisted Living Administration Fund, Commonwealth Cost Relief Fund, Children's & Senior's Health Fund, Diversity Awareness Education Trust Fund, Caseload Increase Mitigation Fund, Division of Banks Fund, and University of Massachusetts Lowell Wannalancit Complex Building Management Fund.

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, Massachusetts Management Accounting and Reporting System (MMARS). Encumbrances and expenditures are not allowed to exceed the appropriation account's spending authorization.

4. DEPOSITS AND INVESTMENTS

The Commonwealth maintains a cash and short-term investment pool that is available for use by all funds. Each fund type's net equity in this pool is displayed on the combined balance sheet as either "Cash and short-term investments" or "Deficiency in cash and short-term investments." The investments of the Pension Trust Funds are held and managed in separate and pooled trusts.

The Office of the Treasurer and Receiver-General (the "Treasury") manages the Commonwealth's short-term investment pool. Statutes authorize investment in obligations of the U.S. Treasury, authorized bonds of all states, banker's acceptances, certificates of deposit, commercial paper rated within the three highest classifications established by Standard & Poor's Corporation and Moody's Commercial Paper Record and repurchase agreements that any of these obligations secure. Such investments are carried at cost, which approximates market.

The pooled cash and short-term investments at June 30, 1997 are as follows (amounts in thousands):

	Carrying Value
Cash.....	\$ 22,092
Certificates of deposit.....	277,735
	<u>299,827</u>
Short-term investments:	
U.S. Treasury obligations.....	100,000
Commercial paper.....	208,167
Short-term investment pool.....	394,821
Repurchase agreements.....	809,000
Money market investments	802,287
Total.....	<u>\$ 2,614,102</u>

Pooled cash and short-term investments include the following:

Cash & short-term investments.....	\$ 4,030,484
Cash with fiscal agent.....	24,823
Deficiency in cash and short-term investments.....	(1,441,205)
Total.....	<u>\$ 2,614,102</u>

The Pension Trust Funds have invested a significant portion of their portfolios into a pooled trust which accounts for their operations in a manner similar to a mutual fund. The pooled trust is permitted to invest in equity securities, fixed income securities, real estate and

equity securities, fixed income securities, real estate and other alternative investments.

In July 1996, the Governor signed into law Chapter 315 of the Acts of 1996. This law became effective November 7, 1996 and merged the two state pension funds - Massachusetts State Teachers and Employee Retirement Systems Trust (MASTERS) and the Pension Reserve Investment Trust (PRIT). The transfer of assets from MASTERS to PRIT occurred on January 1, 1997.

The investments are carried at fair value. At June 30, 1997, they are as follows (amounts in thousands):

	Amount
Investments:	
Equity securities.....	\$ 10,225,253
U.S. government and government agency securities...	2,802,405
Fixed income securities.....	1,352,409
Real estate.....	753,996
Alternative investments.....	785,704
International investments.....	3,609,005
Total.....	<u>\$ 19,528,772</u>

Financial Instruments with Off-Balance Sheet Risk - Certain investments of the Commonwealth may involve a degree of risk not accounted for on the respective financial statements. A description of such "off-balance sheet risks" are as follows:

Forward Currency Contracts - The Pension Trust Funds enter into forward currency contracts to hedge the exposure to change in foreign currency exchange rates on foreign portfolio holdings. The market value of the contract will fluctuate with changes in currency exchange rates. Risks may arise upon entering these contracts from the potential inability of counterparts to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

When the contract is closed, the Pension Trust Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Fluctuations in the value of forward currency contracts are recorded as unrealized gains or losses by the Pension Trust Funds.

Future Contracts - The Pension Trust Funds may purchase and sell financial futures contracts to hedge against changes in the values of securities the fund owes or expects to purchase. Upon entering such contracts, they must pledge to the broker an amount of cash or securities equal to a percentage of the contract amount.

The potential risk is that the change in the value of futures contracts primarily corresponds with the value of underlying instruments which may correspond to the change in value of the hedged instruments. In addition, there is a risk that PRIT may not be able to close out its future positions due to a non-liquid secondary market. Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The Pension Trust Funds may also invest in financial futures contracts for non-hedging purposes.

Payments are made or received by the Pension Trust Funds each day, depending on the daily fluctuations in the value of the underlying security and are recorded as unrealized gains or losses. When the contracts are closed, the Pension Trust Funds recognize a realized gain or loss.

Options - PRIT is also engaged in selling or "writing" options. The Pension Trust Funds, as writers of options, may have no control over whether the underlying securities may be sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the security underlying the written option. As of June 30, 1997, there were no material options outstanding.

5. SHORT-TERM FINANCING AND CREDIT AGREEMENTS

Massachusetts General Laws authorize the Treasurer to issue temporary notes in anticipation of revenue or bond financing. When this short-term debt does not meet long-term financing criteria, it is classified among fund liabilities.

General Fund - The Commonwealth is authorized by Massachusetts General Laws to issue short-term notes to finance working capital advances to the MBTA. The Commonwealth retires these notes through subsequent appropriations and assessments to cities and towns. There were no such notes outstanding at June 30, 1997.

The balance of revenue anticipation notes (RANs) outstanding fluctuates during the fiscal year but must be reduced to zero at June 30. During fiscal year 1997, there were no RANs issued or outstanding.

Capital Projects Funds - The Commonwealth may issue bond anticipation notes (BANs) to temporarily finance its capital projects, but it must reduce the balance to \$200,000,000 at June 30. During fiscal year 1997, there were no BANs issued or outstanding.

Section 9 of Chapter 11 of the Acts of 1997 authorized the Commonwealth to sell up to \$1,000,000,000 in Grant Anticipation Notes (GANS) in anticipation of receipt of federal funds related to Central Artery/Third Harbor Tunnel projects. During 1997 there were no GANS issued or outstanding.

Letter-of-Credit Agreements – During fiscal year 1997, the Commonwealth maintained letter-of-credit agreements with several banks in order to provide credit and liquidity support for its commercial paper program. The letters of credit were available to secure up to \$400,000,000 of Commonwealth commercial paper plus interest thereon. Advances were available, subject to certain limitations and bearing interest at the bank rate as defined, in anticipation of revenue or bond proceeds and repayable by the following June 30, subject to extension in certain circumstances, at the Commonwealth's option. No such advances were drawn during the fiscal year ended June 30, 1997, or subsequent thereto. These agreements expire October 31, 1997 through September 1, 1998. The average costs are approximately .07% on unutilized amounts and approximately .10% on utilized amounts.

Line-of-Credit Agreement – During fiscal year 1997, the Commonwealth maintained a line of credit with a bank to provide liquidity support for up to \$200,000,000 of commercial paper notes. The line of credit expires September 30, 1999. The average costs of all the lines of credit are approximately .06% on unutilized amounts and approximately .08% on utilized amounts.

6. LONG-TERM BONDS

Under the Constitution of the Commonwealth of Massachusetts, the Commonwealth may borrow money (a) for defense, (b) in anticipation of receipts from taxes or other sources, any such loan to be paid out of the revenue of the year in which the loan is made, or (c) by a two-thirds vote of the members of each house of the Legislature present and voting thereon. The Constitution further provides that borrowed money shall not be expended for any other purpose than that for which it was borrowed or for the reduction or discharge of the principal of the loan. In addition, the Commonwealth may give, loan or pledge its credit by a two-thirds vote of the members of each house of the Legislature present and voting thereon, but such credit may not in any manner be given or loaned to or in aid of any individual, or of any private association, or of any corporation which is privately owned or managed.

The Commonwealth has waived its sovereign immunity and consented to be sued on contractual obligations, including bonds and notes issued by it and all claims with respect thereto. However, the property of the Commonwealth is not subject to attachment or levy to pay a judgment, and the satisfaction of any judgment generally requires legislative appropriation. Enforcement of a claim for the payment of principal or interest on bonds and notes of the Commonwealth may also be subject to the provisions of federal or Commonwealth statutes, if any, enacted to extend the time for payment or impose other constraints upon enforcement.

As of June 30, 1997, the Commonwealth had four types of bonds outstanding: general obligation, dedicated income tax, college opportunity, and special obligation. The general obligation bonds are authorized and issued primarily to provide funds for Commonwealth-owned capital projects and local government improvements. They are backed by the full faith and credit of the Commonwealth and paid from the Governmental Funds, in which debt service principal and interest payments are appropriated. Massachusetts General Laws provide for the allocation of bond proceeds to these authorizations in arrears, as expenditures are made, unless the proceeds are allocated at the time of issuance.

During fiscal year 1991, dedicated income tax bonds were issued as authorized by Chapter 151, Acts of 1990, to finance the combined net undesignated fund deficit in the General and Local Aid Funds at June 30, 1990. These bonds are designated Fiscal Recovery Loan, Act of 1990, and they are secured by the pledge of certain dedicated income tax revenues and the investment earnings thereon, as well as the full faith and credit of the Commonwealth.

The Commonwealth issues college opportunity bonds as authorized by the Massachusetts General Laws. These bonds are backed by the full faith and credit of the Commonwealth. At June 30, 1997, the Commonwealth has outstanding \$79,508,000 of such college opportunity bonds. Included in this amount is approximately \$34,598,000 of accreted interest.

The Commonwealth also issues special obligation revenue bonds as authorized by the Massachusetts General Laws. Such bonds may be secured by all or a portion of revenues credited to the Highway Fund and are not general obligations of the Commonwealth. At June 30, 1997, the Commonwealth had outstanding \$520,760,000 of such special obligation bonds, secured by a pledge of 6.86 cents of the 21 cent motor fuel excise tax imposed on gasoline.

For financial reporting purposes, long-term bonds are carried at their face amount, which includes discount and any issuance costs financed. The outstanding amount represents the total principal to be repaid; for capital appreciation bonds, it represents total principal and interest to be repaid. When short-term debt has been refinanced on a long-term basis, it is reported as outstanding at its face amount.

The amount of bonds authorized but unissued is measured in accordance with the statutory basis of accounting, with only the net proceeds (exclusive of discount and costs of issuance) deducted from the total authorized by the Legislature.

General obligation, dedicated income tax, college opportunity, and special obligation long-term bonds outstanding (including discount and issuance cost) and bonds authorized-unissued at June 30, 1997, are as follows (amounts in thousands):

Purpose	Outstanding Amounts	Maturities	Authorized - Unissued
Deficit Reduction:			
Fiscal Recovery.....	\$ 129,900	1997-1998	\$ 57,274
Capital Projects:			
General.....	4,996,155	1997-2025	4,912,029
Highway.....	3,668,189	1997-2016	6,143,163
Local Aid.....	1,414,517	1997-2015	699,855
Other.....	62,533	1997-2025	141,821
	<u>10,141,394</u>		<u>11,896,868</u>
Total.....	<u>\$ 10,271,294</u>		<u>\$ 11,954,142</u>

Interest rates on the Commonwealth's bonded debt outstanding at June 30, 1997 ranged from .10% to 14.13%.

Changes in long-term bonds outstanding (including discount and issuance cost) and bonds authorized - unissued for the year ended June 30, 1997 are as follows (amounts in thousands):

	Bonds Outstanding	Authorized - Unissued
Balance July 1, 1996.....	\$ 10,065,578	\$ 8,182,843
General and Special obligation bonds:		
Principal less discount and issuance costs	899,471	(899,471)
Discount and issuance costs.....	33,843	
General obligation refunding bonds:		
Principal of bonds issued.....	722,621	
Refunded bonds.....	(697,550)	
Increase in bonds authorized.....		4,707,040
Bonds retired.....	(752,669)	
Expiration of authorizations.....		(36,270)
Balance June 30, 1997.....	<u>\$ 10,271,294</u>	<u>\$ 11,954,142</u>

At June 30, 1997, debt service requirements to maturity for principal (including discount, capital appreciation and issuance costs) and interest are as follows (amounts in thousands):

Fiscal year ending June 30,	Principal	Interest	Total
1998.....	\$ 703,716	\$ 507,223	\$ 1,210,939
1999.....	635,187	469,489	1,104,676
2000.....	640,604	433,328	1,073,932
2001.....	658,470	401,017	1,059,487
2002.....	622,911	367,431	990,342
2002 and thereafter.....	7,010,406	2,210,459	9,220,865
Total.....	<u>\$ 10,271,294</u>	<u>\$ 4,388,947</u>	<u>\$ 14,660,241</u>

The Commonwealth issued bonds and notes under negotiated contracts and under competitive bidding contracts during fiscal year 1997. The costs for legal counsel and underwriting fees under competitive bond sale costs were estimated at \$152,000 and \$2,239,000, respectively. Negotiated legal fees and underwriter fees were estimated at \$97,000 and \$4,668,000 respectively.

Subsequent to June 30, 1997, the Commonwealth issued \$19,902,000 in college opportunity bonds with variable interest rates, \$250,000,000 in general obligation bonds with interest rates ranging from 5.00% to 5.75%, \$375,840,000 in general obligation refunding bonds with interest rates ranging from 4.5% to 5.75%, \$271,280,000 general obligation refunding bonds with variable interest rates and \$294,695,000 in special obligation bonds with interest rates ranging from 3.75% to 5.5%, which included \$191,080,000 in special obligation refunding bonds and \$103,615,000 in new issue special obligation bonds.

Advance Refunding and Defeased Bonds - As authorized by the Massachusetts General Laws, the Commonwealth advance refunded certain general obligation and other bonds through the issuance of \$722,621,000 of general obligation refunding bonds during fiscal year 1997. Proceeds totaling approximately \$741,997,000, including bond premiums, were used to purchase U. S. Government securities which were deposited in irrevocable trusts with an escrow agent to provide for all future debt service payments of the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the liabilities therefore have been removed from the General Long-term Obligations Account Group. As a result of these advance refundings, the Commonwealth decreased current year debt service payments and has taken advantage of lower interest rates, and it has decreased its aggregate debt service payments by approximately \$35,926,000 over the

next 20 years and will experience an economic gain (the difference between the present values of the debt service payments of the refunded and refunding bonds) of approximately \$30,074,000. At June 30, 1997, approximately \$665,955,000 of the bonds refunded remain outstanding and are considered defeased.

In prior years, the Commonwealth also defeased certain general obligation and other bonds by placing the proceeds of refunding bonds in irrevocable trusts to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the financial statements. At June 30, 1997, approximately \$2,701,874,000 of bonds outstanding from advance refundings in prior fiscal years are considered defeased.

Statutory Debt Limit –The Massachusetts General Laws establish limits on the amount of direct debt outstanding. By statutorily limiting the Commonwealth's ability to issue direct debt, this limit provides a control on annual capital spending. The direct debt limit for fiscal year 1997 was \$9,112,650,000. The limit increases 5% per year.

For purposes of determining compliance with the limit, outstanding direct debt is defined to include general obligation bonds and minibonds at the amount of their original net proceeds. It excludes bond anticipation notes and discount and issuance costs, if any, financed by these bonds. It also excludes dedicated income tax bonds, special obligation bonds, refunded bonds, and certain refunding bonds.

The amounts excluded from the limited are as follows (amounts in thousands):

	<u>Bond Outstanding</u>
Balance June 30, 1997.....	\$ 10,271,294
Less amounts excluded	
Discount and issuance cost.....	(735,393)
Fiscal Recovery Principal.....	(126,470)
Chapter 5 of the Acts of 1992 Refunding.....	(144,509)
Special Obligation Principal.....	(512,589)
Outstanding Direct Debt.....	<u>\$ 8,752,333</u>

7. LEASES

In order to finance the acquisition of equipment, the Commonwealth has entered into various lease/purchase agreements, including tax-exempt lease purchase (TELP) agreements, which are accounted for as capital leases. These agreements are for various terms and contain clauses indicating that their continuation is subject to appropriation by the Legislature. For the fiscal year ended June 30, 1997, lease/purchase expenditures under these agreements totaled approximately \$ 39,350,000. At June 30, 1997, the Commonwealth's aggregate outstanding liability under capital leases, the present value of the net minimum lease payments, totals \$131,375,000. This liability is reported in the General Long-Term Obligations Account Group. Equipment acquired under capital leases and included in the General Fixed Assets Account Group totaled approximately \$193,380,000.

The Commonwealth has numerous operating lease agreements for real property and equipment with varying terms. These agreements contain provisions indicating that continuation is subject to appropriation by the Legislature. Rental expenditure for the fiscal year ended June 30, 1997 was approximately \$123,442,000.

The following is a schedule of future minimum payments under non-cancelable leases as of June 30, 1997 (amounts in thousands):

Fiscal Year Ending June 30,	<u>Capital Leases</u>	<u>Operating Leases</u>
1998.....	\$ 38,446	\$103,776
1999.....	33,968	82,042
2000.....	25,680	60,113
2001.....	16,489	39,011
2002.....	11,610	27,914
2003 and thereafter.....	29,715	13,594
Total.....	155,908	326,450
Less interest.....	(24,533)	-
Present value	<u>\$ 131,375</u>	<u>\$326,450</u>

8. INDIVIDUAL FUND DEFICITS

Certain Budgeted, Non-Budgeted Special Revenue and Capital Projects Funds included in the combined totals have individual fund deficits at June 30, 1997, as follows (amounts in thousands):

Budgeted Funds:	
Local Aid.....	\$ 1,355,829
Mosquito and Greenhead Fly Control.....	742
Environmental Challenge.....	2,457
Toxic Use Reduction.....	1,807
Environmental Permitting and Compliance Assurance.....	17,326
Environmental Law Enforcement.....	896
Marine Fisheries.....	1,503
Low-Level Radio Active Waste Management....	178
Clean Air Act Compliance.....	527
Anti-trust Law Enforcement.....	1,393
Second Century.....	1,482
Victim and Witness Assistance.....	3,127
Intercity Bus Capital Assistance.....	7,055
Health Care Access.....	10,043
Leo J. Martin Recreation.....	132
	<u>1,404,497</u>
Non-Budgeted Special Revenue:	
Other:	
Government Land Bank.....	33,798
Motor Vehicle Emissions Inspection Compliance.....	2,654
Child Support Enforcement.....	37
	<u>36,489</u>
Capital Projects:	
General.....	132,680
Highway.....	156,562
Community Development Action Grants.....	67,472
Local Infrastructure.....	2,350
County Correctional Facilities.....	47
Water Pollution Control.....	1,111
State Recreation Areas.....	43
Metropolitan Parks.....	1,356
Intercity Bus Capital Assistance.....	18
	<u>361,639</u>
Total	<u>\$ 1,802,625</u>

In order to resolve the deficits in the budgeted funds, the Comptroller has recommended the authorization of transfers from other budgeted funds with surplus balances or a plan of fund consolidation. Once these changes are adopted by the legislature, the deficiency in the Local Aid Fund will be resolved. For the Non-Budgeted Special Revenue Funds, the Comptroller has recommended similar budgeted transfers to subsidize and resolve the deficits or their consolidation into budgeted funds. Such steps require legislative action.

In the Capital Project Funds, the deficit of \$361,639,000 reflects the time lag between capital expenditures and the

receipt or allocation of proceeds from the sale of related bonds. Subsequent to June 30, 1997, the Commonwealth issued \$19,902,000 in college opportunity bonds; \$250,000,000 in general obligation bonds, and \$103,615,000 in special obligation revenue bonds to finance the deficit.

9. MEDICAID COSTS

The Commonwealth provides medical care for low-income, elderly and other residents who qualify for such assistance under the federally-sponsored Medical Assistance Program (Medicaid). The Commonwealth pays the full cost of care and is reimbursed by the federal government for 50% of that cost. For the fiscal year ended June 30, 1997, the General Fund and Local Aid Funds include \$3,455,531,000 in expenditures for Medicaid claims processed for payment.

The combined financial statements – statutory basis include Medicaid claims processed but unpaid at June 30, 1997, as accounts payable of approximately \$84,433,000. In addition, the Commonwealth estimates its liability, as determined in accordance with generally accepted accounting principles, at \$568,921,000. This amount includes estimates of both the cost of care provided as of June 30, 1997, for which claims have not been processed, and the cost associated with nursing home and hospital rate settlements and other costs. Of this amount, 50% is expected to be reimbursed by the federal government.

10. RETIREMENT SYSTEMS

Primary Government – The Commonwealth is statutorily responsible for the pension benefits for Commonwealth employees (members of the State Employees' Retirement System) and for teachers of the cities, towns, regional school districts throughout the Commonwealth and Quincy College (members of the Teachers' Retirement System, except for teachers in the Boston public schools, who are members of the State-Boston Retirement System but whose pensions are also the responsibility of the Commonwealth).

The members of the retirement systems do not participate in the Social Security System. The Commonwealth has also assumed responsibility for payment of cost-of-living adjustments (COLA) for the separate (non-teacher) retirement systems of its cities, towns and counties, in fiscal year 1997 and prior fiscal years.

Certain Commonwealth employees and current retirees employed prior to the establishment of the State

Employees' Retirement System are covered on a "pay-as-you-go" basis.

Plan Descriptions –

State Employees' Retirement System (SERS) is a single employer defined benefit public employee retirement system (PERS), covering substantially all employees of the Commonwealth and certain employees of the independent authorities and agencies including the state police officers at the Massachusetts Port Authority and the Massachusetts Turnpike Authority. The SERS is administered by the Commonwealth and is part of the reporting entity; no stand alone financial report is issued.

Teachers' Retirement System (TRS) is an agent multiple employer defined benefit PERS with 104 participating employers. The Commonwealth is a non-employer contributor and is responsible for all contributions and future benefit requirements of the TRS. The TRS covers certified teachers in cities (except the City of Boston), towns, regional school districts and Quincy College. The TRS is administered by the Commonwealth and is part of the reporting entity and does not issue a stand alone financial report.

State – Boston Retirement System (SBRS) is hybrid multiple employer defined benefit PERS. SBRS provides pension benefits to all full-time employees upon commencement of employment with any of the various government agencies covered by SBRS. The Commonwealth is a non-employer contributor and is only responsible for the actual cost of pension benefits for SBRS participants who serve in the City of Boston's School Department in a teaching capacity. The cost of pension benefits of the other participants is the responsibility of the City of Boston. SBRS is not administered by the Commonwealth, is not part of the reporting entity and a stand alone financial report is not available.

The Commonwealth has assumed financial responsibility for the COLA granted to participants in the 104 retirement systems of cities, towns and counties in fiscal year 1997 and prior fiscal years. Chapter 17 of the Acts of 1997 effective for fiscal year 1998 transferred the responsibility for funding COLAs for separate (non-teacher) retirement systems of cities and towns to the respective system. Any future COLA granted by the Legislature to employees of these plans will be the responsibility of the individual system. The individual employer governments are also responsible for the basic pension benefits. The retirement systems are not

administered by the Commonwealth and are not part of the reporting entity.

The policy for postretirement benefit increases for all retirees of the SERS, TRS, SBRS and COLA are subject to legislative approval.

Membership – Membership in SERS, TRS and SBRS as of January 1, 1996 is as follows:

	<u>SERS</u>	<u>TRS</u>	<u>SBRS</u>
Retirees and beneficiaries			
currently receiving benefits.....	42,443	28,831	2,257
Terminated employees entitled to			
benefits but not yet receiving them...	1,706	1,607	602
Subtotal.....	44,149	30,438	2,859
Current employees:			
Vested.....	43,679	46,432	3,897
Non-vested.....	39,519	22,432	2,416
Subtotal.....	83,198	68,864	6,313
Total.....	127,347	99,302	9,172

Benefit Provisions – Massachusetts General Laws establish uniform benefit and contribution requirements for all contributory PERS. These requirements provide for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, and group classification. The authority for amending these provisions is with the legislature.

Retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension. Average retirement benefit is approximately 80-85% pension and 15-20% annuity.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55.

Funding Progress - The SERS, TRS and SBRS actuarial determined contributions were computed as part of the actuarial valuation as of January 1, 1996. Significant actuarial assumptions used in the calculation of contribution requirements and net pension obligation

include (a) rates of return on investments of present and future assets of 8.5% per year, (b) projected salary increases of 6% per year, (c) cost of living (inflation rate) increases of 3% per year on the first \$9,000 of the retirees

total allowance, (d) interest rate credited to the annuity savings fund of 5.5% per year, (e) the use of the level dollar amortization method over 40 years closed period, and (f) actuarial value of assets is equal to fair value.

The following table presents the six year-year schedule of funding progress (amounts in thousands):

Actuarial Valuation as of January 1,	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Net Pension (Obligation) Asset (NPO)	Funded Ratio %	Annual Covered Payroll *	NPO as a % of Covered Payroll
State Employers Retirement System						
1996	\$ 7,366,000	\$ 6,595,676	\$ 770,324	112 %	\$ 2,989,000	25.8 %
1995	5,879,000	5,327,027	551,973	110	2,992,000	18.4
1994	5,802,000	5,429,773	372,227	107	3,094,000	12.0
1993	5,071,000	4,840,405	230,595	105	2,919,000	7.9
1992	4,699,000	4,629,763	69,237	101	2,638,000	2.6
1991	4,052,000	4,053,705	(1,705)	100	2,300,000	(0.1)
Teachers Retirement System						
1996	7,553,000	7,025,561	527,439	108	2,810,000	18.8
1995	6,014,000	5,657,399	356,601	106	2,667,000	13.4
1994	5,956,000	5,673,619	282,381	105	2,573,000	11.0
1993	5,142,000	4,942,309	199,691	104	2,428,000	8.2
1992	4,784,000	4,659,680	124,320	103	2,032,000	6.1
1991	4,086,000	4,023,551	62,449	102	2,065,000	3.0
State Boston Retirement System						
1996	549,000	524,510	24,490	105	274,000	8.9
1995	438,000	416,113	21,887	105	232,000	9.4
1994	443,000	421,635	21,365	105	218,000	9.8
1993	370,000	354,800	15,200	104	206,000	7.4
1992	342,000	333,871	8,129	102	184,000	4.4
1991	301,000	293,072	7,928	103	203,000	3.9

* - The covered payroll amounts approximate the employer payroll.

Contributions Required and Contributions Made – The retirement systems' funding policies have been established by Chapter 32 of the Massachusetts General Laws. The legislature has the authority to amend these policies. The annuity portion of the SERS, TRS and SBRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation – 5% for those hired before January 1, 1975, 7% for those hired from January 1, 1975, through December 31, 1983, and 8% for those hired on or after January 1, 1984, plus an additional 2% of compensation above \$30,000 per year for those hired on or after January 1, 1979. Regular employees and state police hired after June 30, 1996 are required to contribute 9% and 12% respectively of their regular compensation plus an additional 2% of

compensation above \$30,000 per year. Costs of administering the plan are funded out of plan assets.

The Commonwealth's contribution for the pension benefit portion of the retirement allowance of SERS and TRS and required payments to cover SBRS and COLA contributions were originally established on a "pay-as-you-go" basis. As a result, amounts were appropriated each year to pay current benefits, without a systematic provision to fully fund future liabilities already incurred. Beginning in fiscal year 1988, the Commonwealth enacted the Pension Reform Act of 1987 and addressed the unfunded liability of SERS, TRS and its participation in SBRS and its COLA obligation. This legislation requires funding on a current basis, including amortizing

the unfunded liabilities and liabilities for future COLA payments to local systems, over 40 years.

This legislation also directs the Secretary for Administration and Finance to prepare a funding schedule to meet these requirements, and to update this funding schedule every three years on the basis of new actuarial valuation reports prepared under the Secretary's direction. Any such schedule is subject to legislative approval. If a schedule is not so approved, payments are to be made in accordance with the most recently approved schedule. This legislation further provides that if, during the first ten years of scheduled payments, the pension benefits paid exceed the scheduled contribution, the Commonwealth's contribution shall equal these benefit payments.

The current legislatively approved funding schedule,

based on the January 1, 1993 valuation, was filed with the Legislature on October 26, 1994. It required contributions by the Commonwealth of \$965,903,000 during the fiscal year ended June 30, 1997. Because total benefit payments out of the budgeted funds exceeded this amount, no additional Commonwealth contribution is required.

GAAP requires that pension expenditures (costs) be based on an acceptable actuarial cost method and that they be not less than:

- Normal cost and amortization cost
- Interest and amortization on any unfunded prior service costs

The funding schedule discussed above follows an acceptable actuarial funding methodology to compute normal cost and the unfunded accrued actuarial liability.

The following table presents the schedule of employer contributions (amounts in thousands):

Actuarial Valuation as of January 1,	Annual Required Contribution (ARC)	Interest on NPO	Amortization of NPO	Pension Cost	Actual Contribution made	Net Pension (Obligation) Asset (NPO)	% of ARC Contributed	% of Pension Cost Contributed
State Employers Retirement System								
1996	\$ 232,158	\$ (46,918)	\$ 29,523	\$ 214,763	\$ 433,114	\$ 770,324	187 %	202 %
1995	249,640	(31,639)	19,614	237,615	417,361	551,973	167	176
1994	266,564	(18,448)	9,152	257,268	398,900	372,227	150	155
1993	243,587	(5,539)	2,694	240,742	402,100	230,595	165	167
1992	252,687	136	(65)	252,758	323,700	69,237	128	128
1991	282,682	2,335	(1,094)	283,923	311,400	(1,705)	110	110
1990	259,102	4,569	(2,103)	261,568	289,500	(29,182)	112	111
1989	298,800	2,160	(977)	299,983	269,866	(57,114)	90	90
1988	279,582	-	-	279,582	252,585	(26,997)	90	90
Teachers Retirement System								
1996	232,403	(30,311)	19,073	221,165	392,003	527,439	169	177
1995	277,343	(24,002)	14,880	268,221	342,441	356,601	123	128
1994	247,460	(15,975)	7,925	239,410	322,100	282,381	130	135
1993	225,838	(9,946)	4,837	220,729	296,100	199,691	131	134
1992	223,041	(4,996)	2,384	220,429	282,300	124,320	127	128
1991	249,436	(3,452)	1,617	247,601	266,900	62,449	107	108
1990	227,270	(1,459)	671	226,482	251,400	43,150	111	111
1989	249,108	(1,595)	722	248,235	246,531	18,232	99	99
1988	232,661	-	-	232,661	252,597	19,936	109	109
State Boston Retirement System								
1996	32,908	(1,860)	1,171	32,219	34,822	24,490	106	108
1995	28,168	(1,816)	1,126	27,478	28,000	21,887	99	102
1994	22,448	(1,216)	603	21,835	28,000	21,365	125	128
1993	20,463	(650)	316	20,129	27,200	15,200	133	135
1992	26,530	(634)	303	26,199	26,400	8,129	100	101
1991	23,149	(413)	193	22,929	25,700	7,928	111	112
1990	21,118	(251)	116	20,983	23,000	5,157	109	110
1989	21,744	(127)	58	21,675	23,225	3,140	107	107
1988	20,315	-	-	20,315	21,905	1,590	108	108

The total contributions required for SERS, TRS and SBRS are based on the entry age normal cost method using the same actuarial assumptions used to compute the net pension obligation.

During the year ended June 30, 1997, the Commonwealth's pension expenditure included payments totaling \$19,005,000 to current retirees employed prior to the establishment of the current plans and to non-contributory plans.

Post-retirement Health Care and Life Insurance Benefits –

In addition to providing pension benefits, under Chapter 32A of the Massachusetts General Laws, the Commonwealth is required to provide certain health care and life insurance benefits for retired employees of the Commonwealth, housing authorities, redevelopment authorities, and certain other governmental agencies. Substantially all of the Commonwealth's employees may become eligible for these benefits if they reach retirement age while working for the Commonwealth. Eligible retirees are required to contribute a specified percentage of the health care benefit costs which is comparable to contributions required from employees. The Commonwealth is reimbursed for the cost of benefits to retirees of the eligible authorities and non-state agencies. The Commonwealth recognizes its share of the costs of providing these benefits when paid. These payments totaled approximately \$153,538,000 for the fiscal year ended June 30, 1997. There are approximately 44,000 participants eligible to receive benefits at June 30, 1997.

11. COMMITMENTS

Under Chapters 161A and 161B of the General Laws, the Commonwealth is obligated to provide annual subsidies to the MBTA and certain regional transit authorities for contract assistance, debt service assistance and their net cost of service deficiencies. The Commonwealth recovers a portion of these payments through assessments to the cities and towns served. During fiscal year 1997, net expenditures were \$483,142,000 and \$37,722,000, respectively. For fiscal year 1998, the Commonwealth has appropriated \$501,398,000 and \$38,070,000 to the MBTA and regional transit authorities, respectively. These appropriations cover net costs of service for the calendar year ended December 31, 1996.

The Commonwealth is also statutorily obligated to provide contract assistance for debt service obligations to the Massachusetts Convention Center Authority (MCCA) and the Government Land Bank. Such assistance totaled

\$30,643,000 in fiscal year 1997. For fiscal year 1998, appropriations for this purpose totaled \$30,660,000.

At June 30, 1997, the aggregate outstanding debt for which the Commonwealth is obligated to provide contract assistance support totaled approximately \$3,267,697,000 long-term and \$393,375,000 short-term. In addition, the Commonwealth guarantees the debt of certain local governments and public higher education building authorities. The guaranteed long-term debt outstanding at June 30, 1997 was approximately \$237,012,000

At June 30, 1997, the Commonwealth had commitments of approximately \$3,089,493,000 for various construction projects. The majority relate to construction funding for a major infrastructure project known as the Central Artery Project, in which continued federal participation is anticipated. In addition, the Massachusetts Turnpike Authority and The Massachusetts Port Authority are obligated to provide a minimum of \$700 million and \$200 million respectively to finance portions of the Central Artery/Tunnel project. The remainder relates to a wide range of building construction projects.

12. CONTINGENCIES

A number of lawsuits are pending or threatened against the Commonwealth which arose from the ordinary course of operations. These include claims for property damage and personal injury, breaches of contract, condemnation proceedings and other alleged violations of law. For those cases in which it is probable that a loss will be incurred and the amount of the potential judgment can be reasonably estimated or a settlement or judgment has been reached but not paid, the Attorney General estimates the liability to be approximately \$66,700,000 which is expected to be paid in fiscal year 1998. No accrual has been made for this amount in the combined financial statements – statutory basis.

Workers' compensation costs are recognized when claims are presented and paid. The Commonwealth's outstanding liability for such claims at June 30, 1997, is estimated to be \$286,600,000, of which approximately \$35,400,000 is expected to be paid during fiscal year 1998. No accrual has been made for these amounts in the combined financial statements – statutory basis.

The Commonwealth receives significant financial assistance from the federal government. Entitlement to these resources is generally conditional upon compliance with terms and conditions of the grant or reimbursement

agreements and with applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all federal financial assistance is subject to financial and compliance audits. Any disallowances become liabilities of the fund which received the assistance. At June 30, 1997, the Commonwealth estimated that liabilities, if any, which may result from such audits are not material.

Chapter 200A of the Massachusetts General Laws, the Commonwealth's Abandoned Property Law, requires deposit of certain unclaimed assets into a managed Fiduciary Fund. These unclaimed assets, less \$9,210,000, which is expected to be reclaimed and paid in fiscal year 1998, are to be remitted to the General Fund each June 30, where it is included as miscellaneous revenue. Amounts remitted during fiscal year 1997 totaled approximately \$64,884,000. Since inception, approximately \$681,056,000 has been remitted. This represents a contingency, because claims for refunds can be made by the owners of the property.

13. NON-TAX REVENUE INITIATIVES

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.

Debt Collection – Private debt collectors were engaged, with fees, on a contingent basis, from the proceeds collected. Collections and fees paid during fiscal year 1997 were:

<u>Department Collectors</u>	<u>Collections</u>	<u>Fees</u>
Allen Daniel Associates.....	\$ 217,323	\$ 79,516
Glenn Associates.....	26,078	52,652
Gragil Associates.....	55,370	11,318
Payco.....	34,858	7,485
Walker.....	136,962	16,451
Windham Professionals.....	<u>335,453</u>	<u>56,559</u>
Total.....	<u>\$ 806,044</u>	<u>\$ 223,981</u>

No amounts were collected and no fees were paid to Capital Credit Corporation.

Under a similar program for the Commonwealth's public institutions of higher education, the following amounts were collected and fees paid:

<u>Department Collectors</u>	<u>Collectors</u>	<u>Fees</u>
Allen Daniel Associates.....	\$ 526,580	\$ 109,027
Associated Credit Services.....	13,303	2,602
Collection Co. of America.....	2,485,347	734,301
Financial Coll Agency.....	36,369	4,987
Glenn Associates.....	283,877	8,569
Gragil Associates.....	15	4
Payco.....	936,175	225,320
Walker Associates.....	3,970	843
Windham Professionals.....	<u>288,902</u>	<u>102,197</u>
Total.....	<u>\$4,574,538</u>	<u>\$1,187,850</u>

Revenue Maximization – Contractors were engaged on a contingent fee basis to assist several of the Commonwealth's departments in the identification and collection of federal and other revenues. During fiscal year 1997, approximately \$101,896,000 was collected through such efforts. After contractor fees were paid on a contingent basis, the Commonwealth received approximately \$90,176,000.

Pursuant to Section 608 of Chapter 151 of the Acts of 1996 (the FY97 budget), the Comptroller's Office is authorized to engage vendors for the purpose of identification and pursuit of cost savings/avoidance opportunities. Currently there is one department engaged in a Section 608 procurement/project, but no cost avoidance was recognized in FY97.

Utility Audits – Massachusetts General Law, Chapter 20 Section 29G, authorizes the Department of Procurement and General Services to solicit services and enter into contingent contracts on behalf of governmental entities for the potential of recoupment of overcharges associated with utility expenses. During fiscal year 1997, \$481,000 was recouped and \$202,000 was paid to the Utility Management Group, resulting in a net benefit to the Commonwealth of \$279,000. As of June 30, 1997, reviews were in process for 52 municipalities who have taken advantage of the master service agreement negotiated by Procurement and General Services.

14. CHANGE IN REPORTING

Legislation enacted as part of Chapter 88 Acts of 1997 amended Section 12 of Chapter 7A of the General Laws to streamline year end accounting and financial reporting. One change was to eliminate the Preliminary Financial Report previously published on September 15th; and to publish the audited Statutory Basis Financial Report on October 31st (the prior publication date was December 31st). The other change was to remove the Non-Appropriated activity of Higher Education from the combined financial statements - statutory basis. These changes have been implemented for the fiscal year ended June 30, 1997. There is no effect of the change in reporting entity on the aggregate beginning fund equity in the governmental fund types.

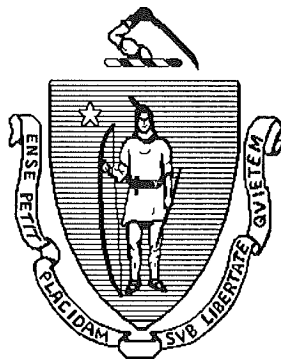
15. SUBSEQUENT EVENTS

Subsequent to year end, legislation was enacted to abolish four counties:

Franklin County - Section 567 of Chapter 151 of the Acts of 1997, abolished Franklin County as of July 1, 1997 and transferred its functions, assets, debts and obligations to the Commonwealth.

Middlesex County - Chapter 48 of the Acts of 1997 abolished the Middlesex County as of July 11, 1997 and transferred its functions, assets, debts and obligations to the Commonwealth.

In addition, Chapter 48 called for the preparation of a similar abolition of Hampden and Worcester Counties as of July 1, 1998 or earlier if the county fails to make a required payment on an outstanding bond or note. Commencing in fiscal year 1998 the Commonwealth will include in its audited financial statements the financial activity of the abolished counties; for fiscal years 1997 and prior periods, the responsibility for audited financial statements reside with the former county entity.



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Combining and Individual Fund Financial Statements - Statutory Basis

Individual Budgeted Funds

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, institutions of higher education and independent commissions and a portion of expenditures for the judicial system are paid for 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.

HIGHWAY FUND:

The Highway Fund accounts for highway user taxes including the gas tax and fees; used to finance highway maintenance and safety services, and provide matching funds for federally sponsored highway projects as required.

Infrastructure Fund (Subfund of Highway Fund)

details specific components of revenue and expenditure related to the Highway Fund, segregated per instructions in Section 20 of Chapter 29 of the General Laws.

LOCAL AID FUND:

The Local Aid Fund accounts for revenue from sales, income, other corporate taxes and lottery profits which have been earmarked for distribution to cities and towns or are used to finance programs that benefit local communities, and a major portion of the court systems.

COMMONWEALTH STABILIZATION FUND:

The Commonwealth Stabilization Fund accounts for amounts calculated in accordance with state finance law and maintain a reserve to enhance the Commonwealth's fiscal stability.

ADMINISTRATIVE CONTROL FUNDS:

To account for the revenues generated by certain administrative functions of government, for which the Legislature has required that separate funds be established.

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

Intragovernmental Service Fund accounts for the charges of any state agency for services provided by another state agency, for example, charges levied by the public employee retirement administration for worker's compensation chargeback.

Revenue Maximization Fund accounts for increased collections as a result of special initiatives; these revenues become available for expenditure by the various state agencies.

Collective Bargaining Reserve Fund accounts for transfers from the general fund which may be used to fund negotiated contracts for state employees.

Commonwealth Fiscal Recovery Fund accounts for dedicated taxes, investment income and payments for debt service on the Commonwealth Fiscal Recovery Bonds.

ENVIRONMENTAL FUNDS:

These funds account for a variety of revenues which finance programs to preserve, protect and enhance the environment.

Natural Heritage and Endangered Species Fund accounts for revenues from public and private sources and/or the federal government as reimbursements, grants, donations or other receipts; 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.

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

Inland Fisheries and Game Fund accounts for revenues from license and permit fees for inland fishing, hunting and trapping and/or the sales of land, rights and properties, gifts, interest, and federal grant reimbursements; used for developing, maintaining and operating the division of fisheries.

Environmental Challenge Fund accounts for collections of penalties and fines related to inappropriate disposal of hazardous waste and other environmental infractions; used for cleanup, control or response actions for oil and hazardous materials, and to reduce the production of hazardous waste.

Toxics Use Reduction Fund accounts for the fees, penalties, and other financial charges collected by the Toxic Use Reduction Institute including grants or gifts collected. Appropriations are for the specific purpose of cleaning up and reducing toxic waste.

Clean Environment Fund accounts for programs for recycling compost, solid waste source reduction and other environmental programs which are financed through unclaimed bottle deposits escheated to the Commonwealth.

Environmental Permitting and Compliance Assurance Fund accounts for revenues from the issuance of permits for the removal of hazardous materials and certain other fees; used to fund the cost of monitoring, discharge sampling and analysis, inspection, technical assistance, and enforcement activities necessary to ensure compliance by persons holding permits.

Underground Storage Tank Petroleum Product Cleanup Fund accounts for fees, penalties, grants, gifts or other contributions used to provide reimbursements for cleanup and other expenses

incurred as a result of damage caused by underground storage tanks and systems.

Environmental Law Enforcement Fund accounts for revenues from certain gas taxes, federal grants, and revenue from law enforcement coverage details throughout the Commonwealth; used for operating the division of law enforcement.

Public Access Fund accounts for revenues from certain gas taxes and federal reimbursements; used for the cost of acquisition, construction, maintenance operation and improvement of public access to state owned lands.

Harbors and Inland Waters Maintenance Fund accounts for certain fines, permits and federal reimbursements used for maintenance, dredging and cleaning of harbors, inland waters and great ponds.

Marine Fisheries Fund to account for revenues from certain gas taxes, licenses, and fees; used to manage the division of marine fisheries.

Watershed Management Fund accounts for revenues from the sale of wood products harvested on watershed lands, and assessments from the Massachusetts Water Resource Authority; used to maintain and operate the MDC Watershed Division.

Low Level Radioactive Waste Management Fund accounts for assessments on persons licensed or registered to receive, possess, use, transfer or acquire radioactive material; used for the expenses of the Low Level Radioactive Waste Management Board to carry out its duties.

Asbestos Cost Recovery Fund accounts for revenues from court judgments/settlements relative to the removal of asbestos; used for operations, maintenance, encapsulation and removal of asbestos.

Clean Air Act Compliance Fund accounts for revenues from permit applications and grants; used for the implementation, administration, monitoring and analysis of permitting compliance and enforcement of technical assistance programs.

Solid Waste Disposal Fund accounts for monies received relative to solid waste disposal including assessments from cities and towns to be appropriated for the purpose of management, maintenance and operation of solid waste disposal facilities.

Second Century Fund accounts for fees or charges for use of the Commonwealth's system of parks, forests or other natural resources subject to the oversight of the department of environmental management pursuant to section two of chapter twenty-one; and expenditure for the enhancement, improvement and maintenance of forest and parks systems.

OTHER FUNDS:

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

Antitrust Law Enforcement Fund accounts for fines, penalties received and expenses paid related to actions brought by the Attorney General in connection with antitrust actions.

Victim and Witness Assistance Fund accounts for assessments imposed on individuals convicted of crimes; used to make grants to District Attorney's Offices and the Parole Board for programs serving crime victims and witnesses.

Intercity Bus Capital Assistance Fund accounts for the acquisition of vehicles for inter-city transportation and the revenues and costs associated with their operation.

Motorcycle Safety Fund accounts for motorcycle registration fees collected to administer motorcycle safety programs.

Drug Analysis Fund accounts for certain revenues received by the courts resulting from fines; used for the cost of analysis of controlled substances.

Re-Employment and Job Placement Fund accounts for the excise on employer contributions and activities authorized under Title III and Title IX of the

Social Security Act and Title V of the Job Training Partnership Act.

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

Massachusetts Tourism Fund accounts for revenues received from hotel taxes; used to fund the Office of Travel and Tourism promotions and the Massachusetts Convention Center Authority.

Health Care Access Fund accounts for a portion of the cigarette tax fees assessed from certain programs, and federal reimbursements associated with the uncompensated care pool; used for establishing a program of preventive pediatric health care services, universal immunizations and managed care community health centers.

Ponkapoag Recreational Fund accounts for a portion of golf course revenues; used for the capital improvement, purchase of equipment, and maintenance of the golf course.

Leo J. Martin Recreation Fund accounts for a portion of golf course revenues; used for the capital improvement, purchase of equipment and maintenance of the golf course.

Division of Insurance Fund accounts for revenues collected from agent licenses to a maximum amount of three million dollars; used to fund the cost related to accreditation from the National Association of Insurance Commissioners.

Health Protection Fund accounts for a portion of the cigarette tax, penalties, forfeitures, interest, settlements of lawsuits and fines collected in connection with sales of cigarettes; used to supplement existing funding for school health education programs, workplace and community smoking prevention and cessation programs, public service advertising, and for support of community

health centers and their programs of prenatal and maternal care.

State Transportation Building Management accounts for revenues rentals, and commissions, such as parking fees and expenditures for the maintenance and operation of the building. (consolidated into the State Building Management Fund in FY96).

Springfield State Office Building Management accounts for rentals and expenditures for the operation and maintenance of the building (consolidated into the State Building Management Fund in FY96).

State Building Management Fund accounts for revenue rentals and commissions, such as parking fees and expenditures for the maintenance and operation of the Springfield State Office Building, the State Transportation Building and other facilities.

Reggie Lewis Track and Athletic Center Fund accounts for revenues from user fees, concession stand commissions and other fees; used for equipment repair, maintenance and nonpayroll operating expenses.

Assisted Living Administration Fund accounts for certification fees; used for operating expenses associated with the regulation of Elder Affairs Assisted Living.

Commonwealth Economic Development Fund accounts for monies transferred from the federal loan interest fund; used to promote employee and worker training, education and the general economic development of the Commonwealth.

Commonwealth Cost Relief Fund accounts for transfers from other funds; used for subsidies and other assistance for water pollution abatement projects, mitigation of sewer rate increases, and for extraordinary expenditures of the Commonwealth.

Children's and Senior's Health Fund accounts for a portion of the cigarette and smokeless tobacco tax, inventory tax and related investment income; to be appropriated for the provision of medical benefits to

expansion beneficiaries and a five year pilot program of pharmacy assistance.

Diversity Awareness Education Trust Fund accounts for fines and related interest or investment earnings from the trial courts from assault and battery cases with the intent to intimidate based on race, color, religion, sexual orientation, nationality or disability; to be appropriated for the purpose of developing and maintaining diversity awareness educational programs and courses for persons convicted of such crimes.

Caseload Increase Mitigation Fund accounts for revenues or other financing sources directed by budget to be appropriated for increased costs due to excessive welfare cases or to accomodate for fluctuations in federal funding for the Department of Transitional Assistance.

Division of Banks Fund accounts for transfers from a statutory calculation to be appropriated for the purposes of examinations as outlined in section two of Chapter 167 of M.G.L. (inactive in FY97).

University of Massachusetts Lowell Wannalancit Complex Building Management Fund accounts for revenues from leasing, operation, granting of concession or other use of the Wannalancit Complex; used to meet obligations related to operation and ownership of the complex (inactive in FY97).

Budgeted Funds
Combining Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

ASSETS	General	Highway	Local Aid
Cash and short-term investments.....	\$ 758,779	\$ 377,291	\$ -
Cash with fiscal agent.....	-	24,077	-
Advances to related entity.....	229,063	-	-
Receivables, net of allowance for uncollectibles:			
Taxes.....	6,486	-	-
Due from federal government.....	371,503	43	-
Other receivables.....	43,129	-	-
Due from cities and towns.....	140,912	-	668
Due from other funds.....	3,657	-	-
Total assets.....	<u>\$ 1,553,529</u>	<u>\$ 401,411</u>	<u>\$ 668</u>

LIABILITIES AND FUND BALANCES

Liabilities:			
Deficiency in cash and short-term investments.....	\$ -	\$ -	\$ 1,206,082
Accounts payable.....	358,120	26,727	150,364
Accrued payroll.....	14,050	797	51
Notes payable.....	-	-	-
Total liabilities.....	<u>372,170</u>	<u>27,524</u>	<u>1,356,497</u>
Fund balances (deficits):			
Reserved for:			
Continuing appropriations.....	80,459	145	36,755
Commonwealth stabilization.....	-	-	-
Tax reduction fund - current.....	-	-	-
Tax reduction fund - future.....	-	-	-
Debt service.....	-	24,077	-
Unreserved:			
Undesignated.....	1,100,900	349,665	(1,392,584)
Total fund balances (deficits).....	<u>1,181,359</u>	<u>373,887</u>	<u>(1,355,829)</u>
Total liabilities and fund balances.....	<u>\$ 1,553,529</u>	<u>\$ 401,411</u>	<u>\$ 668</u>

Commonwealth Stabilization	Administrative Control	Environmental	Other	Totals	
				1997	1996
\$ 799,300	\$ 167,022	\$ 3,495	\$ 265,477	\$ 2,371,364	\$ 1,987,290
-	746	-	-	24,823	22,571
-	-	-	-	229,063	227,512
-	-	-	-	6,486	3,158
-	-	-	-	371,546	194,073
-	-	9,647	-	52,776	43,328
-	-	-	-	141,580	138,766
-	-	-	-	3,657	7,901
<u>\$ 799,300</u>	<u>\$ 167,768</u>	<u>\$ 13,142</u>	<u>\$ 265,477</u>	<u>\$ 3,201,295</u>	<u>\$ 2,624,599</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,206,082	\$ 530,950
-	12,007	13,647	25,120	585,985	642,722
-	7	250	27	15,182	37,919
-	-	-	-	-	240,000
<u>-</u>	<u>12,014</u>	<u>13,897</u>	<u>25,147</u>	<u>1,807,249</u>	<u>1,451,591</u>
-	36,729	11,372	14,800	180,260	240,773
799,300	-	-	-	799,300	543,303
-	91,764	-	-	91,764	150,000
-	-	-	-	-	81,722
-	20,814	-	-	44,891	22,571
	6,447	(12,127)	225,530	277,831	134,639
<u>799,300</u>	<u>155,754</u>	<u>(755)</u>	<u>240,330</u>	<u>1,394,046</u>	<u>1,173,008</u>
<u>\$ 799,300</u>	<u>\$ 167,768</u>	<u>\$ 13,142</u>	<u>\$ 265,477</u>	<u>\$ 3,201,295</u>	<u>\$ 2,624,599</u>

Budgeted Funds

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	General	Highway	Local Aid	Commonwealth Stabilization
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 7,546,903	\$ 514,560	\$ 4,297,166	\$ -
Assessments.....	199,666	10,250	-	-
Federal grants and reimbursements.....	2,971,955	2,675	-	-
Departmental.....	636,124	317,357	1,761	-
Miscellaneous.....	105,803	1,836	282	21,744
Total revenues.....	11,460,451	846,678	4,299,209	21,744
Other financing sources:				
Fringe benefit cost recovery.....	196,996	-	-	-
Lottery reimbursements.....	76,486	-	-	-
Lottery distributions.....	343	-	684,794	-
Transfer for MBTA contract assistance.....	137,869	-	-	-
Caseload mitigation.....	-	-	-	-
Operating transfers in.....	164,303	-	-	-
Collective bargaining reserve.....	-	-	-	-
Stabilization transfer.....	-	-	-	234,253
Transfer for tax reduction.....	90,000	-	60,000	-
Total other financing sources.....	665,997	-	744,794	234,253
Total revenues and other financing sources.....	12,126,448	846,678	5,044,003	255,997
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Legislature.....	48,968	-	-	-
Judiciary.....	40,863	-	381,713	-
Inspector General.....	1,602	-	-	-
Governor and Lieutenant Governor.....	5,263	-	-	-
Secretary of the Commonwealth.....	10,127	-	6,106	-
Treasurer and Receiver-General.....	92,466	636	2,916	-
Auditor of the Commonwealth.....	12,071	-	695	-
Attorney General.....	21,891	8	682	-
Ethics Commission.....	581	-	584	-
District Attorney.....	378	-	53,517	-
Office of Campaign & Political Finance.....	334	-	336	-
Disabled Persons Protection Commission.....	1,397	-	-	-
Board of Library Commissioners.....	1,837	-	2,025	-
Comptroller.....	6,104	-	-	-
Administration and finance.....	749,390	5,428	120,055	-
Environmental affairs.....	51,293	27,158	26,647	-
Health and human services.....	3,467,775	-	1,009	-
Transportation and construction.....	498,916	177,115	117,000	-
Education.....	12,215	-	138,476	-
Educational affairs.....	-	-	-	-
Higher education.....	795,406	-	263	-
Public safety.....	364,913	186,212	232,826	-
Economic development.....	108,927	-	29,872	-
Elder affairs.....	130,491	-	9,192	-
Consumer affairs.....	30,199	2,032	-	-
Labor.....	30,238	2	113	-
Direct local aid.....	839	43,472	3,513,828	-
Medicaid.....	3,383,531	-	72,000	-
Pension.....	358,508	74,185	635,480	-
Debt service:				
Principal retirement.....	330,495	126,022	40,877	-
Interest and fiscal charges.....	265,639	170,933	68,003	-
Total expenditures.....	10,822,657	813,203	5,454,215	-
Other financing uses:				
Fringe benefit cost assessment.....	-	-	46,014	-
Transfer for MBTA contract assistance.....	-	45,956	91,913	-
Operating transfers out.....	10,066	2,981	1,004	-
Sewer rate relief.....	-	-	44,107	-
Collective bargaining reserve.....	50,000	-	-	-
Caseload mitigation.....	128,000	-	-	-
Capital investment trust fund transfer.....	229,800	-	-	-
Surplus transfer for capital projects.....	89,503	-	-	-
Stabilization transfer.....	180,552	-	53,701	-
Transfer for tax reduction.....	-	-	-	-
Total other financing uses.....	687,921	48,937	236,739	-
Total expenditures and other financing uses.....	11,510,578	862,140	5,690,954	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	615,870	(15,462)	(646,951)	255,997
Fund balances (deficit) at beginning of year (as restated).....	565,489	389,349	(708,878)	543,303
Fund balances (deficit) at end of year.....	\$ 1,181,359	\$ 373,887	\$ (1,355,829)	\$ 799,300

Administrative Control	Environmental	Other	Totals	
			1997	1996
\$ 278,975	\$ 7,502	\$ 219,395	\$ 12,864,501	\$ 12,049,183
-	16,154	-	226,070	238,440
41,256	3,806	-	3,019,692	3,039,091
79,523	47,240	25,731	1,107,736	1,078,011
16,407	22,939	212	169,223	132,594
416,161	97,641	245,338	17,387,222	16,537,319
671	-	-	197,667	216,887
-	-	-	76,486	76,558
-	-	-	685,137	651,496
-	-	-	137,869	157,523
-	-	128,000	128,000	-
9,651	107	2,671	176,732	262,522
50,000	-	-	50,000	60,000
-	-	-	234,253	177,405
-	-	-	150,000	231,722
60,322	107	130,671	1,836,144	1,834,113
476,483	97,748	376,009	19,223,366	18,371,432
-	-	-	48,968	48,728
3,478	-	-	426,054	401,821
-	-	-	1,602	1,567
-	-	-	5,263	4,682
125	-	-	16,358	14,259
38	-	534	96,590	103,369
-	-	-	12,766	12,378
-	-	950	23,531	22,282
28	-	-	1,193	1,139
-	-	6,440	60,335	54,428
-	-	-	670	652
32	-	-	1,429	1,355
-	-	-	3,862	2,383
626	-	-	6,730	6,390
82,388	4,718	30,658	992,637	958,716
1,155	70,748	1,576	178,577	184,614
13,199	-	95,285	3,577,268	3,526,520
1,056	-	-	794,087	817,434
131	-	28,718	179,540	149,033
-	-	-	-	5,345
8,702	1,827	272	806,470	743,902
23,249	15,157	5,638	827,995	800,637
132	-	24,959	163,890	163,729
20	-	1,131	140,834	137,053
314	-	2,822	35,367	33,874
32	-	7,828	38,213	31,275
-	-	-	3,558,139	3,246,232
-	-	-	3,455,531	3,415,949
-	1,011	-	1,069,184	1,004,551
253,065	-	-	750,459	676,687
20,500	-	5	525,080	506,877
408,270	93,461	206,816	17,798,622	17,077,861
572	12,672	3,759	63,017	66,181
-	-	-	137,869	157,523
52,650	135	30	66,866	131,034
-	-	10,291	54,398	23,200
-	-	-	50,000	60,000
-	-	-	128,000	-
-	-	-	229,800	-
-	-	-	89,503	-
-	-	-	234,253	177,405
150,000	-	-	150,000	231,722
203,222	12,807	14,080	1,203,706	847,065
611,492	106,268	220,896	19,002,328	17,924,926
(135,009)	(8,520)	155,113	221,038	446,506
290,763	7,765	85,217	1,173,008	726,502
\$ 155,754	\$ (755)	\$ 240,330	\$ 1,394,046	\$ 1,173,008

Budgeted Funds

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	General			Highway		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ 7,067,900	\$ 7,546,903	\$ 479,003	\$ 516,100	\$ 514,560	\$ (1,540)
Assessments.....	-	199,666	199,666	-	10,250	10,250
Federal grants and reimbursements.....	2,967,600	2,971,955	4,355	4,000	2,675	(1,325)
Departmental.....	812,600	636,124	(176,476)	320,000	317,357	(2,643)
Miscellaneous.....	-	105,803	105,803	-	1,836	1,836
Total revenues.....	10,848,100	11,460,451	612,351	840,100	846,678	6,578
Other financing sources:						
Fringe benefit cost recovery.....	-	196,996	196,996	-	-	-
Lottery reimbursements.....	86,539	76,486	(10,053)	-	-	-
Lottery distributions.....	343	343	-	-	-	-
Transfer for MBTA contract assistance.....	-	137,869	137,869	-	-	-
Caseload mitigation.....	-	-	-	-	-	-
Operating transfers in.....	211,918	164,303	(47,615)	-	-	-
Collective bargaining reserve.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	90,000	90,000	-	-	-
Total other financing sources.....	298,800	665,997	367,197	-	-	-
Total revenues and other financing sources.....	11,146,900	12,126,448	979,548	840,100	846,678	6,578
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature.....	70,895	48,968	21,927	-	-	-
Judiciary.....	42,086	40,863	1,223	-	-	-
Inspector General.....	1,612	1,602	10	-	-	-
Governor and Lieutenant Governor.....	6,364	5,263	1,101	-	-	-
Secretary of the Commonwealth.....	10,921	10,127	794	-	-	-
Treasurer and Receiver-General.....	100,589	92,466	8,123	709	636	73
Auditor of the Commonwealth.....	12,074	12,071	3	-	-	-
Attorney General.....	22,179	21,891	288	8	8	-
Ethics Commission.....	581	581	-	-	-	-
District Attorney.....	432	378	54	-	-	-
Office of Campaign & Political Finance.....	335	334	1	-	-	-
Disabled Persons Protection Commission.....	1,402	1,397	5	-	-	-
Board of Library Commissioners.....	1,837	1,837	-	-	-	-
Comptroller.....	6,122	6,104	18	-	-	-
Administration and finance.....	803,213	749,390	53,823	5,881	5,428	453
Environmental affairs.....	59,486	51,293	8,193	29,411	27,158	2,253
Health and human services.....	3,568,509	3,467,775	100,734	-	-	-
Transportation and construction.....	499,253	498,916	337	179,515	177,115	2,400
Education.....	12,386	12,215	171	-	-	-
Higher education.....	799,253	795,406	3,847	-	-	-
Public safety.....	373,022	364,913	8,109	188,367	186,212	2,155
Economic development.....	114,572	108,927	5,645	-	-	-
Elder affairs.....	130,987	130,491	496	-	-	-
Consumer affairs.....	31,444	30,199	1,245	2,040	2,032	8
Labor.....	34,082	30,238	3,844	2	2	-
Direct local aid.....	3,748	839	2,909	43,472	43,472	-
Medicaid.....	3,445,736	3,383,531	62,205	-	-	-
Pension.....	361,585	358,508	3,077	74,836	74,185	651
Debt service:						
Principal retirement.....	334,895	330,495	4,400	127,700	126,022	1,678
Interest and fiscal charges.....	279,973	265,639	14,334	173,209	170,933	2,276
Total expenditures.....	11,129,573	10,822,657	306,916	825,150	813,203	11,947
Other financing uses:						
Fringe benefit cost assessment.....	-	-	-	-	-	-
Transfer for MBTA contract assistance.....	-	-	-	45,956	45,956	-
Operating transfers out.....	10,066	10,066	-	2,981	2,981	-
Sewer rate relief.....	-	-	-	-	-	-
Collective bargaining reserve.....	50,000	50,000	-	-	-	-
Caseload mitigation.....	128,000	128,000	-	-	-	-
Capital investment trust fund transfer.....	229,800	229,800	-	-	-	-
Surplus transfer for capital projects.....	-	89,503	(89,503)	-	-	-
Stabilization transfer.....	100,000	180,552	(80,552)	-	-	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing uses.....	517,866	687,921	(170,055)	48,937	48,937	-
Total expenditures and other financing sources.....	11,647,439	11,510,578	136,861	874,087	862,140	11,947
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(500,539)	615,870	1,116,409	(33,987)	(15,462)	18,525
Fund balances (deficit) at beginning of year.....	565,489	565,489	-	389,349	389,349	-
Fund balances (deficit) at end of year.....	\$ 64,950	\$ 1,181,359	\$ 1,116,409	\$ 355,362	\$ 373,887	\$ 18,525

Local Aid			Commonwealth Stabilization			Administrative Control		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 4,169,000	\$ 4,297,166	\$ 128,166	\$ -	\$ -	\$ -	\$ 271,400	\$ 278,975	\$ 7,575
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	41,256	41,256
2,100	1,761	(339)	21,000	-	(21,000)	11,336	79,523	68,187
-	282	282	-	21,744	21,744	-	16,407	16,407
4,171,100	4,299,209	128,109	21,000	21,744	744	282,736	416,161	133,425
-	-	-	-	-	-	-	671	671
631,200	684,794	53,594	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,651	9,651
-	-	-	-	-	-	-	50,000	50,000
-	60,000	60,000	-	234,253	234,253	-	-	-
631,200	744,794	113,594	-	234,253	234,253	-	60,322	60,322
4,802,300	5,044,003	241,703	21,000	255,997	234,997	282,736	476,483	193,747
-	-	-	-	-	-	-	-	-
392,727	381,713	11,014	-	-	-	3,478	3,478	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
6,120	6,106	14	-	-	-	125	125	-
3,512	2,916	596	-	-	-	38	38	-
696	695	1	-	-	-	-	-	-
685	682	3	-	-	-	-	-	-
584	584	-	-	-	-	28	28	-
54,027	53,517	510	-	-	-	-	-	-
336	336	-	-	-	-	-	-	-
-	-	-	-	-	-	32	32	-
2,037	2,025	12	-	-	-	-	-	-
-	-	-	-	-	-	641	626	15
152,840	120,055	32,785	-	-	-	131,069	82,388	48,681
28,442	26,647	1,795	-	-	-	1,184	1,155	29
11,260	1,009	10,251	-	-	-	15,186	13,199	1,987
117,355	117,000	355	-	-	-	1,063	1,056	7
143,146	138,476	4,670	-	-	-	131	131	-
304	263	41	-	-	-	11,086	8,702	2,384
239,833	232,826	7,007	-	-	-	23,547	23,249	298
30,696	29,872	824	-	-	-	132	132	-
9,249	9,192	57	-	-	-	20	20	-
-	-	-	-	-	-	314	314	-
128	113	15	-	-	-	32	32	-
3,519,676	3,513,828	5,848	-	-	-	-	-	-
72,000	72,000	-	-	-	-	-	-	-
638,123	635,480	2,643	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
41,421	40,877	544	-	-	-	273,879	253,065	20,814
68,908	68,003	905	-	-	-	20,500	20,500	-
5,534,105	5,454,215	79,890	-	-	-	482,485	408,270	74,215
-	46,014	(46,014)	-	-	-	-	572	(572)
91,913	91,913	-	-	-	-	-	-	-
1,004	1,004	-	-	-	-	52,650	52,650	-
44,107	44,107	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	53,701	(53,701)	-	-	-	-	-	-
-	-	-	-	-	-	150,000	150,000	-
137,024	236,739	(99,715)	-	-	-	202,650	203,222	(572)
5,671,129	5,690,954	(19,825)	-	-	-	685,135	611,492	73,643
(868,829)	(646,951)	221,878	21,000	255,997	234,997	(402,399)	(135,009)	267,390
(708,878)	(708,878)	-	543,303	543,303	-	290,763	290,763	-
\$ (1,577,707)	\$ (1,355,829)	\$ 221,878	\$ 564,303	\$ 799,300	\$ 234,997	\$ (111,636)	\$ 155,754	\$ 267,390

continued

Budgeted Funds

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	Environmental			Other		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ 8,500	\$ 7,502	\$ (998)	\$ 155,100	\$ 219,395	\$ 64,295
Assessments.....	-	16,154	16,154	-	-	-
Federal grants and reimbursements.....	3,300	3,806	506	-	-	-
Departmental.....	80,538	47,240	(33,298)	23,526	25,731	2,205
Miscellaneous.....	-	22,939	22,939	-	212	212
Total revenues.....	92,338	97,641	5,303	178,626	245,338	66,712
Other financing sources:						
Fringe benefit cost recovery.....	-	-	-	-	-	-
Lottery reimbursements.....	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-
Transfer for MBTA contract assistance.....	-	-	-	-	-	-
Caseload mitigation.....	-	-	-	-	128,000	128,000
Operating transfers in.....	100	107	7	-	2,671	2,671
Collective bargaining reserve.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing sources.....	100	107	7	-	130,671	130,671
Total revenues and other financing sources.....	92,438	97,748	5,310	178,626	376,009	197,383
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature.....	-	-	-	-	-	-
Judiciary.....	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	622	534	88
Auditor of the Commonwealth.....	-	-	-	-	-	-
Attorney General.....	-	-	-	953	950	3
Ethics Commission.....	-	-	-	-	-	-
District Attorney.....	-	-	-	6,500	6,440	60
Office of Campaign & Political Finance.....	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-
Administration and finance.....	7,381	4,718	2,663	52,924	30,658	22,266
Environmental affairs.....	77,138	70,748	6,390	1,612	1,576	36
Health and human services.....	-	-	-	99,687	95,285	4,402
Transportation and construction.....	-	-	-	-	-	-
Education.....	-	-	-	29,045	28,718	327
Higher education.....	1,886	1,827	59	357	272	85
Public safety.....	17,125	15,157	1,968	5,740	5,638	102
Economic development.....	-	-	-	26,780	24,959	1,821
Elder affairs.....	-	-	-	1,574	1,131	443
Consumer affairs.....	-	-	-	3,505	2,822	683
Labor.....	-	-	-	8,289	7,828	461
Direct local aid.....	-	-	-	-	-	-
Medicaid.....	-	-	-	-	-	-
Pension.....	1,016	1,011	5	-	-	-
Debt service:						
Principal retirement.....	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	5	5	-
Total expenditures.....	104,546	93,461	11,085	237,593	206,816	30,777
Other financing uses:						
Fringe benefit cost assessment.....	-	12,672	(12,672)	-	3,759	(3,759)
Transfer for MBTA contract assistance.....	-	-	-	-	-	-
Operating transfers out.....	135	135	-	30	30	-
Sewer rate relief.....	-	-	-	10,291	10,291	-
Collective bargaining reserve.....	-	-	-	-	-	-
Caseload mitigation.....	-	-	-	-	-	-
Capital investment trust fund.....	-	-	-	-	-	-
Surplus transfer for capital projects.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing uses.....	135	12,807	(12,672)	10,321	14,080	(3,759)
Total expenditures and other financing sources.....	104,681	106,268	(1,587)	247,914	220,896	27,018
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(12,243)	(8,520)	3,723	(69,288)	155,113	224,401
Fund balances (deficit) at beginning of year.....	7,765	7,765	-	85,217	85,217	-
Fund balances (deficit) at end of year.....	\$ (4,478)	\$ (755)	\$ 3,723	\$ 15,929	\$ 240,330	\$ 224,401

Totals		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 12,188,000	\$ 12,864,501	\$ 676,501
-	226,070	226,070
2,974,900	3,019,692	44,792
1,271,100	1,107,736	(163,364)
-	169,223	169,223
16,434,000	17,387,222	953,222
-	197,667	197,667
86,539	76,486	(10,053)
631,543	685,137	53,594
-	137,869	137,869
-	128,000	128,000
212,018	176,732	(35,286)
-	50,000	50,000
-	234,253	234,253
-	150,000	150,000
930,100	1,836,144	906,044
17,364,100	19,223,366	1,859,266
70,895	48,968	21,927
438,291	426,054	12,237
1,612	1,602	10
6,364	5,263	1,101
17,166	16,358	808
105,470	96,590	8,880
12,770	12,766	4
23,825	23,531	294
1,193	1,193	-
60,959	60,335	624
671	670	1
1,434	1,429	5
3,874	3,862	12
6,763	6,730	33
1,153,308	992,637	160,671
197,273	178,577	18,696
3,694,642	3,577,268	117,374
797,186	794,087	3,099
184,708	179,540	5,168
812,886	806,470	6,416
847,634	827,995	19,639
172,180	163,890	8,290
141,830	140,834	996
37,303	35,367	1,936
42,533	38,213	4,320
3,566,896	3,558,139	8,757
3,517,736	3,455,531	62,205
1,075,560	1,069,184	6,376
777,895	750,459	27,436
542,595	525,080	17,515
18,313,452	17,798,622	514,830
-	63,017	(63,017)
137,869	137,869	-
66,866	66,866	-
54,398	54,398	-
50,000	50,000	-
128,000	128,000	-
229,800	229,800	-
-	89,503	(89,503)
100,000	234,253	(134,253)
150,000	150,000	-
916,933	1,203,706	(286,773)
19,230,385	19,002,328	228,057
(1,866,285)	221,038	2,087,323
1,173,008	1,173,008	-
\$ (693,277)	\$ 1,394,046	\$ 2,087,323

General Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short term investments.....	\$ 758,779	\$ 585,430
Advances to the MBTA.....	229,063	227,512
Receivables, net of allowance for uncollectibles:		
Taxes.....	6,486	3,158
Due from federal government.....	371,503	194,018
Other receivables.....	43,129	37,466
Due from cities and towns.....	140,912	138,139
Due from other funds.....	3,657	7,901
Total assets.....	<u>\$ 1,553,529</u>	<u>\$ 1,193,624</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 358,120	\$ 356,245
Accrued payroll.....	14,050	31,890
Bonds and notes payable.....	-	240,000
Total liabilities.....	<u>372,170</u>	<u>628,135</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	80,459	114,900
Unreserved fund balance:		
Undesignated.....	1,100,900	450,589
Total fund balance.....	<u>1,181,359</u>	<u>565,489</u>
Total liabilities and fund balance.....	<u>\$ 1,553,529</u>	<u>\$ 1,193,624</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 7,067,900	\$ 7,546,903	\$ 479,003	\$ 7,137,594
Assessments.....	-	199,666	199,666	208,858
Federal grants and reimbursements.....	2,967,600	2,971,955	4,355	2,984,870
Departmental.....	812,600	636,124	(176,476)	641,634
Miscellaneous.....	-	105,803	105,803	75,367
Total revenues.....	10,848,100	11,460,451	612,351	11,048,323
Other financing sources:				
Fringe benefit cost recovery.....	-	196,996	196,996	216,813
Lottery reimbursements.....	86,539	76,486	(10,053)	76,558
Lottery distributions.....	343	343	-	350
Transfer for MBTA contract assistance.....	-	137,869	137,869	157,523
Transfers for tax reduction.....	-	90,000	90,000	-
Operating transfers in.....	211,918	164,303	(47,615)	149,165
Total other financing sources.....	298,800	665,997	367,197	600,409
Total revenues and other sources.....	11,146,900	12,126,448	979,548	11,648,732
EXPENDITURES AND OTHER USES				
Expenditures:				
Legislature.....	70,895	48,968	21,927	48,728
Judiciary.....	42,086	40,863	1,223	37,070
Inspector General.....	1,612	1,602	10	1,567
Governor and Lieutenant Governor.....	6,364	5,263	1,101	4,682
Secretary of the Commonwealth.....	10,921	10,127	794	9,288
Treasurer and Receiver-General.....	100,589	92,466	8,123	93,653
Auditor of the Commonwealth.....	12,074	12,071	3	11,656
Attorney General.....	22,179	21,891	288	20,760
Ethics Commission.....	581	581	-	567
District Attorney.....	432	378	54	122
Office of Campaign and Political Finance.....	335	334	1	325
Disabled Persons Protection Commission.....	1,402	1,397	5	1,355
Board of library commissioners.....	1,837	1,837	-	-
Comptroller.....	6,122	6,104	18	6,240

Highway Fund

Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
ASSETS		
Cash and short-term investments.....	\$ 377,291	\$ 408,443
Cash with fiscal agent.....	24,077	21,914
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	43	55
Total assets.....	<u>\$ 401,411</u>	<u>\$ 430,412</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 26,727	\$ 37,120
Accrued payroll.....	797	3,943
Total liabilities.....	<u>27,524</u>	<u>41,063</u>
Fund equity:		
Reserved fund balance:		
Reserved for continuing appropriations.....	145	42,713
Reserved for debt service.....	24,077	21,914
Unreserved fund balance:		
Undesignated.....	349,665	324,722
Total fund equity.....	<u>373,887</u>	<u>389,349</u>
Total liabilities and fund equity.....	<u>\$ 401,411</u>	<u>\$ 430,412</u>

Highway Fund

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 516,100	\$ 514,560	\$ (1,540)	\$ 510,954
Assessments.....	-	10,250	10,250	13,237
Federal grants and reimbursements.....	4,000	2,675	(1,325)	3,516
Departmental.....	320,000	317,357	(2,643)	284,556
Miscellaneous.....	-	1,836	1,836	2,275
Total revenues.....	<u>840,100</u>	<u>846,678</u>	<u>6,578</u>	<u>814,538</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>840,100</u>	<u>846,678</u>	<u>6,578</u>	<u>814,538</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Treasurer and Receiver-General.....	709	636	73	660
Attorney General.....	8	8	-	6
Administration and finance.....	5,881	5,428	453	5,110
Environmental affairs.....	29,411	27,158	2,253	28,651
Transportation and construction.....	179,515	177,115	2,400	199,251
Higher education.....	-	-	-	63
Public safety.....	188,367	186,212	2,155	183,447
Labor.....	2	2	-	-
Consumer affairs.....	2,040	2,032	8	1,987
Direct local aid.....	43,472	43,472	-	43,472
Pension.....	74,836	74,185	651	69,794
Debt service:				
Principal retirement.....	127,700	126,022	1,678	122,769
Interest and fiscal charges.....	173,209	170,933	2,276	139,117
Total expenditures.....	<u>825,150</u>	<u>813,203</u>	<u>11,947</u>	<u>794,327</u>
Other financing uses:				
Transfer for MBTA contract assistance.....	45,956	45,956	-	52,507
Operating transfers out.....	2,981	2,981	-	3,046
Total other financing uses.....	<u>48,937</u>	<u>48,937</u>	<u>-</u>	<u>55,553</u>
Total expenditures and other uses.....	<u>874,087</u>	<u>862,140</u>	<u>11,947</u>	<u>849,880</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(33,987)	(15,462)	18,525	(35,342)
Fund balance at beginning of year.....	389,349	389,349	-	424,691
Fund balance at end of year.....	<u>\$ 355,362</u>	<u>\$ 373,887</u>	<u>\$ 18,525</u>	<u>\$ 389,349</u>

Infrastructure Fund (Subfund Of Highway Fund)
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 458,108	\$ 327,659
Cash with fiscal agent.....	<u>24,076</u>	<u>21,914</u>
Total assets.....	<u>\$ 482,184</u>	<u>\$ 349,573</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	24,076	21,914
Unreserved fund balance:		
Undesignated.....	<u>458,108</u>	<u>327,659</u>
Total fund balance.....	<u>482,184</u>	<u>349,573</u>
Total liabilities and fund balance.....	<u>\$ 482,184</u>	<u>\$ 349,573</u>

Note: The Infrastructure Fund was established by Section 16 of Chapter 121, Acts of 1990 as a subfund of the Highway Fund, and it is a component of, not an addition to, that fund. The entire Highway Fund, including this subfund, is presented in the preceding financial statements labeled Highway Fund.

Local Aid			Commonwealth Stabilization			Administrative Control		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 4,169,000	\$ 4,297,166	\$ 128,166	\$ -	\$ -	\$ -	\$ 271,400	\$ 278,975	\$ 7,575
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	41,256	41,256
2,100	1,761	(339)	21,000	-	(21,000)	11,336	79,523	68,187
-	282	282	-	21,744	21,744	-	16,407	16,407
4,171,100	4,299,209	128,109	21,000	21,744	744	282,736	416,161	133,425
-	-	-	-	-	-	-	671	671
-	-	-	-	-	-	-	-	-
631,200	684,794	53,594	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,651	9,651
-	-	-	-	-	-	-	50,000	50,000
-	-	-	-	234,253	234,253	-	-	-
-	60,000	60,000	-	-	-	-	-	-
631,200	744,794	113,594	-	234,253	234,253	-	60,322	60,322
4,802,300	5,044,003	241,703	21,000	255,997	234,997	282,736	476,483	193,747
-	-	-	-	-	-	-	-	-
392,727	381,713	11,014	-	-	-	3,478	3,478	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
6,120	6,106	14	-	-	-	125	125	-
3,512	2,916	596	-	-	-	38	38	-
696	695	1	-	-	-	-	-	-
685	682	3	-	-	-	-	-	-
584	584	-	-	-	-	28	28	-
54,027	53,517	510	-	-	-	-	-	-
336	336	-	-	-	-	-	-	-
-	-	-	-	-	-	32	32	-
2,037	2,025	12	-	-	-	-	-	-
-	-	-	-	-	-	641	626	15
152,840	120,055	32,785	-	-	-	131,069	82,388	48,681
28,442	26,647	1,795	-	-	-	1,184	1,155	29
11,260	1,009	10,251	-	-	-	15,186	13,199	1,987
117,355	117,000	355	-	-	-	1,063	1,056	7
143,146	138,476	4,670	-	-	-	131	131	-
304	263	41	-	-	-	11,086	8,702	2,384
239,833	232,826	7,007	-	-	-	23,547	23,249	298
30,696	29,872	824	-	-	-	132	132	-
9,249	9,192	57	-	-	-	20	20	-
-	-	-	-	-	-	314	314	-
128	113	15	-	-	-	32	32	-
3,519,676	3,513,828	5,848	-	-	-	-	-	-
72,000	72,000	-	-	-	-	-	-	-
638,123	635,480	2,643	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
41,421	40,877	544	-	-	-	273,879	253,065	20,814
68,908	68,003	905	-	-	-	20,500	20,500	-
5,534,105	5,454,215	79,890	-	-	-	482,485	408,270	74,215
-	46,014	(46,014)	-	-	-	-	572	(572)
91,913	91,913	-	-	-	-	-	-	-
1,004	1,004	-	-	-	-	52,650	52,650	-
44,107	44,107	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	53,701	(53,701)	-	-	-	-	-	-
-	-	-	-	-	-	150,000	150,000	-
137,024	236,739	(99,715)	-	-	-	202,650	203,222	(572)
5,671,129	5,690,954	(19,825)	-	-	-	685,135	611,492	73,643
(868,829)	(646,951)	221,878	21,000	255,997	234,997	(402,399)	(135,009)	267,390
(708,878)	(708,878)	-	543,303	543,303	-	290,763	290,763	-
\$ (1,577,707)	\$ (1,355,829)	\$ 221,878	\$ 564,303	\$ 799,300	\$ 234,997	\$ (111,636)	\$ 155,754	\$ 267,390

continued

Budgeted Funds

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	Environmental			Other		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ 8,500	\$ 7,502	\$ (998)	\$ 155,100	\$ 219,395	\$ 64,295
Assessments.....	-	16,154	16,154	-	-	-
Federal grants and reimbursements.....	3,300	3,806	506	-	-	-
Departmental.....	80,538	47,240	(33,298)	23,526	25,731	2,205
Miscellaneous.....	-	22,939	22,939	-	212	212
Total revenues.....	92,338	97,641	5,303	178,626	245,338	66,712
Other financing sources:						
Fringe benefit cost recovery.....	-	-	-	-	-	-
Lottery reimbursements.....	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-
Transfer for MBTA contract assistance.....	-	-	-	-	-	-
Caseload mitigation.....	-	-	-	-	128,000	128,000
Operating transfers in.....	100	107	7	-	2,671	2,671
Collective bargaining reserve.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing sources.....	100	107	7	-	130,671	130,671
Total revenues and other financing sources.....	92,438	97,748	5,310	178,626	376,009	197,383
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature.....	-	-	-	-	-	-
Judiciary.....	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	622	534	88
Auditor of the Commonwealth.....	-	-	-	-	-	-
Attorney General.....	-	-	-	953	950	3
Ethics Commission.....	-	-	-	-	-	-
District Attorney.....	-	-	-	6,500	6,440	60
Office of Campaign & Political Finance.....	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-
Administration and finance.....	7,381	4,718	2,663	52,924	30,658	22,266
Environmental affairs.....	77,138	70,748	6,390	1,612	1,576	36
Health and human services.....	-	-	-	99,687	95,285	4,402
Transportation and construction.....	-	-	-	-	-	-
Education.....	-	-	-	29,045	28,718	327
Higher education.....	1,886	1,827	59	357	272	85
Public safety.....	17,125	15,157	1,968	5,740	5,638	102
Economic development.....	-	-	-	26,780	24,959	1,821
Elder affairs.....	-	-	-	1,574	1,131	443
Consumer affairs.....	-	-	-	3,505	2,822	683
Labor.....	-	-	-	8,289	7,828	461
Direct local aid.....	-	-	-	-	-	-
Medicaid.....	-	-	-	-	-	-
Pension.....	1,016	1,011	5	-	-	-
Debt service:						
Principal retirement.....	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	5	5	-
Total expenditures.....	104,546	93,461	11,085	237,593	206,816	30,777
Other financing uses:						
Fringe benefit cost assessment.....	-	12,672	(12,672)	-	3,759	(3,759)
Transfer for MBTA contract assistance.....	-	-	-	-	-	-
Operating transfers out.....	135	135	-	30	30	-
Sewer rate relief.....	-	-	-	10,291	10,291	-
Collective bargaining reserve.....	-	-	-	-	-	-
Caseload mitigation.....	-	-	-	-	-	-
Capital investment trust fund.....	-	-	-	-	-	-
Surplus transfer for capital projects.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing uses.....	135	12,807	(12,672)	10,321	14,080	(3,759)
Total expenditures and other financing sources.....	104,681	106,268	(1,587)	247,914	220,896	27,018
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(12,243)	(8,520)	3,723	(69,288)	155,113	224,401
Fund balances (deficit) at beginning of year.....	7,765	7,765	-	85,217	85,217	-
Fund balances (deficit) at end of year.....	\$ (4,478)	\$ (755)	\$ 3,723	\$ 15,929	\$ 240,330	\$ 224,401

Totals		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 12,188,000	\$ 12,864,501	\$ 676,501
-	226,070	226,070
2,974,900	3,019,692	44,792
1,271,100	1,107,736	(163,364)
-	169,223	169,223
16,434,000	17,387,222	953,222
-	197,667	197,667
86,539	76,486	(10,053)
631,543	685,137	53,594
-	137,869	137,869
-	128,000	128,000
212,018	176,732	(35,286)
-	50,000	50,000
-	234,253	234,253
-	150,000	150,000
930,100	1,836,144	906,044
17,364,100	19,223,366	1,859,266
70,895	48,968	21,927
438,291	426,054	12,237
1,612	1,602	10
6,364	5,263	1,101
17,166	16,358	808
105,470	96,590	8,880
12,770	12,766	4
23,825	23,531	294
1,193	1,193	-
60,959	60,335	624
671	670	1
1,434	1,429	5
3,874	3,862	12
6,763	6,730	33
1,153,308	992,637	160,671
197,273	178,577	18,696
3,694,642	3,577,268	117,374
797,186	794,087	3,099
184,708	179,540	5,168
812,886	806,470	6,416
847,634	827,995	19,639
172,180	163,890	8,290
141,830	140,834	996
37,303	35,367	1,936
42,533	38,213	4,320
3,566,896	3,558,139	8,757
3,517,736	3,455,531	62,205
1,075,560	1,069,184	6,376
777,895	750,459	27,436
542,595	525,080	17,515
18,313,452	17,798,622	514,830
-	63,017	(63,017)
137,869	137,869	-
66,866	66,866	-
54,398	54,398	-
50,000	50,000	-
128,000	128,000	-
229,800	229,800	-
-	89,503	(89,503)
100,000	234,253	(134,253)
150,000	150,000	-
916,933	1,203,706	(286,773)
19,230,385	19,002,328	228,057
(1,866,285)	221,038	2,087,323
1,173,008	1,173,008	-
\$ (693,277)	\$ 1,394,046	\$ 2,087,323

General Fund

Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
ASSETS		
Cash and short term investments.....	\$ 758,779	\$ 585,430
Advances to the MBTA.....	229,063	227,512
Receivables, net of allowance for uncollectibles:		
Taxes.....	6,486	3,158
Due from federal government.....	371,503	194,018
Other receivables.....	43,129	37,466
Due from cities and towns.....	140,912	138,139
Due from other funds.....	3,657	7,901
Total assets.....	<u>\$ 1,553,529</u>	<u>\$ 1,193,624</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 358,120	\$ 356,245
Accrued payroll.....	14,050	31,890
Bonds and notes payable.....	-	240,000
Total liabilities.....	<u>372,170</u>	<u>628,135</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	80,459	114,900
Unreserved fund balance:		
Undesignated.....	1,100,900	450,589
Total fund balance.....	<u>1,181,359</u>	<u>565,489</u>
Total liabilities and fund balance.....	<u>\$ 1,553,529</u>	<u>\$ 1,193,624</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 7,067,900	\$ 7,546,903	\$ 479,003	\$ 7,137,594
Assessments.....	-	199,666	199,666	208,858
Federal grants and reimbursements.....	2,967,600	2,971,955	4,355	2,984,870
Departmental.....	812,600	636,124	(176,476)	641,634
Miscellaneous.....	-	105,803	105,803	75,367
Total revenues.....	10,848,100	11,460,451	612,351	11,048,323
Other financing sources:				
Fringe benefit cost recovery.....	-	196,996	196,996	216,813
Lottery reimbursements.....	86,539	76,486	(10,053)	76,558
Lottery distributions.....	343	343	-	350
Transfer for MBTA contract assistance.....	-	137,869	137,869	157,523
Transfers for tax reduction.....	-	90,000	90,000	-
Operating transfers in.....	211,918	164,303	(47,615)	149,165
Total other financing sources.....	298,800	665,997	367,197	600,409
Total revenues and other sources.....	11,146,900	12,126,448	979,548	11,648,732
EXPENDITURES AND OTHER USES				
Expenditures:				
Legislature.....	70,895	48,968	21,927	48,728
Judiciary.....	42,086	40,863	1,223	37,070
Inspector General.....	1,612	1,602	10	1,567
Governor and Lieutenant Governor.....	6,364	5,263	1,101	4,682
Secretary of the Commonwealth.....	10,921	10,127	794	9,288
Treasurer and Receiver-General.....	100,589	92,466	8,123	93,653
Auditor of the Commonwealth.....	12,074	12,071	3	11,656
Attorney General.....	22,179	21,891	288	20,760
Ethics Commission.....	581	581	-	567
District Attorney.....	432	378	54	122
Office of Campaign and Political Finance.....	335	334	1	325
Disabled Persons Protection Commission.....	1,402	1,397	5	1,355
Board of library commissioners.....	1,837	1,837	-	-
Comptroller.....	6,122	6,104	18	6,240

Highway Fund

Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 377,291	\$ 408,443
Cash with fiscal agent.....	24,077	21,914
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	<u>43</u>	<u>55</u>
Total assets.....	<u>\$ 401,411</u>	<u>\$ 430,412</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 26,727	\$ 37,120
Accrued payroll.....	<u>797</u>	<u>3,943</u>
Total liabilities.....	<u>27,524</u>	<u>41,063</u>
Fund equity:		
Reserved fund balance:		
Reserved for continuing appropriations.....	145	42,713
Reserved for debt service.....	24,077	21,914
Unreserved fund balance:		
Undesignated.....	<u>349,665</u>	<u>324,722</u>
Total fund equity.....	<u>373,887</u>	<u>389,349</u>
Total liabilities and fund equity.....	<u>\$ 401,411</u>	<u>\$ 430,412</u>

Highway Fund

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 516,100	\$ 514,560	\$ (1,540)	\$ 510,954
Assessments.....	-	10,250	10,250	13,237
Federal grants and reimbursements.....	4,000	2,675	(1,325)	3,516
Departmental.....	320,000	317,357	(2,643)	284,556
Miscellaneous.....	-	1,836	1,836	2,275
Total revenues.....	840,100	846,678	6,578	814,538
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	840,100	846,678	6,578	814,538
EXPENDITURES AND OTHER USES				
Expenditures:				
Treasurer and Receiver-General.....	709	636	73	660
Attorney General.....	8	8	-	6
Administration and finance.....	5,881	5,428	453	5,110
Environmental affairs.....	29,411	27,158	2,253	28,651
Transportation and construction.....	179,515	177,115	2,400	199,251
Higher education.....	-	-	-	63
Public safety.....	188,367	186,212	2,155	183,447
Labor.....	2	2	-	-
Consumer affairs.....	2,040	2,032	8	1,987
Direct local aid.....	43,472	43,472	-	43,472
Pension.....	74,836	74,185	651	69,794
Debt service:				
Principal retirement.....	127,700	126,022	1,678	122,769
Interest and fiscal charges.....	173,209	170,933	2,276	139,117
Total expenditures.....	825,150	813,203	11,947	794,327
Other financing uses:				
Transfer for MBTA contract assistance.....	45,956	45,956	-	52,507
Operating transfers out.....	2,981	2,981	-	3,046
Total other financing uses.....	48,937	48,937	-	55,553
Total expenditures and other uses.....	874,087	862,140	11,947	849,880
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(33,987)	(15,462)	18,525	(35,342)
Fund balance at beginning of year.....	389,349	389,349	-	424,691
Fund balance at end of year.....	\$ 355,362	\$ 373,887	\$ 18,525	\$ 389,349

Infrastructure Fund (Subfund Of Highway Fund)
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 458,108	\$ 327,659
Cash with fiscal agent.....	24,076	21,914
Total assets.....	<u>\$ 482,184</u>	<u>\$ 349,573</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	24,076	21,914
Unreserved fund balance:		
Undesignated.....	458,108	327,659
Total fund balance.....	<u>482,184</u>	<u>349,573</u>
Total liabilities and fund balance.....	<u>\$ 482,184</u>	<u>\$ 349,573</u>

Note: The Infrastructure Fund was established by Section 16 of Chapter 121, Acts of 1990 as a subfund of the Highway Fund, and it is a component of, not an addition to, that fund. The entire Highway Fund, including this subfund, is presented in the preceding financial statements labeled Highway Fund.

Local Aid			Commonwealth Stabilization			Administrative Control		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 4,169,000	\$ 4,297,166	\$ 128,166	\$ -	\$ -	\$ -	\$ 271,400	\$ 278,975	\$ 7,575
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	41,256	41,256
2,100	1,761	(339)	21,000	-	(21,000)	11,336	79,523	68,187
-	282	282	-	21,744	21,744	-	16,407	16,407
4,171,100	4,299,209	128,109	21,000	21,744	744	282,736	416,161	133,425
-	-	-	-	-	-	-	671	671
-	-	-	-	-	-	-	-	-
631,200	684,794	53,594	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,651	9,651
-	-	-	-	-	-	-	50,000	50,000
-	-	-	-	234,253	234,253	-	-	-
-	60,000	60,000	-	-	-	-	-	-
631,200	744,794	113,594	-	234,253	234,253	-	60,322	60,322
4,802,300	5,044,003	241,703	21,000	255,997	234,997	282,736	476,483	193,747
-	-	-	-	-	-	-	-	-
392,727	381,713	11,014	-	-	-	3,478	3,478	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
6,120	6,106	14	-	-	-	125	125	-
3,512	2,916	596	-	-	-	38	38	-
696	695	1	-	-	-	-	-	-
685	682	3	-	-	-	-	-	-
584	584	-	-	-	-	28	28	-
54,027	53,517	510	-	-	-	-	-	-
336	336	-	-	-	-	-	-	-
-	-	-	-	-	-	32	32	-
2,037	2,025	12	-	-	-	-	-	-
-	-	-	-	-	-	641	626	15
152,840	120,055	32,785	-	-	-	131,069	82,388	48,681
28,442	26,647	1,795	-	-	-	1,184	1,155	29
11,260	1,009	10,251	-	-	-	15,186	13,199	1,987
117,355	117,000	355	-	-	-	1,063	1,056	7
143,146	138,476	4,670	-	-	-	131	131	-
304	263	41	-	-	-	11,086	8,702	2,384
239,833	232,826	7,007	-	-	-	23,547	23,249	298
30,696	29,872	824	-	-	-	132	132	-
9,249	9,192	57	-	-	-	20	20	-
-	-	-	-	-	-	314	314	-
128	113	15	-	-	-	32	32	-
3,519,676	3,513,828	5,848	-	-	-	-	-	-
72,000	72,000	-	-	-	-	-	-	-
638,123	635,480	2,643	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
41,421	40,877	544	-	-	-	273,879	253,065	20,814
68,908	68,003	905	-	-	-	20,500	20,500	-
5,534,105	5,454,215	79,890	-	-	-	482,485	408,270	74,215
-	-	-	-	-	-	-	-	-
-	46,014	(46,014)	-	-	-	-	572	(572)
91,913	91,913	-	-	-	-	-	-	-
1,004	1,004	-	-	-	-	52,650	52,650	-
44,107	44,107	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	53,701	(53,701)	-	-	-	-	-	-
-	-	-	-	-	-	150,000	150,000	-
137,024	236,739	(99,715)	-	-	-	202,650	203,222	(572)
5,671,129	5,690,954	(19,825)	-	-	-	685,135	611,492	73,643
-	-	-	-	-	-	-	-	-
(868,829)	(646,951)	221,878	21,000	255,997	234,997	(402,399)	(135,009)	267,390
(708,878)	(708,878)	-	543,303	543,303	-	290,763	290,763	-
\$ (1,577,707)	\$ (1,355,829)	\$ 221,878	\$ 564,303	\$ 799,300	\$ 234,997	\$ (111,636)	\$ 155,754	\$ 267,390

continued

Budgeted Funds

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	Environmental			Other		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ 8,500	\$ 7,502	\$ (998)	\$ 155,100	\$ 219,395	\$ 64,295
Assessments.....	-	16,154	16,154	-	-	-
Federal grants and reimbursements.....	3,300	3,806	506	-	-	-
Departmental.....	80,538	47,240	(33,298)	23,526	25,731	2,205
Miscellaneous.....	-	22,939	22,939	-	212	212
Total revenues.....	92,338	97,641	5,303	178,626	245,338	66,712
Other financing sources:						
Fringe benefit cost recovery.....	-	-	-	-	-	-
Lottery reimbursements.....	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-
Transfer for MBTA contract assistance.....	-	-	-	-	-	-
Caseload mitigation.....	-	-	-	-	128,000	128,000
Operating transfers in.....	100	107	7	-	2,671	2,671
Collective bargaining reserve.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing sources.....	100	107	7	-	130,671	130,671
Total revenues and other financing sources.....	92,438	97,748	5,310	178,626	376,009	197,383
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature.....	-	-	-	-	-	-
Judiciary.....	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	622	534	88
Auditor of the Commonwealth.....	-	-	-	-	-	-
Attorney General.....	-	-	-	953	950	3
Ethics Commission.....	-	-	-	-	-	-
District Attorney.....	-	-	-	6,500	6,440	60
Office of Campaign & Political Finance.....	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-
Administration and finance.....	7,381	4,718	2,663	52,924	30,658	22,266
Environmental affairs.....	77,138	70,748	6,390	1,612	1,576	36
Health and human services.....	-	-	-	99,687	95,285	4,402
Transportation and construction.....	-	-	-	-	-	-
Education.....	-	-	-	29,045	28,718	327
Higher education.....	1,886	1,827	59	357	272	85
Public safety.....	17,125	15,157	1,968	5,740	5,638	102
Economic development.....	-	-	-	26,780	24,959	1,821
Elder affairs.....	-	-	-	1,574	1,131	443
Consumer affairs.....	-	-	-	3,505	2,822	683
Labor.....	-	-	-	8,289	7,828	461
Direct local aid.....	-	-	-	-	-	-
Medicaid.....	-	-	-	-	-	-
Pension.....	1,016	1,011	5	-	-	-
Debt service:						
Principal retirement.....	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	5	5	-
Total expenditures.....	104,546	93,461	11,085	237,593	206,816	30,777
Other financing uses:						
Fringe benefit cost assessment.....	-	12,672	(12,672)	-	3,759	(3,759)
Transfer for MBTA contract assistance.....	-	-	-	-	-	-
Operating transfers out.....	135	135	-	30	30	-
Sewer rate relief.....	-	-	-	10,291	10,291	-
Collective bargaining reserve.....	-	-	-	-	-	-
Caseload mitigation.....	-	-	-	-	-	-
Capital investment trust fund.....	-	-	-	-	-	-
Surplus transfer for capital projects.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing uses.....	135	12,807	(12,672)	10,321	14,080	(3,759)
Total expenditures and other financing sources.....	104,681	106,268	(1,587)	247,914	220,896	27,018
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(12,243)	(8,520)	3,723	(69,288)	155,113	224,401
Fund balances (deficit) at beginning of year.....	7,765	7,765	-	85,217	85,217	-
Fund balances (deficit) at end of year.....	\$ (4,478)	\$ (755)	\$ 3,723	\$ 15,929	\$ 240,330	\$ 224,401

Totals		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 12,188,000	\$ 12,864,501	\$ 676,501
-	226,070	226,070
2,974,900	3,019,692	44,792
1,271,100	1,107,736	(163,364)
-	169,223	169,223
16,434,000	17,387,222	953,222
-	197,667	197,667
86,539	76,486	(10,053)
631,543	685,137	53,594
-	137,869	137,869
-	128,000	128,000
212,018	176,732	(35,286)
-	50,000	50,000
-	234,253	234,253
-	150,000	150,000
930,100	1,836,144	906,044
17,364,100	19,223,366	1,859,266
70,895	48,968	21,927
438,291	426,054	12,237
1,612	1,602	10
6,364	5,263	1,101
17,166	16,358	808
105,470	96,590	8,880
12,770	12,766	4
23,825	23,531	294
1,193	1,193	-
60,959	60,335	624
671	670	1
1,434	1,429	5
3,874	3,862	12
6,763	6,730	33
1,153,308	992,637	160,671
197,273	178,577	18,696
3,694,642	3,577,268	117,374
797,186	794,087	3,099
184,708	179,540	5,168
812,886	806,470	6,416
847,634	827,995	19,639
172,180	163,890	8,290
141,830	140,834	996
37,303	35,367	1,936
42,533	38,213	4,320
3,566,896	3,558,139	8,757
3,517,736	3,455,531	62,205
1,075,560	1,069,184	6,376
777,895	750,459	27,436
542,595	525,080	17,515
18,313,452	17,798,622	514,830
-	63,017	(63,017)
137,869	137,869	-
66,866	66,866	-
54,398	54,398	-
50,000	50,000	-
128,000	128,000	-
229,800	229,800	-
-	89,503	(89,503)
100,000	234,253	(134,253)
150,000	150,000	-
916,933	1,203,706	(286,773)
19,230,385	19,002,328	228,057
(1,866,285)	221,038	2,087,323
1,173,008	1,173,008	-
\$ (693,277)	\$ 1,394,046	\$ 2,087,323

General Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short term investments.....	\$ 758,779	\$ 585,430
Advances to the MBTA.....	229,063	227,512
Receivables, net of allowance for uncollectibles:		
Taxes.....	6,486	3,158
Due from federal government.....	371,503	194,018
Other receivables.....	43,129	37,466
Due from cities and towns.....	140,912	138,139
Due from other funds.....	3,657	7,901
Total assets.....	<u>\$ 1,553,529</u>	<u>\$ 1,193,624</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 358,120	\$ 356,245
Accrued payroll.....	14,050	31,890
Bonds and notes payable.....	-	240,000
Total liabilities.....	<u>372,170</u>	<u>628,135</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	80,459	114,900
Unreserved fund balance:		
Undesignated.....	1,100,900	450,589
Total fund balance.....	<u>1,181,359</u>	<u>565,489</u>
Total liabilities and fund balance.....	<u>\$ 1,553,529</u>	<u>\$ 1,193,624</u>

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

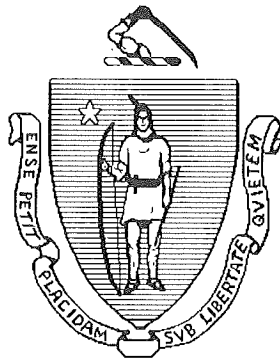
Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 7,067,900	\$ 7,546,903	\$ 479,003	\$7,137,594
Assessments.....	-	199,666	199,666	208,858
Federal grants and reimbursements.....	2,967,600	2,971,955	4,355	2,984,870
Departmental.....	812,600	636,124	(176,476)	641,634
Miscellaneous.....	-	105,803	105,803	75,367
Total revenues.....	10,848,100	11,460,451	612,351	11,048,323
Other financing sources:				
Fringe benefit cost recovery.....	-	196,996	196,996	216,813
Lottery reimbursements.....	86,539	76,486	(10,053)	76,558
Lottery distributions.....	343	343	-	350
Transfer for MBTA contract assistance.....	-	137,869	137,869	157,523
Transfers for tax reduction.....	-	90,000	90,000	-
Operating transfers in.....	211,918	164,303	(47,615)	149,165
Total other financing sources.....	298,800	665,997	367,197	600,409
Total revenues and other sources.....	11,146,900	12,126,448	979,548	11,648,732
EXPENDITURES AND OTHER USES				
Expenditures:				
Legislature.....	70,895	48,968	21,927	48,728
Judiciary.....	42,086	40,863	1,223	37,070
Inspector General.....	1,612	1,602	10	1,567
Governor and Lieutenant Governor.....	6,364	5,263	1,101	4,682
Secretary of the Commonwealth.....	10,921	10,127	794	9,288
Treasurer and Receiver-General.....	100,589	92,466	8,123	93,653
Auditor of the Commonwealth.....	12,074	12,071	3	11,656
Attorney General.....	22,179	21,891	288	20,760
Ethics Commission.....	581	581	-	567
District Attorney.....	432	378	54	122
Office of Campaign and Political Finance.....	335	334	1	325
Disabled Persons Protection Commission.....	1,402	1,397	5	1,355
Board of library commissioners.....	1,837	1,837	-	-
Comptroller.....	6,122	6,104	18	6,240

General Fund
Statements of Revenues, Expenditures And Changes in Fund Balance

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
Expenditures (continued):				
Administration and finance.....	803,213	749,390	53,823	725,669
Environmental affairs.....	59,486	51,293	8,193	44,398
Health and human services.....	3,568,509	3,467,775	100,734	3,408,542
Transportation and construction.....	499,253	498,916	337	514,254
Education.....	12,386	12,215	171	-
Educational affairs.....	-	-	-	2,334
Higher education.....	799,253	795,406	3,847	729,086
Public safety.....	373,022	364,913	8,109	344,487
Economic development.....	114,572	108,927	5,645	114,641
Elder affairs.....	130,987	130,491	496	128,357
Consumer affairs.....	31,444	30,199	1,245	29,339
Labor.....	34,082	30,238	3,844	27,530
Direct local aid.....	3,748	839	2,909	-
Medicaid.....	3,445,736	3,383,531	62,205	3,347,019
Pension.....	361,585	358,508	3,077	337,174
Debt service:				
Principal retirement.....	334,895	330,495	4,400	281,092
Interest and fiscal charges.....	279,973	265,639	14,334	270,271
Total expenditures.....	11,129,573	10,822,657	306,916	10,540,206
Other financing uses:				
Collective bargaining reserve.....	50,000	50,000	-	60,000
Case load mitigation.....	128,000	128,000	-	-
Capital investment trust fund.....	229,800	229,800	-	-
Surplus transfer for capital projects.....	-	89,503	(89,503)	-
Operating transfers out.....	10,066	10,066	-	57,343
Stabilization transfer.....	100,000	180,552	(80,552)	106,443
Tax reduction fund.....	-	-	-	150,000
Total other financing uses.....	517,866	687,921	(170,055)	373,786
Total expenditures and other uses.....	11,647,439	11,510,578	136,861	10,913,992
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(500,539)	615,870	1,116,409	734,740
Fund balance (deficit) at beginning of year.....	565,489	565,489	-	(169,251)
Fund balance at end of year.....	\$ 64,950	\$ 1,181,359	\$ 1,116,409	\$ 565,489



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Highway Fund

Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
ASSETS		
Cash and short-term investments.....	\$ 377,291	\$ 408,443
Cash with fiscal agent.....	24,077	21,914
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	43	55
Total assets.....	<u>\$ 401,411</u>	<u>\$ 430,412</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 26,727	\$ 37,120
Accrued payroll.....	797	3,943
Total liabilities.....	<u>27,524</u>	<u>41,063</u>
Fund equity:		
Reserved fund balance:		
Reserved for continuing appropriations.....	145	42,713
Reserved for debt service.....	24,077	21,914
Unreserved fund balance:		
Undesignated.....	349,665	324,722
Total fund equity.....	<u>373,887</u>	<u>389,349</u>
Total liabilities and fund equity.....	<u>\$ 401,411</u>	<u>\$ 430,412</u>

Highway Fund

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 516,100	\$ 514,560	\$ (1,540)	\$ 510,954
Assessments.....	-	10,250	10,250	13,237
Federal grants and reimbursements.....	4,000	2,675	(1,325)	3,516
Departmental.....	320,000	317,357	(2,643)	284,556
Miscellaneous.....	-	1,836	1,836	2,275
Total revenues.....	840,100	846,678	6,578	814,538
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	840,100	846,678	6,578	814,538
EXPENDITURES AND OTHER USES				
Expenditures:				
Treasurer and Receiver-General.....	709	636	73	660
Attorney General.....	8	8	-	6
Administration and finance.....	5,881	5,428	453	5,110
Environmental affairs.....	29,411	27,158	2,253	28,651
Transportation and construction.....	179,515	177,115	2,400	199,251
Higher education.....	-	-	-	63
Public safety.....	188,367	186,212	2,155	183,447
Labor.....	2	2	-	-
Consumer affairs.....	2,040	2,032	8	1,987
Direct local aid.....	43,472	43,472	-	43,472
Pension.....	74,836	74,185	651	69,794
Debt service:				
Principal retirement.....	127,700	126,022	1,678	122,769
Interest and fiscal charges.....	173,209	170,933	2,276	139,117
Total expenditures.....	825,150	813,203	11,947	794,327
Other financing uses:				
Transfer for MBTA contract assistance.....	45,956	45,956	-	52,507
Operating transfers out.....	2,981	2,981	-	3,046
Total other financing uses.....	48,937	48,937	-	55,553
Total expenditures and other uses.....	874,087	862,140	11,947	849,880
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(33,987)	(15,462)	18,525	(35,342)
Fund balance at beginning of year.....	389,349	389,349	-	424,691
Fund balance at end of year.....	\$ 355,362	\$ 373,887	\$ 18,525	\$ 389,349

Infrastructure Fund (Subfund Of Highway Fund)
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 458,108	\$ 327,659
Cash with fiscal agent.....	24,076	21,914
Total assets.....	<u>\$ 482,184</u>	<u>\$ 349,573</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	24,076	21,914
Unreserved fund balance:		
Undesignated.....	458,108	327,659
Total fund balance.....	<u>482,184</u>	<u>349,573</u>
Total liabilities and fund balance.....	<u>\$ 482,184</u>	<u>\$ 349,573</u>

Note: The Infrastructure Fund was established by Section 16 of Chapter 121, Acts of 1990 as a subfund of the Highway Fund, and it is a component of, not an addition to, that fund. The entire Highway Fund, including this subfund, is presented in the preceding financial statements labeled Highway Fund.

Infrastructure Fund (Subfund Of Highway Fund)
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 175,044	\$ 175,044	\$ -	\$ 174,156
Miscellaneous.....	-	1,450	1,450	1,793
Total revenues.....	175,044	176,494	1,450	175,949
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	175,044	176,494	1,450	175,949
EXPENDITURES AND OTHER USES				
Expenditures:				
Debt service:				
Principal retirement.....	14,500	14,500	-	122,769
Interest and fiscal charges.....	29,383	29,383	-	139,117
Total expenditures.....	43,883	43,883	-	261,886
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	43,883	43,883	-	261,886
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	131,161	132,611	1,450	(85,937)
Fund balance at beginning of year.....	349,573	349,573	-	435,510
Fund balance at end of year.....	\$ 480,734	\$ 482,184	\$ 1,450	\$ 349,573

Note: The Infrastructure Fund was established by Section 16 of Chapter 121, Acts of 1990 as a subfund of the Highway Fund, and it is a component of, not an addition to, that fund. The entire Highway Fund, including this subfund, is presented in the preceding financial statements labeled Highway Fund.

Local Aid Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Due from cities and towns.....	\$ 668	\$ 627
Total assets.....	<u>\$ 668</u>	<u>\$ 627</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 1,206,082	\$ 530,950
Accounts payable.....	150,364	177,568
Accrued payroll.....	<u>51</u>	<u>987</u>
Total liabilities.....	<u>1,356,497</u>	<u>709,505</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	36,755	12,103
Unreserved fund deficit:		
Undesignated.....	<u>(1,392,584)</u>	<u>(720,981)</u>
Total fund deficit.....	<u>(1,355,829)</u>	<u>(708,878)</u>
Total liabilities and fund balance.....	<u>\$ 668</u>	<u>\$ 627</u>

Local Aid Fund
Statement of Revenues, Expenditures And Changes in Fund Balance - Statutory Basis

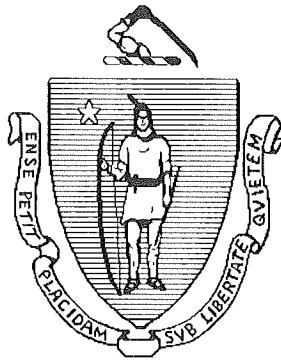
Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 4,169,000	\$ 4,297,166	\$ 128,166	\$3,969,871
Departmental.....	2,100	1,761	(339)	918
Miscellaneous.....	-	282	282	273
Total revenues.....	4,171,100	4,299,209	128,109	3,971,062
Other financing sources:				
Lottery distributions.....	631,200	684,794	53,594	651,146
Transfers for tax reduction.....	-	60,000	60,000	-
Total other financing sources.....	631,200	744,794	113,594	651,146
Total revenues and other sources.....	4,802,300	5,044,003	241,703	4,622,208
EXPENDITURES AND OTHER USES				
Expenditures:				
Judiciary.....	392,727	381,713	11,014	344,407
Secretary of the Commonwealth	6,120	6,106	14	4,947
Treasurer and Receiver-General.....	3,512	2,916	596	8,242
Auditor of the Commonwealth.....	696	695	1	722
Attorney General.....	685	682	3	642
Ethics Commission.....	584	584	-	572
District Attorney.....	54,027	53,517	510	48,423
Office of Campaign and Political Finance.....	336	336	-	327
Board of Library Commissioners.....	2,037	2,025	12	2,383
Administration and finance.....	152,840	120,055	32,785	118,961
Environmental affairs.....	28,442	26,647	1,795	41,145
Health and human services.....	11,260	1,009	10,251	3,238
Transportation and construction.....	117,355	117,000	355	102,926
Education.....	143,146	138,476	4,670	118,039
Educational affairs.....	-	-	-	1,630
Higher education.....	304	263	41	692

Local Aid Fund
Statement of Revenues, Expenditures And Changes in Fund Balance

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
Expenditures (continued):				
Public safety.....	239,833	232,826	7,007	205,051
Economic development.....	30,696	29,872	824	28,329
Elder affairs.....	9,249	9,192	57	8,598
Consumer affairs.....	-	-	-	2
Labor.....	128	113	15	-
Direct local aid.....	3,519,676	3,513,828	5,848	3,202,760
Medicaid.....	72,000	72,000	-	68,930
Pension.....	638,123	635,480	2,643	596,639
Debt service:				
Principal retirement.....	41,421	40,877	544	36,811
Interest and fiscal charges.....	68,908	68,003	905	59,952
Total expenditures.....	5,534,105	5,454,215	79,890	5,004,368
Other financing uses:				
Fringe benefit cost assessment.....	-	46,014	(46,014)	48,075
Transfer for MBTA contract assistance.....	91,913	91,913	-	105,016
Sewer rate relief.....	44,107	44,107	-	23,200
Operating transfers out.....	1,004	1,004	-	2,705
Stabilization transfer.....	-	53,701	(53,701)	70,962
Total other financing uses.....	137,024	236,739	(99,715)	249,958
Total expenditure and other uses.....	5,671,129	5,690,954	(19,825)	5,254,326
Deficiency of revenues and other sources over expenditures and other uses.....	(868,829)	(646,951)	221,878	(632,118)
Fund deficit at beginning of year.....	(708,878)	(708,878)	-	(76,760)
Fund deficit at end of year.....	<u>\$ (1,577,707)</u>	<u>\$ (1,355,829)</u>	<u>\$ 221,878</u>	<u>\$ (708,878)</u>



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Commonwealth Stabilization Fund
Balance Sheet- Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 799,300	\$ 543,303
Total assets.....	<u>\$ 799,300</u>	<u>\$ 543,303</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund equity:		
Reserved fund balance:		
Reserved for stabilization.....	799,300	543,303
Total fund balance.....	<u>799,300</u>	<u>543,303</u>
Total liabilities and fund balance.....	<u>\$ 799,300</u>	<u>\$ 543,303</u>

Commonwealth Stabilization Fund

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 21,000	\$ -	\$ (21,000)	\$ -
Miscellaneous.....	-	21,744	21,744	22,215
Total revenues.....	21,000	21,744	744	22,215
Other financing sources:				
Stabilization transfer.....	-	234,253	234,253	177,405
Total other financing sources.....	-	234,253	234,253	177,405
Total revenues and other sources.....	21,000	255,997	234,997	199,620
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Transfers for tax reduction.....	-	-	-	81,722
Total other financing uses.....	-	-	-	81,722
Total expenditures and other uses.....	-	-	-	81,722
Excess of revenues and other sources over expenditures and other uses.....	21,000	255,997	234,997	117,898
Fund balance at beginning of year.....	543,303	543,303	-	425,405
Fund balance at end of year.....	\$ 564,303	\$ 799,300	\$ 234,997	\$ 543,303

Tax Reduction Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 91,764	\$ 231,722
Total assets.....	<u>\$ 91,764</u>	<u>\$ 231,722</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for tax reduction - current.....	91,764	150,000
Reserved for tax reduction - future.....	<u>-</u>	<u>81,722</u>
Total fund balance.....	<u>91,764</u>	<u>231,722</u>
Total liabilities and fund balance.....	<u>\$ 91,764</u>	<u>\$ 231,722</u>

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Miscellaneous.....	\$ -	\$ 10,042	\$ 10,042	\$ -
Total revenues.....	-	10,042	10,042	-
Other financing sources:				
Transfers for Tax reduction.....	-	-	-	231,722
Total other financing sources.....	-	-	-	231,722
Total revenues and other sources.....	-	10,042	10,042	231,722
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Transfers for tax reduction.....	150,000	150,000	-	-
Operating transfers out.....	-	-	-	-
Total other financing uses.....	150,000	150,000	-	-
Total expenditures and other uses.....	150,000	150,000	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(150,000)	(139,958)	10,042	231,722
Fund balance at beginning of year.....	231,722	231,722	-	-
Fund balance at end of year.....	\$ 81,722	\$ 91,764	\$ 10,042	\$ 231,722

Intragovernmental Service Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 10,203	\$ 12,705
Total assets.....	<u>\$ 10,203</u>	<u>\$ 12,705</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 10,021	\$ 12,483
Accrued payroll.....	<u>5</u>	<u>72</u>
Total liabilities.....	<u>10,026</u>	<u>12,555</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	<u>177</u>	<u>150</u>
Total fund balance.....	<u>177</u>	<u>150</u>
Total liabilities and fund balance.....	<u>\$ 10,203</u>	<u>\$ 12,705</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 79,505	\$ 79,505	\$ 82,333
Miscellaneous.....	-	-	-	1,417
Total revenues.....	-	79,505	79,505	83,750
Other financing sources:				
Fringe benefit cost recovery.....	-	671	671	74
Operating transfers in.....	-	9,651	9,651	12,482
Total other financing sources.....	-	10,322	10,322	12,556
Total revenues and other sources.....	-	89,827	89,827	96,306
EXPENDITURES AND OTHER USES				
Expenditures:				
Secretary of the Commonwealth.....	125	125	-	24
Administration and finance.....	75,723	74,206	1,517	83,795
Environmental affairs.....	600	571	29	782
Health and human services.....	4,723	4,629	94	1,302
Transportation and construction.....	285	278	7	943
Public safety.....	7,402	7,104	298	6,027
Total expenditures.....	88,858	86,913	1,945	92,873
Other financing uses:				
Fringe benefit cost assessment.....	-	482	(482)	556
Operating transfers out.....	2,405	2,405	-	2,727
Total other financing uses.....	2,405	2,887	(482)	3,283
Total expenditures and other uses.....	91,263	89,800	1,463	96,156
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(91,263)	27	91,290	150
Fund balance at beginning of year.....	150	150	-	-
Fund balance (deficit) at end of year.....	\$ (91,113)	\$ 177	\$ 91,290	\$ 150

Revenue Maximization Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 3,964	\$ 6,882
Total assets.....	<u>\$ 3,964</u>	<u>\$ 6,882</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,595	\$ 1,882
Total liabilities.....	<u>1,595</u>	<u>1,882</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	2,369	5,000
Total fund balance.....	<u>2,369</u>	<u>5,000</u>
Total liabilities and fund balance.....	<u>\$ 3,964</u>	<u>\$ 6,882</u>

Revenue Maximization Fund

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ -	\$ 11,686	\$ 11,686	\$ 1,437
Federal grants and reimbursements.....	-	41,256	41,256	47,051
Departmental.....	7,812	18	(7,794)	-
Total revenues.....	7,812	52,960	45,148	48,488
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	7,812	52,960	45,148	48,488
EXPENDITURES AND OTHER USES				
Expenditures:				
Comptroller.....	419	404	15	150
Administration and finance.....	10,221	2,245	7,976	1,882
Health and human services.....	4,500	2,607	1,893	-
Total expenditures.....	15,140	5,256	9,884	2,032
Other financing uses:				
Fringe benefit cost assessment.....	-	90	(90)	36
Operating transfers out.....	50,245	50,245	-	42,081
Total other financing uses.....	50,245	50,335	(90)	42,117
Total expenditures and other uses.....	65,385	55,591	9,794	44,149
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(57,573)	(2,631)	54,942	4,339
Fund balance at beginning of year.....	5,000	5,000	-	661
Fund balance (deficit) at end of year.....	<u>\$ (52,573)</u>	<u>\$ 2,369</u>	<u>\$ 54,942</u>	<u>\$ 5,000</u>

Collective Bargaining Reserve Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 61,091	\$ 53,737
Total assets.....	<u>\$ 61,091</u>	<u>\$ 53,737</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 391	\$ 500
Accrued payroll.....	<u>2</u>	<u>3</u>
Total liabilities.....	<u>393</u>	<u>503</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	34,183	49,772
Unreserved fund balance:		
Undesignated.....	<u>26,515</u>	<u>3,462</u>
Total fund balance.....	<u>60,698</u>	<u>53,234</u>
Total liabilities and fund balance.....	<u>\$ 61,091</u>	<u>\$ 53,737</u>

Collective Bargaining Reserve Fund

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Collective bargaining reserve.....	-	50,000	50,000	60,000
Total other financing sources.....	-	50,000	50,000	60,000
Total revenues and other sources.....	-	50,000	50,000	60,000
EXPENDITURES AND OTHER USES				
Expenditures:				
Judiciary.....	3,478	3,478	-	20,344
Treasurer and Receiver - General.....	38	38	-	-
Ethics Commission.....	28	28	-	-
Disabled Persons Protection Commission.....	32	32	-	-
Comptroller.....	222	222	-	-
Administration and finance.....	45,125	5,937	39,188	-
Environmental affairs.....	584	584	-	-
Health and human services.....	5,963	5,963	-	-
Transportation & Construction.....	778	778	-	-
Education.....	131	131	-	-
Higher education.....	11,086	8,702	2,384	12,122
Public safety.....	16,145	16,145	-	11,300
Economic development.....	132	132	-	-
Elder affairs.....	20	20	-	-
Consumer affairs.....	314	314	-	-
Labor.....	32	32	-	-
Total expenditures.....	84,108	42,536	41,572	43,766
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	84,108	42,536	41,572	43,766
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(84,108)	7,464	91,572	16,234
Fund balance at beginning of year.....	53,234	53,234	-	37,000
Fund balance (deficit) at end of year.....	\$ (30,874)	\$ 60,698	\$ 91,572	\$ 53,234

Commonwealth Fiscal Recovery Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash with fiscal agent.....	\$ 746	\$ 657
Total assets.....	<u>\$ 746</u>	<u>\$ 657</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	20,814	657
Unreserved fund balance:		
Undesignated.....	(20,068)	-
Total fund balance.....	<u>746</u>	<u>657</u>
Total liabilities and fund balance.....	<u>\$ 746</u>	<u>\$ 657</u>

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 271,400	\$267,289	\$ (4,111)	\$267,192
Departmental.....	3,524	-	(3,524)	-
Miscellaneous.....	-	6,365	6,365	6,300
Total revenues.....	<u>274,924</u>	<u>273,654</u>	<u>(1,270)</u>	<u>273,492</u>
Other financing sources:				
Proceeds of refunding bonds.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>274,924</u>	<u>273,654</u>	<u>(1,270)</u>	<u>273,492</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Debt service:				
Principal retirement.....	273,879	253,065	20,814	236,015
Interest and fiscal charges.....	20,500	20,500	-	37,534
Total expenditures.....	<u>294,379</u>	<u>273,565</u>	<u>20,814</u>	<u>273,549</u>
Other financing uses:				
Payments to refunded bond escrow agents.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	<u>294,379</u>	<u>273,565</u>	<u>20,814</u>	<u>273,549</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(19,455)	89	19,544	(57)
Fund balance at beginning of year.....	657	657	-	714
Fund balance (deficit) at end of year.....	<u>\$ (18,798)</u>	<u>\$ 746</u>	<u>\$ 19,544</u>	<u>\$ 657</u>

Natural Heritage And Endangered Species Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 87	\$ 34
Total assets.....	<u>\$ 87</u>	<u>\$ 34</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	87	34
Total fund balance.....	<u>87</u>	<u>34</u>
Total liabilities and fund balance.....	<u>\$ 87</u>	<u>\$ 34</u>

Natural Heritage And Endangered Species Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Federal grants and reimbursements.....	\$ -	\$ 80	\$ 80	\$ 11
Departmental.....	313	13	(300)	10
Miscellaneous.....	-	197	197	189
Total revenues.....	<u>313</u>	<u>290</u>	<u>(23)</u>	<u>210</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other sources.....	<u>313</u>	<u>290</u>	<u>(23)</u>	<u>210</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	207	198	9	195
Total expenditures.....	<u>207</u>	<u>198</u>	<u>9</u>	<u>195</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	39	(39)	41
Total other financing uses.....	<u>-</u>	<u>39</u>	<u>(39)</u>	<u>41</u>
Total expenditures and other uses.....	<u>207</u>	<u>237</u>	<u>(30)</u>	<u>236</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	106	53	(53)	(26)
Fund balance at beginning of year.....	34	34	-	60
Fund balance at end of year.....	<u>\$ 140</u>	<u>\$ 87</u>	<u>\$ (53)</u>	<u>\$ 34</u>

Mosquito And Greenhead Fly Control Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ 117
Total assets.....	<u>\$ -</u>	<u>\$ 117</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 638	\$ -
Accounts payable.....	94	88
Accrued payroll.....	<u>10</u>	<u>1</u>
Total liabilities.....	<u>742</u>	<u>89</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	50	41
Unreserved fund balance (deficit):		
Undesignated.....	<u>(792)</u>	<u>(13)</u>
Total fund balance (deficit).....	<u>(742)</u>	<u>28</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 117</u>

Mosquito And Greenhead Fly Control Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
REVENUES AND OTHER SOURCES				
Revenues:				
Assessments.....	\$ -	\$ 3,970	\$ 3,970	\$ 3,788
Departmental.....	4,375	-	(4,375)	-
Miscellaneous.....	-	427	427	333
Total revenues.....	<u>4,375</u>	<u>4,397</u>	<u>22</u>	<u>4,121</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>4,375</u>	<u>4,397</u>	<u>22</u>	<u>4,121</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	4,508	4,425	83	4,146
Total expenditures.....	<u>4,508</u>	<u>4,425</u>	<u>83</u>	<u>4,146</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	734	(734)	736
Operating transfers out.....	8	8	-	9
Total other financing uses.....	<u>8</u>	<u>742</u>	<u>(734)</u>	<u>745</u>
Total expenditures and other uses.....	<u>4,516</u>	<u>5,167</u>	<u>(651)</u>	<u>4,891</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(141)	(770)	(629)	(770)
Fund balance at beginning of year.....	28	28	-	798
Fund balance (deficit) at end of year.....	<u>\$ (113)</u>	<u>\$ (742)</u>	<u>\$ (629)</u>	<u>\$ 28</u>

Inland Fisheries And Game Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 1,398	\$ 1,517
Total assets.....	<u>\$ 1,398</u>	<u>\$ 1,517</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 566	\$ 293
Accrued payroll.....	19	93
Total liabilities.....	<u>585</u>	<u>386</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	813	1,131
Total fund balance.....	813	1,131
Total liabilities and fund balance.....	<u>\$ 1,398</u>	<u>\$ 1,517</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 911	\$ 804	\$ (107)	\$ 799
Federal grants and reimbursements.....	2,286	2,727	441	2,838
Departmental.....	7,709	7,391	(318)	6,177
Miscellaneous.....	-	293	293	211
Total revenues.....	<u>10,906</u>	<u>11,215</u>	<u>309</u>	<u>10,025</u>
Other financing sources:				
Operating transfers in.....	100	107	7	75
Total other financing sources.....	100	107	7	75
Total revenues and other sources.....	<u>11,006</u>	<u>11,322</u>	<u>316</u>	<u>10,100</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	10,335	9,995	340	9,686
Pension.....	1,016	1,011	5	944
Higher education.....	-	-	-	1
Total expenditures.....	<u>11,351</u>	<u>11,006</u>	<u>345</u>	<u>10,631</u>
Other financing uses				
Fringe benefit cost assessment.....	-	619	(619)	770
Operating transfers out.....	15	15	-	19
Total other financing uses.....	15	634	(619)	789
Total expenditures and other uses.....	<u>11,366</u>	<u>11,640</u>	<u>(274)</u>	<u>11,420</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(360)	(318)	42	(1,320)
Fund balance at beginning of year.....	1,131	1,131	-	2,451
Fund balance at end of year.....	<u>\$ 771</u>	<u>\$ 813</u>	<u>\$ 42</u>	<u>\$ 1,131</u>

Environmental Challenge Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 2,398	\$ 84
Accounts payable.....	58	10
Accrued payroll.....	<u>1</u>	<u>2</u>
Total liabilities.....	<u>2,457</u>	<u>96</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(2,457)</u>	<u>(96)</u>
Total fund balance (deficit).....	<u>(2,457)</u>	<u>(96)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 6,369	\$ 4,373	\$ (1,996)	\$ 4,935
Total revenues.....	6,369	4,373	(1,996)	4,935
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	6,369	4,373	(1,996)	4,935
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	5,588	5,483	105	5,421
Total expenditures.....	5,588	5,483	105	5,421
Other financing uses:				
Fringe benefit cost assessment.....	-	1,251	(1,251)	1,216
Total other financing uses.....	-	1,251	(1,251)	1,216
Total expenditures and other uses.....	5,588	6,734	(1,146)	6,637
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	781	(2,361)	(3,142)	(1,702)
Fund balance (deficit) at beginning of year.....	(96)	(96)	-	1,606
Fund balance (deficit) at end of year.....	\$ 685	\$(2,457)	\$ (3,142)	\$ (96)

Toxics Use Reduction Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 1,385	\$ 302
Accounts payable.....	398	479
Accrued payroll.....	24	\$ 65
Total liabilities.....	<u>1,807</u>	<u>846</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(1,807)	(846)
Total fund balance (deficit).....	<u>(1,807)</u>	<u>(846)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 4,437	\$ 4,342	\$ (95)	\$ 2,778
Miscellaneous.....	-	-	-	3
Total revenues.....	<u>4,437</u>	<u>4,342</u>	<u>(95)</u>	<u>2,781</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>4,437</u>	<u>4,342</u>	<u>(95)</u>	<u>2,781</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	2,852	2,709	143	2,632
Higher education.....	1,886	1,827	59	1,825
Total expenditures.....	<u>4,738</u>	<u>4,536</u>	<u>202</u>	<u>4,457</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	758	(758)	1,146
Operating transfers out.....	9	9	-	11
Total other financing uses.....	9	767	(758)	1,157
Total expenditures and other uses.....	<u>4,747</u>	<u>5,303</u>	<u>(556)</u>	<u>5,614</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(310)	(961)	(651)	(2,833)
Fund balance (deficit) at beginning of year.....	(846)	(846)	-	1,987
Fund balance (deficit) at end of year.....	<u>\$ (1,156)</u>	<u>\$ (1,807)</u>	<u>\$ (651)</u>	<u>\$ (846)</u>

Clean Environment Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 5,217	\$ 4,317
Total assets.....	<u>\$ 5,217</u>	<u>\$ 4,317</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,434	\$ 1,263
Accrued payroll.....	45	263
Total liabilities.....	<u>1,479</u>	<u>1,526</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	328	-
Unreserved fund balance:		
Undesignated.....	3,410	2,791
Total fund balance.....	<u>3,738</u>	<u>2,791</u>
Total liabilities and fund balance.....	<u>\$ 5,217</u>	<u>\$ 4,317</u>

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 12,846	\$ -	\$ (12,846)	\$ -
Miscellaneous.....	-	17,213	17,213	16,421
Total revenues.....	12,846	17,213	4,367	16,421
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	12,846	17,213	4,367	16,421
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	131	131	-	127
Environmental affairs.....	14,450	13,689	761	13,882
Transportation and construction.....	-	-	-	60
Total expenditures.....	14,581	13,820	761	14,069
Other financing uses:				
Fringe benefit cost assessment.....	-	2,409	(2,409)	2,525
Operating transfers out.....	37	37	-	54
Total other financing uses.....	37	2,446	(2,409)	2,579
Total expenditures and other uses.....	14,618	16,266	(1,648)	16,648
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(1,772)	947	2,719	(227)
Fund balance at beginning of year.....	2,791	2,791	-	3,018
Fund balance at end of year.....	\$ 1,019	\$ 3,738	\$ 2,719	\$ 2,791

Environmental Permitting And Compliance Assurance Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 17,312	\$ 13,781
Accounts payable.....	11	4
Accrued payroll.....	3	18
Total liabilities.....	<u>17,326</u>	<u>13,803</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(17,326)</u>	<u>(13,803)</u>
Total fund balance (deficit).....	<u>(17,326)</u>	<u>(13,803)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Environmental Permitting And Compliance Assurance Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Assessments.....	\$ -	\$ 2,265	\$ 2,265	\$ 2,244
Departmental.....	6,522	5,432	(1,090)	5,858
Miscellaneous.....	-	194	194	251
Total revenues.....	6,522	7,891	1,369	8,353
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	6,522	7,891	1,369	8,353
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	9,380	9,284	96	8,718
Total expenditures.....	9,380	9,284	96	8,718
Other financing uses:				
Fringe benefit cost assessment.....	-	2,127	(2,127)	2,206
Operating transfers out.....	3	3	-	4
Total other financing uses.....	3	2,130	(2,127)	2,210
Total expenditures and other uses.....	9,383	11,414	(2,031)	10,928
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(2,861)	(3,523)	(662)	(2,575)
Fund balance (deficit) at beginning of year.....	(13,803)	(13,803)	-	(11,228)
Fund balance (deficit) at end of year.....	\$ (16,664)	\$ (17,326)	\$ (662)	\$ (13,803)

Underground Storage Tank Petroleum Product Cleanup Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 19,064	\$ 43,248
Total assets.....	<u>\$ 19,064</u>	<u>\$ 43,248</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 6,544	\$ 33,818
Accrued payroll.....	<u>3</u>	<u>14</u>
Total liabilities.....	<u>6,547</u>	<u>33,832</u>
Fund equity:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	4,829
Unreserved fund balance:		
Undesignated.....	<u>12,517</u>	<u>4,587</u>
Total fund balance.....	<u>12,517</u>	<u>9,416</u>
Total liabilities and fund balance.....	<u>\$ 19,064</u>	<u>\$ 43,248</u>

Underground Storage Tank Petroleum Product Cleanup Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 15,317	\$ 16,951	\$ 1,634	\$ 15,423
Miscellaneous.....	-	2,269	2,269	2,552
Total revenues.....	15,317	19,220	3,903	17,975
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	15,317	19,220	3,903	17,975
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	622	617	5	613
Public safety.....	17,125	15,157	1,968	43,868
Total expenditures.....	17,747	15,774	1,973	44,481
Other financing uses:				
Fringe benefit cost assessment.....	-	343	(343)	780
Operating transfers out.....	2	2	-	2
Total other financing uses.....	2	345	(343)	782
Total expenditures and other uses.....	17,749	16,119	1,630	45,263
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(2,432)	3,101	5,533	(27,288)
Fund balance at beginning of year.....	9,416	9,416	-	36,704
Fund balance at end of year.....	\$ 6,984	\$ 12,517	\$ 5,533	\$ 9,416

Environmental Law Enforcement Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ 347
Total assets.....	<u>\$ -</u>	<u>\$ 347</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency cash and short-term investments.....	\$ 430	\$ -
Accounts payable.....	440	322
Accrued payroll.....	<u>26</u>	<u>161</u>
Total liabilities.....	<u>896</u>	<u>483</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(896)</u>	<u>(136)</u>
Total fund balance (deficit)	<u>(896)</u>	<u>(136)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 347</u>

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 1,821	\$ 1,608	\$ (213)	\$ 1,599
Departmental.....	3,162	2,920	(242)	3,290
Total revenues.....	<u>4,983</u>	<u>4,528</u>	<u>(455)</u>	<u>4,889</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>4,983</u>	<u>4,528</u>	<u>(455)</u>	<u>4,889</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	4,389	4,360	29	4,651
Total expenditures.....	<u>4,389</u>	<u>4,360</u>	<u>29</u>	<u>4,651</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	908	(908)	1,071
Operating transfers out.....	20	20	-	31
Total other financing uses.....	<u>20</u>	<u>928</u>	<u>(908)</u>	<u>1,102</u>
Total expenditures and other uses.....	<u>4,409</u>	<u>5,288</u>	<u>(879)</u>	<u>5,753</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	574	(760)	(1,334)	(864)
Fund balance (deficit) at beginning of year.....	(136)	(136)	-	728
Fund balance (deficit) at end of year.....	<u>\$ 438</u>	<u>\$ (896)</u>	<u>\$ (1,334)</u>	<u>\$ (136)</u>

Public Access Fund
Balance Sheet - Statutory Basis

June 30, 1997

(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 727	\$ 836
Total assets.....	<u>\$ 727</u>	<u>\$ 836</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 124	\$ 136
Accrued payroll.....	<u>2</u>	<u>8</u>
Total liabilities.....	<u>126</u>	<u>144</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	260	260
Unreserved fund balance:		
Undesignated.....	<u>341</u>	<u>432</u>
Total fund balance.....	<u>601</u>	<u>692</u>
Total liabilities and fund balance.....	<u>\$ 727</u>	<u>\$ 836</u>

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 911	\$ 804	\$ (107)	\$ 799
Federal grants and reimbursements.....	338	241	(97)	-
Departmental.....	-	1	1	1
Total revenues.....	<u>1,249</u>	<u>1,046</u>	<u>(203)</u>	<u>800</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>1,249</u>	<u>1,046</u>	<u>(203)</u>	<u>800</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	1,374	1,006	368	863
Total expenditures.....	<u>1,374</u>	<u>1,006</u>	<u>368</u>	<u>863</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	130	(130)	134
Operating transfers out.....	1	1	-	2
Total other financing uses.....	<u>1</u>	<u>131</u>	<u>(130)</u>	<u>136</u>
Total expenditures and other uses.....	<u>1,375</u>	<u>1,137</u>	<u>238</u>	<u>999</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(126)	(91)	35	(199)
Fund balance at beginning of year.....	692	692	-	891
Fund balance at end of year.....	<u>\$ 566</u>	<u>\$ 601</u>	<u>\$ 35</u>	<u>\$ 692</u>

Harbors And Inland Waters Maintenance Fund
Balance Sheet - Statutory Basis

June 30, 1997

(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 2,083	\$ 409
Total assets.....	<u>\$ 2,083</u>	<u>\$ 409</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 468	\$ 586
Accrued payroll.....	<u>2</u>	<u>16</u>
Total liabilities.....	<u>470</u>	<u>602</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	7,971	92
Unreserved fund balance (deficit):		
Undesignated.....	<u>(6,358)</u>	<u>(285)</u>
Total fund balance (deficit)	<u>1,613</u>	<u>(193)</u>
Total liabilities and fund balance.....	<u>\$ 2,083</u>	<u>\$ 409</u>

Harbors And Inland Waters Maintenance Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 3,036	\$ 2,679	\$ (357)	\$ 2,664
Miscellaneous.....	-	23	23	51
Total revenues.....	<u>3,036</u>	<u>2,702</u>	<u>(334)</u>	<u>2,715</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>3,036</u>	<u>2,702</u>	<u>(334)</u>	<u>2,715</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	3,026	711	2,315	2,971
Total expenditures.....	<u>3,026</u>	<u>711</u>	<u>2,315</u>	<u>2,971</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	183	(183)	195
Operating transfers out.....	2	2	-	2
Total other financing uses.....	<u>2</u>	<u>185</u>	<u>(183)</u>	<u>197</u>
Total expenditures and other uses.....	<u>3,028</u>	<u>896</u>	<u>2,132</u>	<u>3,168</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	8	1,806	1,798	(453)
Fund balance (deficit) at beginning of year.....	(193)	(193)	-	260
Fund balance (deficit) at end of year.....	<u>\$ (185)</u>	<u>\$ 1,613</u>	<u>\$ 1,798</u>	<u>\$ (193)</u>

Marine Fisheries Fund
Balance Sheet- Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 1,292	\$ 440
Accounts payable.....	198	127
Accrued payroll.....	13	62
Total liabilities.....	<u>1,503</u>	<u>629</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	100	89
Unreserved fund balance (deficit):		
Undesignated.....	(1,603)	(718)
Total fund balance (deficit).....	<u>(1,503)</u>	<u>(629)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 1,821	\$ 1,607	\$ (214)	\$ 1,599
Federal grants and reimbursements.....	676	758	82	805
Departmental.....	1,847	2,012	165	1,874
Miscellaneous.....	-	2	2	2
Total revenues.....	<u>4,344</u>	<u>4,379</u>	<u>35</u>	<u>4,280</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>4,344</u>	<u>4,379</u>	<u>35</u>	<u>4,280</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	4,623	4,318	305	3,959
Total expenditures.....	<u>4,623</u>	<u>4,318</u>	<u>305</u>	<u>3,959</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	925	(925)	952
Operating transfers out.....	10	10	-	12
Total other financing uses.....	<u>10</u>	<u>935</u>	<u>(925)</u>	<u>964</u>
Total expenditures and other uses.....	<u>4,633</u>	<u>5,253</u>	<u>(620)</u>	<u>4,923</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(289)	(874)	(585)	(643)
Fund balance (deficit) at beginning of year.....	(629)	(629)	-	14
Fund balance (deficit) at end of year.....	<u>\$ (918)</u>	<u>\$ (1,503)</u>	<u>\$ (585)</u>	<u>\$ (629)</u>

Watershed Management Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Receivables, net of allowance for uncollectibles:		
Other receivables.....	\$ 9,647	\$ 5,862
Total assets.....	<u>\$ 9,647</u>	<u>\$ 5,862</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 8,444	\$ 4,220
Accounts payable.....	969	1,289
Accrued payroll.....	28	121
Total liabilities.....	<u>9,441</u>	<u>5,630</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	206	232
Total fund balance.....	206	232
Total liabilities and fund balance.....	<u>\$ 9,647</u>	<u>\$ 5,862</u>

Watershed Management Fund
Statement of Revenues, Expenditures And Change In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Assessments.....	\$ -	\$ 9,647	\$ 9,647	\$ 9,653
Departmental.....	10,565	1,256	(9,309)	810
Miscellaneous.....	-	208	208	505
Total revenues.....	10,565	11,111	546	10,968
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	10,565	11,111	546	10,968
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	10,534	9,414	1,120	9,007
Total expenditures.....	10,534	9,414	1,120	9,007
Other financing uses:				
Fringe benefit cost assessment.....	-	1,703	(1,703)	1,760
Operating transfers out.....	20	20	-	25
Total other financing uses.....	20	1,723	(1,703)	1,785
Total expenditures and other uses.....	10,554	11,137	(583)	10,792
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	11	(26)	(37)	176
Fund balance at beginning of year.....	232	232	-	56
Fund balance at end of year.....	\$ 243	\$ 206	\$ (37)	\$ 232

Low Level Radioactive Waste Management Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ 1
Total assets.....	<u>\$ -</u>	<u>\$ 1</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 158	\$ -
Accounts payable.....	19	17
Accrued payroll.....	1	8
Total liabilities.....	<u>178</u>	<u>25</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(178)</u>	<u>(24)</u>
Total fund balance (deficit).....	<u>(178)</u>	<u>(24)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 1</u>

Low Level Radioactive Waste Management Fund
Statements Of Revenues, Expenditures And Changes In Fund Equity - Statutory Basis

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Assessments.....	\$ -	\$ 272	\$ 272	\$ 660
Departmental.....	495	-	(495)	-
Total revenues.....	495	272	(223)	660
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	495	272	(223)	660
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	499	353	146	472
Total expenditures.....	499	353	146	472
Other financing uses:				
Fringe benefit cost assessment.....	-	72	(72)	100
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	73	(72)	101
Total expenditures and other uses.....	500	426	74	573
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(5)	(154)	(149)	87
Fund balance (deficit) at beginning of year.....	(24)	(24)	-	(111)
Fund balance (deficit) at end of year.....	\$ (29)	\$ (178)	\$ (149)	\$ (24)

Asbestos Cost Recovery Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 7,661	\$ 9,061
Total assets.....	<u>\$ 7,661</u>	<u>\$ 9,061</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,074	\$ -
Total liabilities.....	<u>1,074</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	2,663	7,251
Unreserved fund balance:		
Undesignated.....	<u>3,924</u>	<u>1,810</u>
Total fund balance.....	<u>6,587</u>	<u>9,061</u>
Total liabilities and fund balance.....	<u>\$ 7,661</u>	<u>\$ 9,061</u>

Asbestos Cost Recovery Fund
Statement Of Revenues, Expenditures And Change In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 <u>Budget</u>	1997 <u>Actual</u>	Variance Favorable (Unfavorable)	1996 <u>Actual</u>
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 2,085	\$ -	\$ (2,085)	\$ -
Miscellaneous.....	-	2,113	2,113	3,923
Total revenues.....	<u>2,085</u>	<u>2,113</u>	<u>28</u>	<u>3,923</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>2,085</u>	<u>2,113</u>	<u>28</u>	<u>3,923</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	7,250	4,587	2,663	-
Total expenditures.....	<u>7,250</u>	<u>4,587</u>	<u>2,663</u>	<u>-</u>
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	<u>7,250</u>	<u>4,587</u>	<u>2,663</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(5,165)	(2,474)	2,691	3,923
Fund balance at beginning of year.....	9,061	9,061	-	5,138
Fund balance at end of year.....	<u>\$ 3,896</u>	<u>\$ 6,587</u>	<u>\$ 2,691</u>	<u>\$ 9,061</u>

Clean Air Act Compliance Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ 145
Total assets.....	<u>\$ -</u>	<u>\$ 145</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short term investments.....	\$ 378	\$ -
Accounts payable.....	143	6
Accrued payroll.....	<u>6</u>	<u>33</u>
Total liabilities.....	<u>527</u>	<u>39</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(527)</u>	<u>106</u>
Total fund balance (deficit).....	<u>(527)</u>	<u>106</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 145</u>

Clean Air Act Compliance Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 2,026	\$ 1,892	\$ (134)	\$ 2,470
Total revenues.....	2,026	1,892	(134)	2,470
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	2,026	1,892	(134)	2,470
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	2,253	2,049	204	1,683
Total expenditures.....	2,253	2,049	204	1,683
Other financing uses:				
Fringe benefit cost assessment.....	-	471	(471)	473
Operating transfers out.....	5	5	-	6
Total other financing uses.....	5	476	(471)	479
Total expenditures and other uses.....	2,258	2,525	(267)	2,162
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(232)	(633)	(401)	308
Fund balance (deficit) at beginning of year.....	106	106	-	(202)
Fund balance (deficit) at end of year.....	\$ (126)	\$ (527)	\$ (401)	\$ 106

Solid Waste Disposal Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 1	\$ 1
Total assets.....	<u>\$ 1</u>	<u>\$ 1</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance :		
Undesignated.....	<u>1</u>	<u>1</u>
Total fund balance	<u>1</u>	<u>1</u>
Total liabilities and fund balance.....	<u>\$ 1</u>	<u>\$ 1</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ 1
Total revenues.....	-	-	-	1
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	-	-	1
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	-	-	-	-
Excess of revenues and other sources over expenditures and other uses.....	-	-	-	1
Fund balance at beginning of year.....	1	1	-	-
Fund balance at end of year.....	\$ 1	\$ 1	\$ -	\$ 1

Second Century Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 308	\$ -
Accounts payable.....	1,107	-
Accrued payroll.....	67	-
Total liabilities.....	<u>1,482</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(1,482)	-
Total fund balance (deficit).....	<u>(1,482)</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 2,470	\$ 657	\$ (1,813)	\$ -
Total revenues.....	2,470	657	(1,813)	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	2,470	657	(1,813)	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	2,498	2,137	361	-
Total expenditures.....	2,498	2,137	361	-
Other financing uses:				
Operating transfers out.....	2	2	-	-
Total other financing uses.....	2	2	-	-
Total expenditures and other uses.....	2,500	2,139	361	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(30)	(1,482)	(1,452)	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ (30)	\$ (1,482)	\$ (1,452)	\$ -

Antitrust Law Enforcement Fund

Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 1,393	\$ 1,205
Total liabilities.....	<u>1,393</u>	<u>1,205</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(1,393)</u>	<u>(1,205)</u>
Total fund balance (deficit).....	<u>(1,393)</u>	<u>(1,205)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 203	\$ 203	\$ 45
Total revenues.....	-	203	203	45
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	203	203	45
EXPENDITURES AND OTHER USES				
Expenditures:				
Attorney General.....	317	316	1	318
Total expenditures.....	317	316	1	318
Other financing uses:				
Fringe benefit cost assessment.....	-	75	(75)	95
Operating transfers out.....	-	-	-	1
Total other financing uses.....	-	75	(75)	96
Total expenditures and other uses.....	317	391	(74)	414
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(317)	(188)	129	(369)
Fund balance (deficit) at beginning of year.....	(1,205)	(1,205)	-	(836)
Fund balance (deficit) at end of year.....	<u>\$ (1,522)</u>	<u>\$ (1,393)</u>	<u>\$ 129</u>	<u>\$ (1,205)</u>

Victim And Witness Assistance Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 3,100	\$ 3,138
Accounts payable.....	26	21
Accrued payroll.....	<u>1</u>	<u>3</u>
Total liabilities.....	<u>3,127</u>	<u>3,162</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(3,127)</u>	<u>(3,162)</u>
Total fund balance (deficit).....	<u>(3,127)</u>	<u>(3,162)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 8,271	\$ 9,107	\$ 836	\$ 9,075
Miscellaneous.....	-	129	129	126
Total revenues.....	8,271	9,236	965	9,201
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	8,271	9,236	965	9,201
EXPENDITURES AND OTHER USES				
Expenditures:				
Treasurer and Receiver-General.....	622	534	88	814
Attorney General.....	437	435	2	416
District attorney.....	6,492	6,432	60	5,875
Public safety.....	187	177	10	174
Total expenditures.....	7,738	7,578	160	7,279
Other financing uses:				
Fringe benefit cost assessment.....	-	1,622	(1,622)	1,647
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	1,623	(1,622)	1,648
Total expenditures and other uses.....	7,739	9,201	(1,462)	8,927
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	532	35	(497)	274
Fund balance (deficit) at beginning of year.....	(3,162)	(3,162)	-	(3,436)
Fund balance (deficit) at end of year.....	\$ (2,630)	\$ (3,127)	\$ (497)	\$ (3,162)

Intercity Bus Capital Assistance Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 7,055	\$ 7,514
Total liabilities.....	<u>7,055</u>	<u>7,514</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(7,055)	(7,514)
Total fund balance (deficit).....	<u>(7,055)</u>	<u>(7,514)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Intercity Bus Capital Assistance Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 408	\$ 464	\$ 56	\$ 396
Total revenues.....	408	464	56	396
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	408	464	56	396
EXPENDITURES AND OTHER USES				
Expenditures:				
Debt service:				
Interest and fiscal charges.....	5	5	-	3
Total expenditures.....	5	5	-	3
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	5	5	-	3
Excess of revenues and other sources over expenditures and other uses.....	403	459	56	393
Fund balance (deficit) at beginning of year.....	(7,514)	(7,514)	-	(7,907)
Fund balance (deficit) at end of year.....	<u>\$ (7,111)</u>	<u>\$ (7,055)</u>	<u>\$ 56</u>	<u>\$ (7,514)</u>

Motorcycle Safety Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 271	\$ 413
Total assets.....	<u>\$ 271</u>	<u>\$ 413</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 9	\$ 20
Accrued payroll.....	-	1
Total liabilities.....	<u>9</u>	<u>21</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	262	392
Total fund balance.....	<u>262</u>	<u>392</u>
Total liabilities and fund balance.....	<u>\$ 271</u>	<u>\$ 413</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 138	\$ 184	\$ 46	\$ 178
Total revenues.....	138	184	46	178
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	138	184	46	178
EXPENDITURES AND OTHER USES				
Expenditures:				
Public safety.....	276	269	7	271
Total expenditures.....	276	269	7	271
Other financing uses:				
Fringe benefit cost assessment.....	-	45	(45)	41
Total other financing uses.....	-	45	(45)	41
Total expenditures and other uses.....	276	314	(38)	312
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(138)	(130)	8	(134)
Fund balance at beginning of year.....	392	392	-	526
Fund balance at end of year.....	\$ 254	\$ 262	\$ 8	\$ 392

Drug Analysis Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 731	\$ 595
Total assets.....	<u>\$ 731</u>	<u>\$ 595</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	731	595
Total fund balance.....	<u>731</u>	<u>595</u>
Total liabilities and fund balance.....	<u>\$ 731</u>	<u>\$ 595</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997	Variance Favorable (Unfavorable)	1996
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 136	136	\$ 115
Total revenues.....	-	136	136	115
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	136	136	115
EXPENDITURES AND OTHER USES				
Expenditures:				
Public health.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	-	-	-	-
Excess of revenues and other sources over expenditures and other uses.....	-	136	136	115
Fund balance at beginning of year.....	595	595	-	480
Fund balance at end of year.....	\$ 595	\$ 731	136	\$ 595

Trust Fund For The Head Injury Treatment Services
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 675	\$ 530
Total assets.....	<u>\$ 675</u>	<u>\$ 530</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 52	\$ -
Total liabilities.....	<u>52</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	623	530
Total fund balance.....	<u>623</u>	<u>530</u>
Total liabilities and fund balance.....	<u>\$ 675</u>	<u>\$ 530</u>

Trust Fund For The Head Injury Treatment Services
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 227	\$ 218	\$ (9)	\$ 175
Total revenues.....	227	218	(9)	175
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	227	218	(9)	175
EXPENDITURES AND OTHER USES				
Expenditures:				
Health and human services.....	125	125	-	-
Total expenditures.....	125	125	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	125	125	-	-
Excess of revenues and other sources over expenditures and other uses.....	102	93	(9)	175
Fund balance at beginning of year.....	530	530	-	355
Fund balance at end of year.....	\$ 632	\$ 623	\$ (9)	\$ 530

Massachusetts Tourism Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 4,912	\$ 4,516
Total assets.....	<u>\$ 4,912</u>	<u>\$ 4,516</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 2,141	\$ 1,455
Accrued payroll.....	4	25
Total liabilities.....	<u>2,145</u>	<u>1,480</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	2,200	2,800
Unreserved fund balance:		
Undesignated.....	<u>567</u>	<u>236</u>
Total fund balance.....	<u>2,767</u>	<u>3,036</u>
Total liabilities and fund balance.....	<u>\$ 4,912</u>	<u>\$ 4,516</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 25,900	\$ 28,145	\$ 2,245	\$ 25,500
Total revenues.....	<u>25,900</u>	<u>28,145</u>	<u>2,245</u>	<u>25,500</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other sources.....	<u>25,900</u>	<u>28,145</u>	<u>2,245</u>	<u>25,500</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	11,742	10,754	988	9,327
Economic development.....	19,158	17,337	1,821	14,982
Total expenditures.....	<u>30,900</u>	<u>28,091</u>	<u>2,809</u>	<u>24,309</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	319	(319)	324
Operating transfers out.....	4	4	-	5
Total other financing uses.....	<u>4</u>	<u>323</u>	<u>(319)</u>	<u>329</u>
Total expenditures and other uses.....	<u>30,904</u>	<u>28,414</u>	<u>2,490</u>	<u>24,638</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(5,004)	(269)	4,735	862
Fund balance at beginning of year.....	3,036	3,036	-	2,174
Fund balance (deficit) at end of year.....	<u>\$ (1,968)</u>	<u>\$ 2,767</u>	<u>\$ 4,735</u>	<u>\$ 3,036</u>

Health Care Access Fund

Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
ASSETS		
Cash and short-term investments.....	\$ -	\$ 2,507
Total assets.....	<u>\$ -</u>	<u>\$ 2,507</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 7,566	\$ -
Accounts payable.....	2,476	1,361
Accrued payroll.....	1	11
Total liabilities.....	<u>10,043</u>	<u>1,372</u>
Fund balance:		
Reserved fund balances:		
Reserved for continuing appropriations.....	-	250
Unreserved fund balance (deficit):		
Undesignated.....	(10,043)	885
Total fund balance (deficit).....	<u>(10,043)</u>	<u>1,135</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 2,507</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 138	\$ 184	\$ 46	\$ 178
Total revenues.....	138	184	46	178
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	138	184	46	178
EXPENDITURES AND OTHER USES				
Expenditures:				
Public safety.....	276	269	7	271
Total expenditures.....	276	269	7	271
Other financing uses:				
Fringe benefit cost assessment.....	-	45	(45)	41
Total other financing uses.....	-	45	(45)	41
Total expenditures and other uses.....	276	314	(38)	312
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(138)	(130)	8	(134)
Fund balance at beginning of year.....	392	392	-	526
Fund balance at end of year.....	\$ 254	\$ 262	\$ 8	\$ 392

Drug Analysis Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 731	\$ 595
Total assets.....	<u>\$ 731</u>	<u>\$ 595</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>731</u>	<u>595</u>
Total fund balance.....	<u>731</u>	<u>595</u>
Total liabilities and fund balance.....	<u>\$ 731</u>	<u>\$ 595</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997	Variance Favorable (Unfavorable)	1996
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 136	136	\$ 115
Total revenues.....	-	136	136	115
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	136	136	115
EXPENDITURES AND OTHER USES				
Expenditures:				
Public health.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	-	-	-	-
Excess of revenues and other sources over expenditures and other uses.....	-	136	136	115
Fund balance at beginning of year.....	595	595	-	480
Fund balance at end of year.....	\$ 595	\$ 731	136	\$ 595

Re-Employment And Job Placement Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 2,539	\$ 2,539
Total assets.....	<u>\$ 2,539</u>	<u>\$ 2,539</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>2,539</u>	<u>2,539</u>
Total fund balance.....	<u>2,539</u>	<u>2,539</u>
Total liabilities and fund balance.....	<u>\$ 2,539</u>	<u>\$ 2,539</u>

Re-Employment And Job Placement Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	-	-	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Economic development.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	-	-	-	-
Excess of revenues and other sources over expenditures and other uses.....	-	-	-	-
Fund balance at beginning of year.....	2,539	2,539	-	2,539
Fund balance at end of year.....	\$ 2,539	\$ 2,539	\$ -	\$ 2,539

Trust Fund For The Head Injury Treatment Services
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 675	\$ 530
Total assets.....	<u>\$ 675</u>	<u>\$ 530</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 52	\$ -
Total liabilities.....	<u>52</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	623	530
Total fund balance.....	<u>623</u>	<u>530</u>
Total liabilities and fund balance.....	<u>\$ 675</u>	<u>\$ 530</u>

Trust Fund For The Head Injury Treatment Services
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 227	\$ 218	\$ (9)	\$ 175
Total revenues.....	227	218	(9)	175
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	227	218	(9)	175
EXPENDITURES AND OTHER USES				
Expenditures:				
Health and human services.....	125	125	-	-
Total expenditures.....	125	125	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	125	125	-	-
Excess of revenues and other sources over expenditures and other uses.....	102	93	(9)	175
Fund balance at beginning of year.....	530	530	-	355
Fund balance at end of year.....	\$ 632	\$ 623	\$ (9)	\$ 530

Massachusetts Tourism Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 4,912	\$ 4,516
Total assets.....	<u>\$ 4,912</u>	<u>\$ 4,516</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 2,141	\$ 1,455
Accrued payroll.....	4	25
Total liabilities.....	<u>2,145</u>	<u>1,480</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	2,200	2,800
Unreserved fund balance:		
Undesignated.....	567	236
Total fund balance.....	<u>2,767</u>	<u>3,036</u>
Total liabilities and fund balance.....	<u>\$ 4,912</u>	<u>\$ 4,516</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 25,900	\$ 28,145	\$ 2,245	\$ 25,500
Total revenues.....	25,900	28,145	2,245	25,500
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	25,900	28,145	2,245	25,500
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	11,742	10,754	988	9,327
Economic development.....	19,158	17,337	1,821	14,982
Total expenditures.....	30,900	28,091	2,809	24,309
Other financing uses:				
Fringe benefit cost assessment.....	-	319	(319)	324
Operating transfers out.....	4	4	-	5
Total other financing uses.....	4	323	(319)	329
Total expenditures and other uses.....	30,904	28,414	2,490	24,638
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(5,004)	(269)	4,735	862
Fund balance at beginning of year.....	3,036	3,036	-	2,174
Fund balance (deficit) at end of year.....	\$ (1,968)	\$ 2,767	\$ 4,735	\$ 3,036

Health Care Access Fund

Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
ASSETS		
Cash and short-term investments.....	\$ -	\$ 2,507
Total assets.....	<u>\$ -</u>	<u>\$ 2,507</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 7,566	\$ -
Accounts payable.....	2,476	1,361
Accrued payroll.....	1	11
Total liabilities.....	<u>10,043</u>	<u>1,372</u>
Fund balance:		
Reserved fund balances:		
Reserved for continuing appropriations.....	-	250
Unreserved fund balance (deficit):		
Undesignated.....	(10,043)	885
Total fund balance (deficit).....	<u>(10,043)</u>	<u>1,135</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 2,507</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
Departmental.....	286	577	291	289
Total revenues.....	15,286	15,577	291	15,289
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	15,286	15,577	291	15,289
EXPENDITURES AND OTHER USES				
Expenditures:				
Health and human services.....	27,080	26,614	466	21,389
Total expenditures.....	27,080	26,614	466	21,389
Other financing uses:				
Fringe benefit cost assessment.....	-	141	(141)	205
Total other financing uses.....	-	141	(141)	205
Total expenditures and other uses.....	27,080	26,755	325	21,594
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(11,794)	(11,178)	616	(6,305)
Fund balance at beginning of year.....	1,135	1,135	-	7,440
Fund balance (deficit) at end of year.....	\$(10,659)	\$(10,043)	\$ 616	\$ 1,135

Ponkapoag Recreational Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 151	\$ 179
Total assets.....	<u>\$ 151</u>	<u>\$ 179</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 142	\$ 174
Accrued payroll.....	<u>2</u>	<u>3</u>
Total liabilities.....	<u>144</u>	<u>177</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>7</u>	<u>2</u>
Total fund balance.....	<u>7</u>	<u>2</u>
Total liabilities and fund balance.....	<u>\$ 151</u>	<u>\$ 179</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 700	\$ 700	\$ -	\$ 450
Total revenues.....	700	700	-	450
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	700	700	-	450
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	668	643	25	465
Public safety.....	31	-	31	-
Total expenditures.....	699	643	56	465
Other financing uses:				
Fringe benefit cost assessment.....	-	51	(51)	35
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	52	(51)	36
Total expenditures and other uses.....	700	695	5	501
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	-	5	5	(51)
Fund balance at beginning of year.....	2	2	-	53
Fund balance at end of year.....	\$ 2	\$ 7	\$ 5	\$ 2

Leo J. Martin Recreation Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 93	\$ 72
Accounts payable.....	38	20
Accrued payroll.....	1	4
Total liabilities.....	<u>132</u>	<u>96</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(132)	(96)
Total fund balance (deficit).....	<u>(132)</u>	<u>(96)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Leo J. Martin Recreation Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 450	\$ 450	\$ -	\$ 306
Total revenues.....	450	450	-	306
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	450	450	-	306
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	444	433	11	274
Public safety.....	5	-	5	-
Total expenditures.....	449	433	16	274
Other financing uses:				
Fringe benefit cost assessment.....	-	52	(52)	48
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	53	(52)	49
Total expenditures and other uses.....	450	486	(36)	323
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	-	(36)	(36)	(17)
Fund balance (deficit) at beginning of year.....	(96)	(96)	-	(79)
Fund balance (deficit) at end of year.....	\$ (96)	\$ (132)	\$ (36)	\$ (96)

Division Of Insurance Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 653	\$ 486
Total assets.....	<u>\$ 653</u>	<u>\$ 486</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 414	\$ 85
Accrued payroll.....	5	26
Total liabilities.....	<u>419</u>	<u>111</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	523
Unreserved fund balance (deficit):		
Undesignated.....	234	(148)
Total fund balance	<u>234</u>	<u>375</u>
Total liabilities and fund balance.....	<u>\$ 653</u>	<u>\$ 486</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 3,000	\$ 3,000	\$ -	\$ 3,000
Total revenues.....	3,000	3,000	-	3,000
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	3,000	3,000	-	3,000
EXPENDITURES AND OTHER USES				
Expenditures:				
Consumer affairs.....	3,505	2,822	683	2,546
Total expenditures.....	3,505	2,822	683	2,546
Other financing uses:				
Fringe benefits cost assessment.....	-	300	(300)	267
Operating transfers out.....	19	19	-	6
Total other financing uses.....	19	319	(300)	273
Total expenditures and other uses.....	3,524	3,141	383	2,819
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(524)	(141)	383	181
Fund balance at beginning of year.....	375	375	-	194
Fund balance (deficit) at end of year.....	\$ (149)	\$ 234	\$ 383	\$ 375

Health Protection Fund

Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
ASSETS		
Cash and short-term investments.....	\$ 17,933	\$ 11,142
Total assets.....	<u>\$ 17,933</u>	<u>\$ 11,142</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 14,217	\$ 14,218
Accrued payroll.....	10	82
Total liabilities.....	<u>14,227</u>	<u>14,300</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	3,706	(3,158)
Total fund balance (deficit)	<u>3,706</u>	<u>(3,158)</u>
Total liabilities and fund balance.....	<u>\$ 17,933</u>	<u>\$ 11,142</u>

Health Protection Fund

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 57,100	\$ 101,294	\$ 44,194	\$ 114,175
Miscellaneous.....	-	83	83	180
Total revenues.....	<u>57,100</u>	<u>101,377</u>	<u>44,277</u>	<u>114,355</u>
Other financing sources:				
Operating transfers in.....	-	-	-	3,598
Total other financing sources.....	-	-	-	3,598
Total revenues and other sources.....	<u>57,100</u>	<u>101,377</u>	<u>44,277</u>	<u>117,953</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Attorney General.....	199	199	-	140
District Attorney.....	8	8	-	8
Health and human services.....	68,137	65,203	2,934	92,049
Education.....	23,432	23,173	259	27,066
Educational affairs.....	-	-	-	1,381
Higher education.....	110	92	18	113
Public safety.....	5,221	5,174	47	6,012
Total expenditures.....	<u>97,107</u>	<u>93,849</u>	<u>3,258</u>	<u>126,769</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	663	(663)	639
Operating transfers out.....	1	1	-	-
Total other financing uses.....	1	664	(663)	639
Total expenditures and other uses.....	<u>97,108</u>	<u>94,513</u>	<u>2,595</u>	<u>127,408</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(40,008)	6,864	46,872	(9,455)
Fund balance (deficit) at beginning of year.....	(3,158)	(3,158)	-	6,297
Fund balance (deficit) at end of year.....	<u>\$ (43,166)</u>	<u>\$ 3,706</u>	<u>\$ 46,872</u>	<u>\$ (3,158)</u>

State Transportation Building Management Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Receivable, net of allowance for uncollectibles:		
Other receivable.....	-	-
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accrued payroll.....	\$ -	\$ -
Total liabilities.....	-	-
Fund balance:		
Unreserved fund balance:		
Undesignated.....	-	-
Total fund balance.....	-	-
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

State Transportation Building Management Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	-	-	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	22,690
Total other financing uses.....	-	-	-	22,690
Total expenditures and other uses.....	-	-	-	22,690
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	-	-	-	(22,690)
Fund balance at beginning of year.....	-	-	-	22,690
Fund balance at end of year.....	\$ -	\$ -	\$ -	\$ -

Springfield State Office Building Management Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accrued payroll.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	-	-
Total fund balance.....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Springfield State Office Building Management Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:				
Operating transfers out.....	-	-	-	249
Total other financing uses.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>249</u>
Total expenditures and other uses.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>249</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	-	-	-	(249)
Fund balance at beginning of year.....	-	-	-	249
Fund balance at end of year.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

State Building Management Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 11,513	\$ 19,199
Total assets.....	<u>\$ 11,513</u>	<u>\$ 19,199</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 68	\$ 81
Accrued payroll.....	-	1
Total liabilities.....	<u>68</u>	<u>82</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	11,445	19,117
Total fund balance.....	11,445	19,117
Total liabilities and fund balance.....	<u>\$ 11,513</u>	<u>\$ 19,199</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 9,705	\$ 10,184	\$ 479	\$ 10,731
Total revenues.....	9,705	10,184	479	10,731
Other financing sources:				
Operating transfers in.....	-	-	-	22,231
Total other financing sources.....	-	-	-	22,231
Total revenues and other sources.....	9,705	10,184	479	32,962
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	18,507	17,856	651	13,845
Total expenditures.....	18,507	17,856	651	13,845
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	18,507	17,856	651	13,845
Excess of (deficiency) revenues and other sources over expenditures and other uses.....	(8,802)	(7,672)	1,130	19,117
Fund balance at beginning of year.....	19,117	19,117	-	-
Fund balance at end of year.....	\$ 10,315	\$ 11,445	\$ 1,130	\$ 19,117

Reggie Lewis Track And Athletic Center Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 135	\$ -
Total assets.....	<u>\$ 135</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 35	\$ -
Total liabilities.....	<u>35</u>	<u>-</u>
 Fund balance:		
Unreserved fund balance:		
Undesignated.....	100	-
Total fund balance	<u>100</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 135</u>	<u>\$ -</u>

Reggie Lewis Track And Athletic Center Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 280	\$ 280	\$ -
Total revenues.....	-	280	280	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	280	280	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Higher education.....	247	180	67	-
Total expenditures.....	247	180	67	-
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	247	180	67	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(247)	100	347	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ (247)	\$ 100	\$ 347	\$ -

Assisted Living Administration Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 107	\$ 70
Total assets.....	<u>\$ 107</u>	<u>\$ 70</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 9	\$ 8
Accrued payroll.....	<u>-</u>	<u>3</u>
Total liabilities.....	<u>9</u>	<u>11</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>98</u>	<u>59</u>
Total fund balance	<u>98</u>	<u>59</u>
Total liabilities and fund balance.....	<u>\$ 107</u>	<u>\$ 70</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 341	\$ 227	\$ (114)	\$ 183
Total revenues.....	341	227	(114)	183
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	341	227	(114)	183
EXPENDITURES AND OTHER USES				
Expenditures:				
Elder affairs.....	223	158	65	98
Total expenditures.....	223	158	65	98
Other financing uses:				
Fringe benefit cost assessment.....	-	30	(30)	26
Total other financing uses.....	-	30	(30)	26
Total expenditures and other uses.....	223	188	35	124
Excess of revenues and other sources over expenditures and other uses.....	118	39	(79)	59
Fund balance at beginning of year.....	59	59	-	-
Fund balance at end of year.....	\$ 177	\$ 98	\$ (79)	\$ 59

Commonwealth Economic Development Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 6,259	\$ 23,986
Total assets.....	<u>\$ 6,259</u>	<u>\$ 23,986</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 4,598	\$ 1,043
Accrued payroll.....	<u>3</u>	<u>-</u>
Total liabilities.....	<u>4,601</u>	<u>1,043</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>1,658</u>	<u>22,943</u>
Total fund balance	<u>1,658</u>	<u>22,943</u>
Total liabilities and fund balance.....	<u>\$ 6,259</u>	<u>\$ 23,986</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	-	-	-	36,475
Total other financing sources.....	-	-	-	36,475
Total revenues and other sources.....	-	-	-	36,475
EXPENDITURES AND OTHER USES				
Expenditures:				
Education.....	5,613	5,545	68	3,928
Public safety.....	20	18	2	-
Economic development.....	7,622	7,622	-	5,777
Labor.....	8,289	7,828	461	3,745
Total expenditures.....	21,544	21,013	531	13,450
Other financing uses:				
Fringe benefit cost assessment.....	-	269	(269)	82
Operating transfers out.....	3	3	-	-
Total other financing uses.....	3	272	(269)	82
Total expenditures and other uses.....	21,547	21,285	262	13,532
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(21,547)	(21,285)	262	22,943
Fund balance at beginning of year.....	22,943	22,943	-	-
Fund balance at end of year.....	\$ 1,396	\$ 1,658	\$ 262	\$ 22,943

Commonwealth Cost Relief Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 36,790	\$ 49,629
Total assets.....	<u>\$ 36,790</u>	<u>\$ 49,629</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	12,600	-
Unreserved fund balance:		
Undesignated.....	24,190	49,629
Total fund balance.....	<u>36,790</u>	<u>49,629</u>
Total liabilities and fund balance.....	<u>\$ 36,790</u>	<u>\$ 49,629</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	-	-	-	38,496
Total other financing sources.....	-	-	-	38,496
Total revenues and other sources.....	-	-	-	38,496
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	22,675	2,048	20,627	-
Environmental affairs.....	500	500	-	-
Total expenditures.....	23,175	2,548	20,627	-
Other financing uses:				
Sewer rate relief.....	10,291	10,291	-	-
Total other financing uses.....	10,291	10,291	-	-
Total expenditures and other uses.....	33,466	12,839	20,627	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(33,466)	(12,839)	20,627	38,496
Fund balance at beginning of year.....	49,629	49,629	-	11,133
Fund balance at end of year.....	\$ 16,163	\$ 36,790	\$ 20,627	\$ 49,629

Children's And Senior's Health Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 74,014	\$ -
Total assets.....	<u>\$ 74,014</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 895	\$ -
Total liabilities.....	<u>895</u>	<u>-</u>
Fund balance:		
Unreserved fund balance :		
Undesignated.....	73,119	-
Total fund balance	<u>73,119</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 74,014</u>	<u>\$ -</u>

Children's And Senior's Health Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 57,100	\$ 74,956	\$ 17,856	\$ -
Total revenues.....	57,100	74,956	17,856	-
Other financing sources:				
Operating transfers in.....	-	2,671	2,671	-
Total other financing sources.....	-	2,671	2,671	-
Total revenues and other sources.....	57,100	77,627	20,527	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Health and human services.....	4,345	3,343	1,002	-
Elder affairs.....	1,351	973	378	-
Total expenditures.....	5,696	4,316	1,380	-
Other financing uses:				
Fringe benefit cost assessment.....	-	192	(192)	-
Total other financing uses.....	-	192	(192)	-
Total expenditures and other uses.....	5,696	4,508	1,188	-
Excess of revenues and other sources over expenditures and other uses.....	51,404	73,119	21,715	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance at end of year.....	\$ 51,404	\$ 73,119	\$ 21,715	\$ -

Diversity Awareness Education Trust Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 1	\$ -
Total assets.....	<u>\$ 1</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance :		
Undesignated.....	1	-
Total fund balance	<u>1</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 1</u>	<u>\$ -</u>

Diversity Awareness Education Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 1	\$ 1	\$ -
Total revenues.....	-	1	1	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	1	1	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	-	-	-	-
Excess of revenues and other sources over expenditures and other uses.....	-	1	1	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance at end of year.....	\$ -	\$ 1	\$ 1	\$ -

Caseload Increase Mitigation Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 128,000	\$ -
Total assets.....	<u>\$ 128,000</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance :		
Undesignated.....	128,000	-
Total fund balance	<u>128,000</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 128,000</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997 Budget	1997 Actual	Variance Favorable (Unfavorable)	1996 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Caseload mitigation.....	-	128,000	128,000	-
Total other financing sources.....	-	128,000	128,000	-
Total revenues and other sources.....	-	128,000	128,000	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	-	-	-	-
Excess of revenues and other sources over expenditures and other uses.....	-	128,000	128,000	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance at end of year.....	\$ -	\$ 128,000	\$ 128,000	\$ -

Non-budgeted Funds

SPECIAL REVENUE FUNDS:

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

FEDERAL GRANTS FUND: accounts 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:

To account for the operations of the State and Arts Lotteries.

State Lottery Fund accounts for revenue from 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 to the local aid fund.

Arts Lottery Fund accounts for revenues from 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. Transfers are made to the local aid fund.

UNIVERSAL HEALTH CARE:

To 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.

Uncompensated Care Fund accounts for funds received from hospitals, transfers from budgeted funds and federal reimbursements; used for the purposes of the Uncompensated Care Pool.

Labor Shortage Fund accounts for assessments on each acute care hospital equal to one-tenth of one-percent of gross patient service revenues; used for training health care workers, career development within the health care profession, and establishment of day care programs at hospitals and other health care facilities.

Medical Security Trust Fund accounts for premiums, fees, and contributions; used for health insurance for workers receiving unemployment insurance.

OTHER FUNDS:

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

Freight Rail Fund accounts for certain fees for rights-of-way; used for acquisition, construction, prevention, rehabilitation, reconstruction, or other improvements of land, and real rights-of-way and related facilities or equipment.

Passenger Rail Fund accounts for certain fees for rights-of-way; used for acquisition, construction, preservation, rehabilitation, reconstruction or other improvements of land and real rights-of-way and related facilities or equipment.

J.F.K. Library and Park Fund accounts for rents paid by the MBTA for the use of a certain parcel of land and for the proceeds from sale of land which was used by the MDC to lay out and construct the JFK Park.

Government Land Bank Fund accounts for proceeds from disposition of land and investment income; used for payments of principal and interest on bonds and notes of the Government Land Bank.

Federally-Assisted Housing Fund accounts for federal financial assistance; used for payments of principal and interest on bond debt.

Environmental Trust Fund accounts for fines, gifts and grants; used for restoration, protection and improvement of the quality of Boston Harbor, Lynn Harbor, Massachusetts's Bay, Buzzard's Bay and Cape Cod Bay.

Children's Trust Fund accounts 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 accounts for Federal Grants; used for activities associated with the collection of child support.

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

County Correction Fund accounts for seven and one half percent of the deeds excise tax distributed to counties for the operation of county correctional facilities.

Massachusetts AIDS Fund accounts for gifts, grants, and donations; used for research, treatment, and education related to AIDS.

Board of Registration in Medicine Fund accounts for certain revenues and expenditures of the board.

Water Pollution Abatement Projects Administration Fund accounts for transfers from the Water Pollution Abatement Trust, General Obligation Bond Proceeds and Federal Grants; used for the administration of the Department of Environmental Protection to fund water pollution abatement projects.

Commonwealth Sewer Rate Relief Fund accounts 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.

Motor Vehicle Emissions Inspection Compliance Fund accounts for the Commonwealth's programs to comply with the Federal Clean Air Act. This fund may incur to operate at a deficit to be reimbursed no later than 3/1/98 by fees from Motor Vehicle Emission Inspection.

Motor Vehicle Safety Inspection Trust Fund accounts for vehicle inspection fees for administration and operation of safety inspection programs by the registry.

Capital Expenditure Reserve Fund accounts for amounts paid by the Massachusetts Turnpike Authority as payment for the acquisition cost of the Third Harbor Tunnel and federal financial participation money related to expenditure amounts paid by Massachusetts Port Authority as determined by a feasibility study; used to pay principal and interest on bonds designated Highway Funding loan, related notes or direct capital expenditures.

Energy Technology Development Fund accounts for monies received from miscellaneous trusts, gifts and donations to be administered and expended by the commissioner of the Division of Energy Resources to promote energy efficiency and the research development and commercialization of new energy technologies.

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

Non-Budgeted Special Revenue Funds
Combining Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

ASSETS	Federal Grants	Lotteries	Universal Health Care
Cash and short-term investments.....	\$ -	\$ 56,143	\$ 97,945
Receivables, net of allowance for uncollectibles:			
Taxes.....	-	-	-
Due from federal government.....	137,621	-	-
Other receivables.....	-	2,282	-
Total assets.....	<u>\$ 137,621</u>	<u>\$ 58,425</u>	<u>\$ 97,945</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Deficiency in cash and short-term investments.....	\$ 19,479	\$ -	\$ -
Accounts payable.....	106,351	33,152	2,884
Accrued payroll.....	551	-	6
Total liabilities.....	<u>126,381</u>	<u>33,152</u>	<u>2,890</u>
Fund balances:			
Designated for specific purpose.....	11,240	25,273	95,055
Total fund balances.....	<u>11,240</u>	<u>25,273</u>	<u>95,055</u>
Total liabilities and fund balances.....	<u>\$ 137,621</u>	<u>\$ 58,425</u>	<u>\$ 97,945</u>

Other	Totals	
	1997	1996
\$ 25,962	\$ 180,050	\$ 234,906
949	949	557
84	137,705	154,935
-	2,282	3,802
<u>\$ 26,995</u>	<u>\$ 320,986</u>	<u>\$ 394,200</u>
\$ -	\$ 19,479	\$ 66,510
2,650	145,037	146,559
35	592	3,023
<u>2,685</u>	<u>165,108</u>	<u>216,092</u>
24,310	155,878	178,108
<u>24,310</u>	<u>155,878</u>	<u>178,108</u>
<u>\$ 26,995</u>	<u>\$ 320,986</u>	<u>\$ 394,200</u>

Non-Budgeted Special Revenue Funds

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	Federal Grants	Lotteries	Universal Health Care
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ -	\$ 2,558	\$ -
Assessments.....	-	-	316,198
Federal grants and reimbursements.....	1,185,046	-	15,000
Departmental.....	-	3,352,999	74,627
Miscellaneous.....	41	16,829	5,212
Total revenues.....	1,185,087	3,372,386	411,037
Other financing sources:			
Lottery reimbursements.....	-	5,024	-
Sewer rate relief.....	-	-	-
Operating transfers in.....	-	-	28,078
Total other financing sources.....	-	5,024	28,078
Total revenues and other financing sources.....	1,185,087	3,377,410	439,115
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Judiciary.....	266	-	-
Secretary of the Commonwealth.....	780	-	-
Treasurer and Receiver-General.....	1,460	2,581,976	-
Attorney General.....	3,071	-	-
District Attorney.....	684	-	-
Disabled Persons Protection Commission.....	47	-	-
Board of Library Commissioners.....	2,495	-	-
Comptroller.....	-	-	-
Administration and finance.....	1,933	-	61
Environmental affairs.....	17,602	-	-
Health and human services.....	284,635	-	371,938
Transportation and construction.....	12,486	-	-
Education.....	389,569	-	-
Educational affairs.....	-	-	-
Higher education.....	4,338	-	20
Public safety.....	23,704	-	-
Economic development.....	222,468	-	-
Elder affairs.....	25,982	-	-
Consumer affairs.....	70	-	-
Labor.....	135,864	-	18,905
Direct local aid.....	-	-	-
Debt service:			
Principal retirement.....	-	-	-
Interest and fiscal charges.....	-	-	-
Total expenditures.....	1,127,454	2,581,976	390,924
Other financing uses:			
Fringe benefit cost assessment.....	33,121	3,514	409
Lottery operating reimbursements.....	-	81,510	-
Lottery distributions.....	-	685,137	-
State share of federal highway construction.....	-	-	-
Operating transfers out.....	27,293	-	30,761
Total other financing uses.....	60,414	770,161	31,170
Total expenditures and other financing uses.....	1,187,868	3,352,137	422,094
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(2,781)	25,273	17,021
Fund balances at beginning of year.....	14,021	-	78,034
Fund balances at end of year.....	\$ 11,240	\$ 25,273	\$ 95,055

Other	Totals	
	1997	1996
\$ 7,360	\$ 9,918	\$ 8,665
14,525	330,723	319,034
13,508	1,213,554	1,217,935
14,901	3,442,527	3,400,779
10,653	32,735	136,094
60,947	5,029,457	5,082,507
-	5,024	-
54,398	54,398	23,200
-	28,078	159,033
54,398	87,500	182,233
115,345	5,116,957	5,264,740
1,855	2,121	2,071
-	780	382
1	2,583,437	2,467,162
-	3,071	2,286
247	931	903
-	47	40
-	2,495	2,077
-	-	14
64,367	66,361	55,335
5,779	23,381	21,720
673	657,246	769,215
-	12,486	6,572
-	389,569	375,230
-	-	8,351
-	4,358	5,608
4,751	28,455	38,719
3,475	225,943	301,939
-	25,982	24,903
1,516	1,586	1,472
87	154,856	86,222
6,514	6,514	5,733
2,210	2,210	7,579
537	537	638
92,012	4,192,366	4,184,171
5,573	42,617	52,570
-	81,510	76,558
-	685,137	651,496
59,753	59,753	42,784
19,750	77,804	191,782
85,076	946,821	1,015,190
177,088	5,139,187	5,199,361
(61,743)	(22,230)	65,379
86,053	178,108	112,729
\$ 24,310	\$ 155,878	\$ 178,108

Federal Grants Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	\$ 137,621	\$ 153,765
Total assets.....	<u>\$ 137,621</u>	<u>\$ 153,765</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 19,479	\$ 33,652
Accounts payable.....	106,351	103,317
Accrued payroll.....	551	2,775
Total liabilities.....	<u>126,381</u>	<u>139,744</u>
Fund equity:		
Unreserved fund balance:		
Designated for specific purpose.....	11,240	14,021
Total fund balance.....	<u>11,240</u>	<u>14,021</u>
Total liabilities and fund balance.....	<u>\$ 137,621</u>	<u>\$ 153,765</u>

Federal Grants Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 1,185,046	\$ 1,187,571
Miscellaneous.....	41	745
Total revenues	1,185,087	1,188,316
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	1,185,087	1,188,316
EXPENDITURES AND OTHER USES		
Expenditures:		
Judiciary.....	266	218
Secretary of the Commonwealth.....	780	382
Treasurer and Receiver-General.....	1,460	1,545
Attorney General.....	3,071	2,286
District Attorney.....	684	671
Disabled persons protection commission.....	47	40
Board of Library Commissioners.....	2,495	2,077
Comptrollers.....	-	14
Administration and finance.....	1,933	1,708
Environmental affairs.....	17,602	16,784
Health and human services.....	284,635	264,811
Transportation and construction.....	12,486	6,572
Education.....	389,569	375,230
Educational affairs.....	-	8,351
Higher education.....	4,338	5,554
Public safety.....	23,704	34,184
Economic development.....	222,468	298,554
Elder affairs.....	25,982	24,903
Consumer affairs.....	70	176
Labor.....	135,864	82,014
Total expenditures.....	1,127,454	1,126,074
Other financing uses:		
Fringe benefit cost assessment.....	33,121	42,653
Operating transfers out.....	27,293	25,579
Total other financing uses.....	60,414	68,232
Total expenditures and other uses.....	1,187,868	1,194,306
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(2,781)	(5,990)
Fund balance at beginning of year.....	14,021	20,011
Fund balance at end of year.....	\$ 11,240	\$ 14,021

State Lottery Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 47,619	\$ 20,687
Receivables, net of allowance for uncollectibles:		
Other receivables.....	<u>1,952</u>	<u>290</u>
Total assets.....	<u>\$ 49,571</u>	<u>\$ 20,977</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	<u>\$ 24,298</u>	<u>\$ 20,977</u>
Total liabilities.....	<u>24,298</u>	<u>20,977</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	<u>25,273</u>	<u>-</u>
Total fund balance.....	<u>25,273</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 49,571</u>	<u>\$ 20,977</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Taxes.....	\$ 2,558	\$ 2,609
Departmental.....	3,034,169	2,837,577
Miscellaneous.....	14,384	9,792
Total revenues.....	<u>3,051,111</u>	<u>2,849,978</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	<u>3,051,111</u>	<u>2,849,978</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Treasurer and Receiver-General.....	2,345,339	2,207,726
Total expenditures.....	<u>2,345,339</u>	<u>2,207,726</u>
Other financing uses:		
Fringe benefit cost assessment.....	3,317	3,642
Lottery operating reimbursements	70,659	65,728
Lottery distributions.....	606,523	572,882
Total other financing uses.....	<u>680,499</u>	<u>642,252</u>
Total expenditures and other uses.....	<u>3,025,838</u>	<u>2,849,978</u>
Excess of revenues and other sources over expenditures and other uses.....	25,273	-
Fund balance at beginning of year.....	-	-
Fund balance at end of year.....	<u>\$ 25,273</u>	<u>\$ -</u>

Arts Lottery Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 8,524	\$ 7,683
Receivables, net of allowance for uncollectibles:		
Other receivables.....	330	3,512
Total assets.....	<u>\$ 8,854</u>	<u>\$ 11,195</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 8,854	\$ 11,195
Total liabilities.....	<u>8,854</u>	<u>11,195</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	-	-
Total fund balance.....	-	-
Total liabilities and fund balance.....	<u>\$ 8,854</u>	<u>\$ 11,195</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 318,830	\$ 345,359
Miscellaneous.....	2,445	2,248
Total revenues.....	321,275	347,607
Other financing sources:		
Lottery reimbursements.....	5,024	-
Total other financing sources.....	5,024	-
Total revenues and other sources.....	326,299	347,607
EXPENDITURES AND OTHER USES		
Expenditures:		
Treasurer and Receiver-General.....	236,637	257,889
Total expenditures.....	236,637	257,889
Other financing uses:		
Fringe benefit cost assessment.....	197	274
Lottery operating reimbursements	10,851	10,830
Lottery distributions.....	78,614	78,614
Total other financing uses.....	89,662	89,718
Total expenditures and other uses.....	326,299	347,607
Excess of revenues and other sources over expenditures and other uses.....	-	-
Fund balance at beginning of year.....	-	-
Fund balance at end of year.....	\$ -	\$ -

Uncompensated Care Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 41,402	\$ 49,721
Total assets.....	<u>\$ 41,402</u>	<u>\$ 49,721</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 2,799	\$ 6,422
Total liabilities.....	<u>2,799</u>	<u>6,422</u>
Fund balance:		
Unreserved fund balance		
Designated for specific purpose.....	38,603	43,299
Total fund balance.....	<u>38,603</u>	<u>43,299</u>
Total liabilities and fund balance.....	<u>\$ 41,402</u>	<u>\$ 49,721</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Assessments.....	\$ 316,108	\$ 301,323
Federal grants and reimbursements.....	15,000	15,000
Departmental.....	32,768	162,832
Miscellaneous.....	2,840	9,981
Total revenues.....	<u>366,716</u>	<u>489,136</u>
Other financing sources:		
Operating transfers in.....	28,078	148,891
Total other financing sources.....	<u>28,078</u>	<u>148,891</u>
Total revenues and other sources.....	<u>394,794</u>	<u>638,027</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Health and human services.....	371,412	483,953
Total expenditures.....	<u>371,412</u>	<u>483,953</u>
Other financing uses:		
Operating transfers out.....	28,078	148,891
Total other financing uses.....	<u>28,078</u>	<u>148,891</u>
Total expenditures and other uses.....	<u>399,490</u>	<u>632,844</u>
Excess of revenues and other sources over expenditures and other uses.....	(4,696)	5,183
Fund balance at beginning of year.....	43,299	38,116
Fund balance at end of year.....	<u>\$ 38,603</u>	<u>\$ 43,299</u>

Labor Shortage Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 2,210	\$ 3,036
Total assets.....	<u>\$ 2,210</u>	<u>\$ 3,036</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 84	\$ 548
Accrued payroll.....	<u>-</u>	<u>1</u>
Total liabilities.....	<u>84</u>	<u>549</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	<u>2,126</u>	<u>2,487</u>
Total fund balance.....	<u>2,126</u>	<u>2,487</u>
Total liabilities and fund balance.....	<u>\$ 2,210</u>	<u>\$ 3,036</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Assessments.....	\$ 90	\$ 866
Miscellaneous.....	115	146
Total revenues.....	205	1,012
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	205	1,012
EXPENDITURES AND OTHER USES		
Expenditures:		
Health and human services.....	526	2,219
Higher education.....	20	54
Labor.....	-	167
Total expenditures.....	546	2,440
Other financing uses:		
Fringe benefit cost assessment.....	14	43
Operating transfers out.....	6	5
Total other financing uses.....	20	48
Total expenditures and other uses.....	566	2,488
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(361)	(1,476)
Fund balance at beginning of year.....	2,487	3,963
Fund balance at end of year.....	\$ 2,126	\$ 2,487

Medical Security Trust Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 54,333	\$ 32,892
Total assets.....	<u>\$ 54,333</u>	<u>\$ 32,892</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1	\$ 622
Accrued payroll.....	<u>6</u>	<u>22</u>
Total liabilities.....	<u>7</u>	<u>644</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	<u>54,326</u>	<u>32,248</u>
Total fund balance.....	<u>54,326</u>	<u>32,248</u>
Total liabilities and fund balance.....	<u>\$ 54,333</u>	<u>\$ 32,892</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 41,859	\$ 41,611
Miscellaneous.....	2,257	205
Total revenues.....	44,116	41,816
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	44,116	41,816
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	61	79
Health and human services.....	-	16,858
Labor.....	18,905	1,977
Total expenditures.....	18,966	18,914
Other financing uses:		
Fringe benefit cost assessment.....	395	364
Operating transfers out.....	2,677	(38)
Total other financing uses.....	3,072	326
Total expenditures and other uses.....	22,038	19,240
Excess of revenues and other sources over expenditures and other uses.....	22,078	22,576
Fund balance at beginning of year.....	32,248	9,672
Fund balance at end of year.....	\$ 54,326	\$ 32,248

Freight Rail Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 2,799	\$ 2,685
Total assets.....	<u>\$ 2,799</u>	<u>\$ 2,685</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	2,799	2,685
Total fund balance.....	<u>2,799</u>	<u>2,685</u>
Total liabilities and fund balance.....	<u>\$ 2,799</u>	<u>\$ 2,685</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 114	\$ 114
Total revenues.....	114	114
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	114	114
EXPENDITURES AND OTHER USES		
Expenditures:		
Transportation and construction.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	-	-
Excess of revenues and other sources over expenditures and other uses.....	114	114
Fund balance at beginning of year.....	2,685	2,571
Fund balance at end of year.....	\$ 2,799	\$ 2,685

Passenger Rail Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 3,458	\$ 3,432
Total assets.....	<u>\$ 3,458</u>	<u>\$ 3,432</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	3,458	3,432
Total fund balance.....	<u>3,458</u>	<u>3,432</u>
Total liabilities and fund balance.....	<u>\$ 3,458</u>	<u>\$ 3,432</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 26	\$ 25
Total revenues.....	26	25
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	26	25
EXPENDITURES AND OTHER USES		
Expenditures:		
Transportation and construction.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	-	-
Excess of revenues and other sources over expenditures and other uses.....	26	25
Fund balance at beginning of year.....	3,432	3,407
Fund balance at end of year.....	\$ 3,458	\$ 3,432

J.F.K. Library And Park Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 3,287	\$ 3,270
Total assets.....	<u>\$ 3,287</u>	<u>\$ 3,270</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	3,287	3,270
Total fund balance.....	<u>3,287</u>	<u>3,270</u>
Total liabilities and fund balance.....	<u>\$ 3,287</u>	<u>\$ 3,270</u>

J.F.K. Library And Park Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 17	\$ 17
Total revenues.....	<u>17</u>	<u>17</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	<u>17</u>	<u>17</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Legislature.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	-	-
Excess of revenues and other sources over expenditures and other uses.....	17	17
Fund balance at beginning of year.....	3,270	3,253
Fund balance at end of year.....	<u>\$ 3,287</u>	<u>\$ 3,270</u>

Government Land Bank Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 33,798	\$ 31,186
Total liabilities.....	<u>33,798</u>	<u>31,186</u>
Fund balance:		
Unreserved fund balance (deficit):		
Designated for specific purpose.....	(33,798)	(31,186)
Total fund balance (deficit).....	<u>(33,798)</u>	<u>(31,186)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ 187
Total revenues.....	-	187
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	-	187
EXPENDITURES AND OTHER USES		
Expenditures:		
Debt service:		
Principal retirement.....	2,119	7,492
Interest and fiscal charges.....	493	589
Total expenditures.....	2,612	8,081
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	2,612	8,081
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(2,612)	(7,894)
Fund balance (deficit) at beginning of year.....	(31,186)	(23,292)
Fund balance (deficit) at end of year.....	\$ (33,798)	\$ (31,186)

Federally-Assisted Housing Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
ASSETS		
Cash and short-term investments.....	\$ -	\$ 108
Total assets.....	<u>\$ -</u>	<u>\$ 108</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	-	108
Total fund balance.....	<u>-</u>	<u>108</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 108</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 135	\$ -
Total revenues.....	135	-
Other financing sources:		
Operating transfers in.....	-	10,142
Total other financing sources.....	-	10,142
Total revenues and other sources.....	135	10,142
EXPENDITURES AND OTHER USES		
Expenditures:		
Debt service:		
Principal retirement.....	91	87
Interest and fiscal charges.....	44	49
Total expenditures.....	135	136
Other financing uses:		
Operating transfers out.....	108	-
Total other financing uses.....	108	-
Total expenditures and other uses.....	243	136
Excess of revenues and other sources over expenditures and other uses.....	(108)	10,006
Fund balance (deficit) at beginning of year.....	108	(9,898)
Fund balance at end of year.....	\$ -	\$ 108

Environmental Trust Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 4,155	\$ 3,047
Total assets.....	<u>\$ 4,155</u>	<u>\$ 3,047</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 176	\$ 89
Total liabilities.....	<u>176</u>	<u>89</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	3,979	2,958
Total fund balance.....	<u>3,979</u>	<u>2,958</u>
Total liabilities and fund balance.....	<u>\$ 4,155</u>	<u>\$ 3,047</u>

Environmental Trust Fund

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 1,688	\$ 1,372
Miscellaneous.....	167	113
Total revenues.....	1,855	1,485
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	1,855	1,485
EXPENDITURES AND OTHER USES		
Expenditures:		
Environmental affairs.....	755	248
Public safety.....	79	137
Total expenditures.....	834	385
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	834	385
Excess of revenues and other sources over expenditures and other uses.....	1,021	1,100
Fund balance at beginning of year.....	2,958	1,858
Fund balance at end of year.....	\$ 3,979	\$ 2,958

Children's Trust Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 600	\$ 607
Total assets.....	<u>\$ 600</u>	<u>\$ 607</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 13	\$ 35
Accrued payroll.....	-	3
Total liabilities.....	<u>13</u>	<u>38</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	587	569
Total fund balance.....	<u>587</u>	<u>569</u>
Total liabilities and fund balance.....	<u>\$ 600</u>	<u>\$ 607</u>

Children 's Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 31	\$ 32
Total revenues.....	<u>31</u>	<u>32</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	<u>31</u>	<u>32</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Health and human services.....	13	82
Total expenditures.....	<u>13</u>	<u>82</u>
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	<u>13</u>	<u>82</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	18	(50)
Fund balance at beginning of year.....	569	619
Fund balance at end of year.....	<u>\$ 587</u>	<u>\$ 569</u>

Child Support Enforcement Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 1,220	\$ 6,504
Due from federal government.....	<u>84</u>	<u>1,170</u>
Total assets.....	<u>\$ 1,304</u>	<u>\$ 7,674</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,327	\$ 1,189
Accrued payroll.....	<u>14</u>	<u>91</u>
Total liabilities.....	<u>1,341</u>	<u>1,280</u>
Fund balance:		
Unreserved fund balance (deficit):		
Designated for specific purpose.....	<u>(37)</u>	<u>6,394</u>
Total fund balance (deficit).....	<u>(37)</u>	<u>6,394</u>
Total liabilities and fund balance.....	<u>\$ 1,304</u>	<u>\$ 7,674</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 13,508	\$ 15,364
Departmental.....	818	13
Miscellaneous.....	245	470
Total revenues.....	14,571	15,847
Other financing sources:		
Other sources.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	14,571	15,847
EXPENDITURES AND OTHER USES		
Expenditures:		
Judiciary.....	1,855	1,853
Treasurer and Receiver-General.....	1	2
District Attorney.....	247	232
Administration and finance.....	18,287	15,619
Health and human services.....	183	966
Labor.....	87	83
Consumer affairs.....	-	4
Total expenditures.....	20,660	18,759
Other financing uses:		
Fringe benefit cost assessment.....	326	187
Operating transfers out.....	16	22
Total other financing uses.....	342	209
Total expenditures and other uses.....	21,002	18,968
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(6,431)	(3,121)
Fund balance at beginning of year.....	6,394	9,515
Fund balance (deficit) at end of year.....	\$ (37)	\$ 6,394

Department Of Industrial Accidents Special Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 11,835	\$ 14,264
Total assets.....	<u>\$ 11,835</u>	<u>\$ 14,264</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 2	\$ 268
Total liabilities.....	<u>2</u>	<u>268</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	11,833	13,996
Total fund balance.....	<u>11,833</u>	<u>13,996</u>
Total liabilities and fund balance.....	<u>\$ 11,835</u>	<u>\$ 14,264</u>

Department Of Industrial Accidents Special Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Assessments.....	\$ 14,525	\$ 16,845
Departmental.....	4,767	4,703
Miscellaneous.....	945	1,076
Total revenues.....	<u>20,237</u>	<u>22,624</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	<u>20,237</u>	<u>22,624</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Labor.....	-	1,981
Total expenditures.....	-	1,981
Other financing uses:		
Fringe benefit cost assessment.....	3,661	3,704
Operating transfers out.....	18,739	17,082
Total other financing uses.....	<u>22,400</u>	<u>20,786</u>
Total expenditures and other uses.....	<u>22,400</u>	<u>22,767</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(2,163)	(143)
Fund balance at beginning of year.....	13,996	14,139
Fund balance at end of year.....	<u>\$ 11,833</u>	<u>\$ 13,996</u>

Children 's Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 31	\$ 32
Total revenues.....	31	32
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	31	32
EXPENDITURES AND OTHER USES		
Expenditures:		
Health and human services.....	13	82
Total expenditures.....	13	82
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	13	82
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	18	(50)
Fund balance at beginning of year.....	569	619
Fund balance at end of year.....	\$ 587	\$ 569

Child Support Enforcement Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 1,220	\$ 6,504
Due from federal government.....	<u>84</u>	<u>1,170</u>
Total assets.....	<u>\$ 1,304</u>	<u>\$ 7,674</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,327	\$ 1,189
Accrued payroll.....	<u>14</u>	<u>91</u>
Total liabilities.....	<u>1,341</u>	<u>1,280</u>
Fund balance:		
Unreserved fund balance (deficit):		
Designated for specific purpose.....	<u>(37)</u>	<u>6,394</u>
Total fund balance (deficit).....	<u>(37)</u>	<u>6,394</u>
Total liabilities and fund balance.....	<u>\$ 1,304</u>	<u>\$ 7,674</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 13,508	\$ 15,364
Departmental.....	818	13
Miscellaneous.....	245	470
Total revenues.....	14,571	15,847
Other financing sources:		
Other sources.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	14,571	15,847
EXPENDITURES AND OTHER USES		
Expenditures:		
Judiciary.....	1,855	1,853
Treasurer and Receiver-General.....	1	2
District Attorney.....	247	232
Administration and finance.....	18,287	15,619
Health and human services.....	183	966
Labor.....	87	83
Consumer affairs.....	-	4
Total expenditures.....	20,660	18,759
Other financing uses:		
Fringe benefit cost assessment.....	326	187
Operating transfers out.....	16	22
Total other financing uses.....	342	209
Total expenditures and other uses.....	21,002	18,968
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(6,431)	(3,121)
Fund balance at beginning of year.....	6,394	9,515
Fund balance (deficit) at end of year.....	\$ (37)	\$ 6,394

Children 's Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 31	\$ 32
Total revenues.....	31	32
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	31	32
EXPENDITURES AND OTHER USES		
Expenditures:		
Health and human services.....	13	82
Total expenditures.....	13	82
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	13	82
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	18	(50)
Fund balance at beginning of year.....	569	619
Fund balance at end of year.....	\$ 587	\$ 569

Child Support Enforcement Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
ASSETS		
Cash and short-term investments.....	\$ 1,220	\$ 6,504
Due from federal government.....	84	1,170
Total assets.....	<u>\$ 1,304</u>	<u>\$ 7,674</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,327	\$ 1,189
Accrued payroll.....	14	91
Total liabilities.....	<u>1,341</u>	<u>1,280</u>
Fund balance:		
Unreserved fund balance (deficit):		
Designated for specific purpose.....	(37)	6,394
Total fund balance (deficit).....	<u>(37)</u>	<u>6,394</u>
Total liabilities and fund balance.....	<u>\$ 1,304</u>	<u>\$ 7,674</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 13,508	\$ 15,364
Departmental.....	818	13
Miscellaneous.....	245	470
Total revenues.....	14,571	15,847
Other financing sources:		
Other sources.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	14,571	15,847
EXPENDITURES AND OTHER USES		
Expenditures:		
Judiciary.....	1,855	1,853
Treasurer and Receiver-General.....	1	2
District Attorney.....	247	232
Administration and finance.....	18,287	15,619
Health and human services.....	183	966
Labor.....	87	83
Consumer affairs.....	-	4
Total expenditures.....	20,660	18,759
Other financing uses:		
Fringe benefit cost assessment.....	326	187
Operating transfers out.....	16	22
Total other financing uses.....	342	209
Total expenditures and other uses.....	21,002	18,968
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(6,431)	(3,121)
Fund balance at beginning of year.....	6,394	9,515
Fund balance (deficit) at end of year.....	\$ (37)	\$ 6,394

Department Of Industrial Accidents Special Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 11,835	\$ 14,264
Total assets.....	<u>\$ 11,835</u>	<u>\$ 14,264</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 2	\$ 268
Total liabilities.....	<u>2</u>	<u>268</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	11,833	13,996
Total fund balance.....	<u>11,833</u>	<u>13,996</u>
Total liabilities and fund balance.....	<u>\$ 11,835</u>	<u>\$ 14,264</u>

Department Of Industrial Accidents Special Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Assessments.....	\$ 14,525	\$ 16,845
Departmental.....	4,767	4,703
Miscellaneous.....	945	1,076
Total revenues.....	<u>20,237</u>	<u>22,624</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	<u>20,237</u>	<u>22,624</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Labor.....	-	1,981
Total expenditures.....	-	<u>1,981</u>
Other financing uses:		
Fringe benefit cost assessment.....	3,661	3,704
Operating transfers out.....	18,739	17,082
Total other financing uses.....	<u>22,400</u>	<u>20,786</u>
Total expenditures and other uses.....	<u>22,400</u>	<u>22,767</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(2,163)	(143)
Fund balance at beginning of year.....	13,996	14,139
Fund balance at end of year.....	<u>\$ 11,833</u>	<u>\$ 13,996</u>

County Correction Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 2,199	\$ 1,745
Receivables, net of allowance for uncollectibles:		
Taxes.....	949	557
Total assets.....	<u>\$ 3,148</u>	<u>\$ 2,302</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	3,148	2,302
Total fund balance.....	<u>3,148</u>	<u>2,302</u>
Total liabilities and fund balance.....	<u>\$ 3,148</u>	<u>\$ 2,302</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Taxes.....	\$ 7,360	\$ 6,056
Total revenues.....	7,360	6,056
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	7,360	6,056
EXPENDITURES AND OTHER USES		
Expenditures:		
Direct local aid.....	6,514	5,733
Total expenditures.....	6,514	5,733
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	6,514	5,733
Excess of revenues and other sources over expenditures and other uses.....	846	323
Fund balance at beginning of year.....	2,302	1,979
Fund balance at end of year.....	\$ 3,148	\$ 2,302

Massachusetts AIDS Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 824	\$ 774
Total assets.....	<u>\$ 824</u>	<u>\$ 774</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 172	\$ 200
Total liabilities.....	<u>172</u>	<u>200</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	652	574
Total fund balance.....	<u>652</u>	<u>574</u>
Total liabilities and fund balance.....	<u>\$ 824</u>	<u>\$ 774</u>

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 555	\$ 251
Total revenues.....	555	251
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	555	251
EXPENDITURES AND OTHER USES		
Expenditures:		
Health and human services.....	477	326
Total expenditures.....	477	326
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	477	326
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	78	(75)
Fund balance at beginning of year.....	574	649
Fund balance at end of year.....	\$ 652	\$ 574

Board Of Registration in Medicine Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts In Thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 105	\$ 590
Total assets.....	<u>\$ 105</u>	<u>\$ 590</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 103	\$ 144
Accrued payroll.....	2	10
Total liabilities.....	<u>105</u>	<u>154</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	-	436
Total fund balance.....	-	436
Total liabilities and fund balance.....	<u>\$ 105</u>	<u>\$ 590</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 1,814	\$ 1,572
Total revenues.....	1,814	1,572
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	1,814	1,572
EXPENDITURES AND OTHER USES		
Expenditures:		
Consumer affairs.....	1,516	1,292
Total expenditures.....	1,516	1,292
Other financing uses:		
Fringe benefit cost assessment.....	77	86
Operating transfers out.....	657	8
Total other financing uses.....	734	94
Total expenditures and other uses.....	2,250	1,386
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(436)	186
Fund balance at beginning of year.....	436	250
Fund balance at end of year.....	\$ -	\$ 436

Water Pollution Abatement Projects Administration Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 171	\$ 580
Total assets.....	<u>\$ 171</u>	<u>\$ 580</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 95	\$ 189
Accrued payroll.....	14	70
Total liabilities.....	<u>109</u>	<u>259</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	62	321
Total fund balance.....	62	321
Total liabilities and fund balance.....	<u>\$ 171</u>	<u>\$ 580</u>

Water Pollution Abatement Projects Administration Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 5,195	\$ 5,153
Total revenues.....	5,195	5,153
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	5,195	5,153
EXPENDITURES AND OTHER USES		
Expenditures:		
Environmental affairs.....	4,152	3,934
Total expenditures.....	4,152	3,934
Other financing uses:		
Fringe benefit cost assessment.....	1,076	1,148
Operating transfers out.....	226	227
Total other financing uses.....	1,302	1,375
Total expenditures and other uses.....	5,454	5,309
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(259)	(156)
Fund balance at beginning of year.....	321	477
Fund balance at end of year.....	\$ 62	\$ 321

Commonwealth Sewer Rate Relief Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 11,406	\$ 3,088
Total assets.....	<u>\$ 11,406</u>	<u>\$ 3,088</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	11,406	3,088
Total fund balance.....	<u>11,406</u>	<u>3,088</u>
Total liabilities and fund balance.....	<u>\$ 11,406</u>	<u>\$ 3,088</u>

Commonwealth Sewer Rate Relief Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Sewer rate relief.....	54,398	23,200
Total other financing sources.....	54,398	23,200
Total revenues and other sources.....	54,398	23,200
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	46,080	37,929
Total expenditures.....	46,080	37,929
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	46,080	37,929
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	8,318	(14,729)
Fund balance at beginning of year.....	3,088	17,817
Fund balance at end of year.....	\$ 11,406	\$ 3,088

Motor Vehicle Emissions Inspection Compliance Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 2,636	\$ 1,672
Accounts payable.....	16	10
Accrued payroll	2	14
Total liabilities.....	<u>2,654</u>	<u>1,696</u>
Fund balance:		
Unreserved fund balance (deficit):		
Designated for specific purpose.....	<u>(2,654)</u>	<u>(1,696)</u>
Total fund balance (deficit).....	<u>(2,654)</u>	<u>(1,696)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Motor Vehicle Emissions Inspection Compliance Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	-	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Environmental affairs.....	786	738
Total expenditures.....	786	738
Other financing uses:		
Fringe benefit cost assessment.....	170	169
Operating transfers out.....	2	2
Total other financing uses.....	172	171
Total expenditures and other uses.....	958	909
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(958)	(909)
Fund balance (deficit) at beginning of year.....	(1,696)	(787)
Fund balance (deficit) at end of year.....	\$ (2,654)	\$ (1,696)

Motor Vehicle Safety Inspection Trust Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 6,615	\$ 6,195
Total assets.....	<u>\$ 6,615</u>	<u>\$ 6,195</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 267	\$ 695
Accrued payroll.....	<u>2</u>	<u>22</u>
Total liabilities.....	<u>269</u>	<u>717</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	<u>6,346</u>	<u>5,478</u>
Total fund balance.....	<u>6,346</u>	<u>5,478</u>
Total liabilities and fund balance.....	<u>\$ 6,615</u>	<u>\$ 6,195</u>

Motor Vehicle Safety Inspection Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 5,679	\$ 5,553
Total revenues.....	5,679	5,553
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	5,679	5,553
EXPENDITURES AND OTHER USES		
Expenditures:		
Public safety.....	4,672	4,398
Total expenditures.....	4,672	4,398
Other financing uses:		
Fringe benefit cost assessment.....	138	163
Operating transfers out.....	1	2
Total other financing uses.....	139	165
Total expenditures and other uses.....	4,811	4,563
Excess of revenues and other sources over expenditures and other uses.....	868	990
Fund balance at beginning of year.....	5,478	4,488
Fund balance at end of year.....	\$ 6,346	\$ 5,478

Capital Expenditure Reserve Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ 57,913
Total assets.....	<u>\$ -</u>	<u>\$ 57,913</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	-	57,913
Total fund balance.....	<u>-</u>	<u>57,913</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 57,913</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 1,840	\$ 100,697
Total revenues.....	1,840	100,697
Other financing sources:		
Other financing sources.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	1,840	100,697
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	-	-
Total expenditures.....	-	-
Other financing uses:		
State share of federal highway.....	59,753	42,784
Total other financing uses.....	59,753	42,784
Total expenditures and other uses.....	59,753	42,784
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(57,913)	57,913
Fund balance at beginning of year.....	57,913	-
Fund balance at end of year.....	\$ -	\$ 57,913

Energy Technology Development Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ 114
Total assets.....	<u>\$ -</u>	<u>\$ 114</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ 30
Total liabilities.....	<u>-</u>	<u>30</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	-	84
Total fund balance.....	<u>-</u>	<u>84</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 114</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ -	\$ 151
Total revenues.....	-	151
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	-	151
EXPENDITURES AND OTHER USES		
Expenditures:		
Economic development.....	84	67
Total expenditures.....	84	67
Other financing uses:		
Fringe benefit cost assessment.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	84	67
Excess of revenues and other sources over expenditures and other uses.....	(84)	84
Fund balance at beginning of year.....	84	-
Fund balance at end of year.....	\$ -	\$ 84

Oil Overcharge Fund
Balance Sheet - Statutory Basis

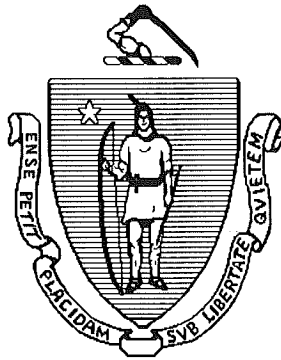
June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 13,722	\$ 15,971
Total assets.....	<u>\$ 13,722</u>	<u>\$ 15,971</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 479	\$ 629
Accrued payroll.....	<u>1</u>	<u>15</u>
Total liabilities.....	<u>480</u>	<u>644</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	<u>13,242</u>	<u>15,327</u>
Total fund balance.....	<u>13,242</u>	<u>15,327</u>
Total liabilities and fund balance.....	<u>\$ 13,722</u>	<u>\$ 15,971</u>

Oil Overcharge Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 1,518	\$ 4,878
Total revenues.....	1,518	4,878
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	1,518	4,878
EXPENDITURES AND OTHER USES		
Expenditures:		
Environmental affairs.....	86	16
Economic development.....	3,391	3,318
Total expenditures.....	3,477	3,334
Other financing uses:		
Fringe benefit cost assessment.....	125	137
Operating transfers out.....	1	2
Total other financing uses.....	126	139
Total expenditures and other uses.....	3,603	3,473
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(2,085)	1,405
Fund balance at beginning of year.....	15,327	13,922
Fund balance at end of year.....	\$ 13,242	\$ 15,327



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Capital Projects Funds

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

CAPITAL INVESTMENT TRUST FUND:

To account for a transfer from the general fund to fund appropriated items of a capital nature. Specifically in Section 107 2E of Chapter 88 of the Acts of 1997.

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 federal sponsored highway construction.

FEDERAL HIGHWAY CONSTRUCTION CAPITAL PROJECTS FUND:

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.

LOCAL AID FUNDS:

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.

Community Development Action Grants Capital Projects Fund accounts for proceeds of bonds to finance a program of studies, preparation of plans, construction,

reconstruction, renovations, alterations and improvements to state and federally assisted housing units.

Lockup Facilities Improvement Capital Projects Fund accounts for proceeds of bonds to finance improvements to lockup facilities and state police lockup facilities.

Suffolk County Jail Facility Capital Projects Fund accounts for proceeds of bonds to finance improvements to the Suffolk County Jail.

County Correctional Facilities Capital Projects Fund accounts for proceeds of bonds to finance improvements to County Correctional Facilities.

Local Infrastructure Capital Projects Fund accounts for proceeds of bonds, and to finance improvements to the Commonwealth's Correctional Facilities.

Water Pollution Control Capital Projects Fund accounts for proceeds of bonds, to finance grants to implement the Clean Water Act.

OTHER FUNDS:

To account for the proceeds of bonds to finance land acquisition for economic development, preservation and recreational purposes, and other capital projects.

State Recreation Areas Capital Projects Fund accounts for proceeds of bonds and other monies received by DEM pertaining to state parks, reservations and recreation areas outside the metropolitan parks district; used for purposes of state parks, reservations and recreation areas outside the metropolitan parks district.

Metropolitan Parks Capital Projects Fund accounts for bond proceeds, grants and gifts; used for capital expenditures by the Metropolitan District Commission.

Federally-Assisted Housing Capital Projects Fund accounts for proceeds from bonds; used to finance grants to housing authorities for housing projects so they may undertake major improvements.

Government Land Bank Capital Projects Fund accounts 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 Government Land Bank.

Intercity Bus Capital Assistance Capital Projects Fund accounts for proceeds of bonds; used for the acquisition and leasing of inter-city coaches and for planning and other relevant costs.

Capital Projects Funds
Combining Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

ASSETS	General	Capital Investment Trust	Highway
Cash and short-term investments.....	\$ -	\$ 229,800	\$ -
Receivables, net of allowance for uncollectibles:			
Due from federal government.....	4,101	-	-
Total assets.....	<u>\$ 4,101</u>	<u>\$ 229,800</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Deficiency in cash and short-term investments.....	\$ 62,568	\$ -	\$ 102,921
Accounts payable.....	74,168	-	53,458
Accrued payroll.....	45	-	183
Total liabilities.....	<u>136,781</u>	<u>-</u>	<u>156,562</u>
Fund balance (deficits):			
Reserved fund balance:			
Reserved for capital projects.....	-	229,800	-
Unreserved:			
Undesignated.....	(132,680)	-	(156,562)
Total fund balance (deficits).....	<u>(132,680)</u>	<u>229,800</u>	<u>(156,562)</u>
Total liabilities and fund balances.....	<u>\$ 4,101</u>	<u>\$ 229,800</u>	<u>\$ -</u>

Federal Highway Construction	Local Aid	Other	Totals	
			1997	1996
\$ 20,018	\$ -	\$ -	\$ 249,818	\$ 27,059
161,427	-	-	165,528	118,823
<u>\$ 181,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,346</u>	<u>\$ 145,882</u>
\$ -	\$ 49,769	\$ 386	\$ 215,644	\$ 69,068
181,443	21,187	983	331,239	293,083
2	10	-	240	1,305
<u>181,445</u>	<u>70,966</u>	<u>1,369</u>	<u>547,123</u>	<u>363,456</u>
-	-	-	229,800	-
-	(70,966)	(1,369)	(361,577)	(217,574)
-	(70,966)	(1,369)	(131,777)	(217,574)
<u>\$ 181,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,346</u>	<u>\$ 145,882</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	General	Capital Investment Trust	Highway
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Federal grants and reimbursements.....	\$ 19,465	\$ -	\$ -
Departmental.....	-	-	-
Miscellaneous.....	9	-	5
Total revenues.....	19,474	-	5
Other financing sources:			
Proceeds of general obligation bonds.....	271,882	-	474,788
Proceeds of special obligation bonds.....	-	-	-
Proceeds of refunding bonds.....	301,333	-	337,464
Surplus transfer for capital projects.....	9,503	-	80,000
Capital investment trust fund transfer.....	-	229,800	-
State share of federal highway construction.....	-	-	-
Total other financing sources.....	582,718	229,800	892,252
Total revenues and other financing sources.....	602,192	229,800	892,257
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Legislature.....	1,643	-	-
Judiciary.....	7,722	-	-
Inspector General.....	168	-	560
Secretary of the Commonwealth.....	664	-	-
Treasurer and Receiver-General.....	3,288	-	-
Auditor of the Commonwealth.....	410	-	190
Attorney General.....	678	-	186
District Attorney.....	31	-	-
Board of Library Commissioners.....	784	-	-
Comptroller.....	1,723	-	33
Administration and finance.....	127,553	-	1,612
Environmental affairs.....	68,925	-	12,893
Health and human services.....	36,163	-	390
Transportation and construction.....	10,304	-	456,162
Education.....	19,494	-	-
Higher education.....	6,637	-	130
Public safety.....	4,675	-	10,892
Economic development.....	59,907	-	-
Elder affairs.....	93	-	-
Consumer affairs.....	43	-	-
Total expenditures.....	350,905	-	483,048
Other financing uses:			
Payments to refunded bond escrow agent.....	301,333	-	337,464
Fringe benefit cost assessment.....	3,415	-	9,472
State share of federal highway construction.....	-	-	116,205
Operating transfers out.....	59	-	103
Total other financing uses.....	304,807	-	463,244
Total expenditures and other financing uses.....	655,712	-	946,292
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(53,520)	229,800	(54,035)
Fund balances (deficits) at beginning of year.....	(79,160)	-	(102,527)
Fund balances (deficits) at end of year.....	\$ (132,680)	\$ 229,800	\$ (156,562)

Federal Highway Construction	Local Aid	Other	Totals	
			1997	1996
\$ 1,016,165	\$ -	\$ -	\$ 1,035,630	\$ 888,352
353	-	-	353	440
1,722	-	-	1,736	1,476
1,018,240	-	-	1,037,719	890,268
-	149,398	3,403	899,471	939,658
-	-	-	-	147,457
-	83,824	-	722,621	-
-	-	-	89,503	-
-	-	-	229,800	-
175,958	-	-	175,958	132,423
175,958	233,222	3,403	2,117,353	1,219,538
1,194,198	233,222	3,403	3,155,072	2,109,806
-	-	-	1,643	161
-	1,454	-	9,176	1,499
-	-	-	728	308
-	688	-	1,352	2,524
-	18,049	-	21,337	19,950
-	-	-	600	-
790	40	-	1,694	918
-	-	-	31	239
-	13,611	-	14,395	10,443
-	-	-	1,756	2,675
-	106,140	302	235,607	125,070
2,956	18,492	3,754	107,020	120,608
-	2,597	-	39,150	31,341
1,185,780	5,312	23	1,657,581	1,407,394
-	-	-	19,494	-
-	-	-	6,767	13,991
83	8,074	-	23,724	22,339
698	10,452	-	71,057	65,400
-	-	-	93	174
-	-	-	43	-
1,190,307	184,909	4,079	2,213,248	1,825,034
-	83,824	-	722,621	-
3,851	252	-	16,990	18,394
-	-	-	116,205	89,639
40	7	2	211	282
3,891	84,083	2	856,027	108,315
1,194,198	268,992	4,081	3,069,275	1,933,349
-	(35,770)	(678)	85,797	176,457
-	(35,196)	(691)	(217,574)	(394,031)
\$ -	\$ (70,966)	\$ (1,369)	\$ (131,777)	\$ (217,574)

General Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	\$ 4,101	\$ 2,666
Total assets.....	<u>\$ 4,101</u>	<u>\$ 2,666</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 62,568	\$ 16,822
Accounts payable.....	74,168	64,700
Accrued payroll.....	45	304
Total liabilities.....	<u>136,781</u>	<u>81,826</u>
Fund equity:		
Unreserved fund balance (deficit):		
Undesignated.....	(132,680)	(79,160)
Total fund equity (deficit).....	<u>(132,680)</u>	<u>(79,160)</u>
Total liabilities and fund equity.....	<u>\$ 4,101</u>	<u>\$ 2,666</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 19,465	\$ 13,269
Miscellaneous.....	9	-
Total revenues.....	19,474	13,269
Other financing sources:		
Proceeds of general obligation bonds.....	271,882	287,510
Proceeds of refunding bonds.....	301,333	-
Surplus transfer to capital projects.....	9,503	-
Total other financing sources.....	582,718	287,510
Total revenues and other sources.....	602,192	300,779
EXPENDITURES AND OTHER USES		
Expenditures:		
Legislature.....	1,643	161
Judiciary.....	7,722	584
Inspector General.....	168	-
Secretary of the Commonwealth.....	664	1,336
Treasurer and Receiver-General.....	3,288	-
Auditor of the Commonwealth.....	410	-
Attorney General.....	678	47
District Attorney.....	31	239
Board of Library Commissioners.....	784	612
Comptroller.....	1,723	2,609
Administration and finance.....	127,553	79,203
Environmental affairs.....	68,925	75,656
Health and human services.....	36,163	29,437
Transportation and construction.....	10,304	6,708
Education.....	19,494	-
Higher education.....	6,637	13,991
Public safety.....	4,675	3,057
Economic development.....	59,907	62,105
Elder affairs.....	93	174
Consumer affairs.....	43	-
Total expenditures.....	350,905	275,919
Other financing uses:		
Payments to refunded bond escrow agent.....	301,333	-
Fringe benefit cost assessment.....	3,415	3,174
Operating transfers out.....	59	75
Total other financing uses.....	304,807	3,249
Total expenditures and other uses.....	655,712	279,168
Excess(deficiency) of revenues and other sources over expenditures and other uses	(53,520)	21,611
Fund balance (deficit) at beginning of year.....	(79,160)	(100,771)
Fund balance (deficit) at end of year.....	\$ (132,680)	\$ (79,160)

Capital Investment Trust Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 229,800	\$ -
Total assets.....	<u>\$ 229,800</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for capital projects.....	229,800	-
Total fund balance	<u>229,800</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 229,800</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Capital investment trust fund transfer.....	229,800	-
Total other financing sources.....	229,800	-
Total revenues and other sources.....	229,800	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	-	-
Excess of revenues and other sources over expenditures and other uses.....	229,800	-
Fund balance at beginning of year.....	-	-
Fund balance at end of year.....	\$ 229,800	\$ -

Highway Capital Projects Fund

Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 102,921	\$ 50,276
Accounts payable.....	53,458	51,540
Accrued payroll.....	183	711
Total liabilities.....	<u>156,562</u>	<u>102,527</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(156,562)</u>	<u>(102,527)</u>
Total fund balance (deficit).....	<u>(156,562)</u>	<u>(102,527)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Highway Capital Projects Fund

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 5	\$ -
Total revenues.....	5	-
Other financing sources:		
Proceeds of general obligation bonds.....	474,788	502,514
Proceeds of special obligation bonds.....	-	147,457
Proceeds of refunding bonds.....	337,464	-
Surplus transfer for capital projects.....	80,000	-
Total other financing sources.....	892,252	649,971
Total revenues and other sources.....	892,257	649,971
EXPENDITURES AND OTHER USES		
Expenditures:		
Inspector General.....	560	308
Auditor of the Commonwealth.....	190	-
Attorney General.....	186	128
Comptroller.....	33	66
Administration and finance.....	1,612	969
Environmental affairs.....	12,893	14,594
Health and human services.....	390	363
Transportation and construction.....	456,162	385,676
Higher education.....	130	-
Public safety.....	10,892	14,115
Economic development.....	-	20
Total expenditures.....	483,048	416,239
Other financing uses:		
Payments to refunded bond escrow agent.....	337,464	-
Fringe benefit cost assessment.....	9,472	10,113
State share of Federal Highway	116,205	89,639
Operating transfers out.....	103	136
Total other financing uses.....	463,244	99,888
Total expenditures and other uses.....	946,292	516,127
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(54,035)	133,844
Fund balance (deficit) at beginning of year.....	(102,527)	(236,371)
Fund balance (deficit) at end of year.....	\$ (156,562)	\$ (102,527)

Federal Highway Construction Program Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 20,018	\$ 27,059
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	<u>161,427</u>	<u>116,157</u>
Total assets.....	<u>\$ 181,445</u>	<u>\$ 143,216</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 181,443	\$ 142,961
Accrued payroll.....	<u>2</u>	<u>255</u>
Total liabilities.....	<u>181,445</u>	<u>143,216</u>
 Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>-</u>	<u>-</u>
Total fund balance.....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 181,445</u>	<u>\$ 143,216</u>

Federal Highway Construction Program Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 1,016,165	\$ 875,083
Departmental.....	353	440
Miscellaneous.....	1,722	1,476
Total revenues.....	1,018,240	876,999
Other financing sources:		
State share of federal highway construction.....	175,958	132,423
Total other financing sources.....	175,958	132,423
Total revenues and other sources.....	1,194,198	1,009,422
EXPENDITURES AND OTHER USES		
Expenditures:		
Attorney General.....	790	743
Environmental affairs.....	2,956	405
Transportation and construction.....	1,185,780	1,002,481
Public safety.....	83	446
Economic development.....	698	341
Total expenditures.....	1,190,307	1,004,416
Other financing uses:		
Fringe benefit cost assessment.....	3,851	5,057
Operating transfers out.....	40	56
Total other financing uses.....	3,891	5,113
Total expenditures and other uses.....	1,194,198	1,009,529
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	-	(107)
Fund balance at beginning of year.....	-	107
Fund balance at end of year.....	\$ -	\$ -

Community Development Action Grants Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 49,754	\$ 1,235
Accounts payable.....	17,708	23,543
Accrued payroll.....	10	35
Total liabilities.....	<u>67,472</u>	<u>24,813</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(67,472)</u>	<u>(24,813)</u>
Total fund balance (deficit).....	<u>(67,472)</u>	<u>(24,813)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Community Development Action Grants Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	138,278	135,079
Proceeds of refunding bonds.....	83,824	-
Total other financing sources.....	222,102	135,079
Total revenues and other sources.....	222,102	135,079
EXPENDITURES AND OTHER USES		
Expenditures:		
Judiciary.....	1,454	915
Secretary of Commonwealth.....	688	1,188
Treasurer and Receiver-General.....	18,049	19,950
Attorney general.....	40	-
Board of Library Commissioners.....	13,611	9,831
Administration and finance.....	105,798	40,834
Environmental affairs.....	17,400	17,256
Health and human services.....	247	441
Transportation and construction.....	5,312	12,485
Public safety.....	7,627	4,651
Economic development.....	10,452	2,934
Total expenditures.....	180,678	110,485
Other financing uses:		
Payments to refunded bond escrow agent.....	83,824	-
Fringe benefit cost assessment.....	252	38
Operating transfers out.....	7	13
Total other financing uses.....	84,083	51
Total expenditures and other uses.....	264,761	110,536
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(42,659)	24,543
Fund balance (deficit) at beginning of year.....	(24,813)	(49,356)
Fund balance (deficit) at end of year.....	\$ (67,472)	\$ (24,813)

Lockup Facilities Improvements Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 16	\$ 16
Total assets.....	<u>\$ 16</u>	<u>\$ 16</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 2	\$ -
Total liabilities.....	<u>2</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	14	16
Total fund balance.....	<u>14</u>	<u>16</u>
Total liabilities and fund balance.....	<u>\$ 16</u>	<u>\$ 16</u>

Lockup Facilities Improvements Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	-	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	2	1
Total expenditures.....	2	1
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	2	1
Excess expenditures and other uses over revenues.....	(2)	(1)
Fund balance at beginning of year.....	16	17
Fund balance at end of year.....	\$ 14	\$ 16

Suffolk County Jail Facility Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 150
Total liabilities.....	<u>-</u>	<u>150</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	-	(150)
Total fund balance (deficit).....	<u>-</u>	<u>(150)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Suffolk County Jail Facility Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	160	-
Total other financing sources.....	160	-
Total revenues and other sources.....	160	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	10	150
Total expenditures.....	10	150
Other financing uses:		
Payments to refunded bond escrow agent.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	10	150
Excess(deficiency) of revenues and other sources over expenditures and other uses.....	150	(150)
Fund balance (deficit) at beginning of year.....	(150)	-
Fund balance (deficit) at end of year.....	\$ -	\$ (150)

County Correctional Facilities Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 31	\$ 551
Accounts payable.....	<u>16</u>	<u>310</u>
Total liabilities.....	<u>47</u>	<u>861</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(47)</u>	<u>(861)</u>
Total fund balance (deficit).....	<u>(47)</u>	<u>(861)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

County Correctional Facilities Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Taxes.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	1,591	3,221
Total other financing sources.....	1,591	3,221
Total revenues and other sources.....	1,591	3,221
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	330	1,649
Health & human services.....	-	1,100
Public safety.....	447	70
Total expenditures.....	777	2,819
Other financing uses:		
Fringe benefit cost assessment.....	-	12
Total other financing uses.....	-	12
Total expenditures and other uses.....	777	2,831
Excess of revenues and other sources over expenditures and other uses.....	814	390
Fund balance (deficit) at beginning of year.....	(861)	(1,251)
Fund balance (deficit) at end of year.....	\$ (47)	\$ (861)

Local Infrastructure Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 2,350	\$ -
Total liabilities.....	<u>2,350</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(2,350)</u>	<u>-</u>
Total fund (deficit).....	<u>(2,350)</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Local Infrastructure Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	-	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Health and human services.....	2,350	-
Total expenditures.....	2,350	-
Other financing uses:		
Payments to refunded bond escrow agents.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	2,350	-
Deficiency of revenues and other sources over expenditures and other uses.....	(2,350)	-
Fund balance at beginning of year.....	-	-
Fund deficit at end of year.....	\$ (2,350)	\$ -

Water Pollution Control Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,111	\$ 9,388
Total liabilities.....	<u>1,111</u>	<u>9,388</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(1,111)	(9,388)
Total fund balance (deficit).....	<u>(1,111)</u>	<u>(9,388)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Water Pollution Control Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	9,369	7,078
Total other financing sources.....	9,369	7,078
Total revenues and other sources.....	9,369	7,078
EXPENDITURES AND OTHER USES		
Expenditures:		
Environmental affairs.....	1,092	11,183
Total expenditures.....	1,092	11,183
Other financing uses:		
Payments to refunded bond escrow agent.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	1,092	11,183
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	8,277	(4,105)
Fund balance (deficit) at beginning of year.....	(9,388)	(5,283)
Fund balance (deficit) at end of year.....	\$ (1,111)	\$ (9,388)

State Recreation Areas Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 3	\$ -
Accounts payable.....	40	479
Total liabilities.....	<u>43</u>	<u>479</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(43)	(479)
Total fund balance (deficit).....	<u>(43)</u>	<u>(479)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

State Recreation Areas Capital Projects Fund

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

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	<u>-</u>	<u>-</u>
Other financing sources:		
Proceeds of general obligation bonds.....	510	579
Total other financing sources.....	<u>510</u>	<u>579</u>
Total revenues and other sources.....	<u>510</u>	<u>579</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Environmental affairs.....	74	672
Total expenditures.....	<u>74</u>	<u>672</u>
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other uses.....	<u>74</u>	<u>672</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	436	(93)
Fund balance (deficit) at beginning of year.....	(479)	(386)
Fund balance (deficit) at end of year.....	<u>\$ (43)</u>	<u>\$ (479)</u>

Metropolitan Parks Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 416	\$ 98
Accounts payable.....	940	151
Total liabilities.....	<u>1,356</u>	<u>249</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(1,356)</u>	<u>(249)</u>
Total fund balance (deficit).....	<u>(1,356)</u>	<u>(249)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Metropolitan Parks Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	2,877	1,559
Total other financing sources.....	2,877	1,559
Total revenues and other sources.....	2,877	1,559
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	302	183
Environmental affairs.....	3,680	842
Total expenditures.....	3,982	1,025
Other financing uses:		
Operating transfers out.....	2	2
Total other financing uses.....	2	2
Total expenditures and other uses.....	3,984	1,027
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(1,107)	532
Fund balance (deficit) at beginning of year.....	(249)	(781)
Fund balance (deficit) at end of year.....	\$ (1,356)	\$ (249)

Federally-Assisted Housing Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short- term investments.....	\$ 48	\$ 48
Total assets.....	<u>\$ 48</u>	<u>\$ 48</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	48	48
Total fund balance	<u>48</u>	<u>48</u>
Total liabilities and fund balance.....	<u>\$ 48</u>	<u>\$ 48</u>

Federally-Assisted Housing Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	-	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Economic development.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	-	-
Excess of revenues and other sources over expenditures and other uses.....	-	-
Fund balance at beginning of year.....	48	48
Fund balance at end of year.....	<u>\$ 48</u>	<u>\$ 48</u>

Government Land Bank Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
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:		
Undesignated.....	-	-
Total fund balance.....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Government Land Bank Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	-	2,081
Total other financing sources.....	-	2,081
Total revenues and other sources.....	-	2,081
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	-	2,081
Total expenditures.....	-	2,081
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	-	2,081
Excess of revenues and other sources over expenditures and other uses.....	-	-
Fund balance at beginning of year.....	-	-
Fund balance at end of year.....	\$ -	\$ -

Intercity Bus Capital Assistance Capital Projects Fund
Balance Sheet - Statutory Basis

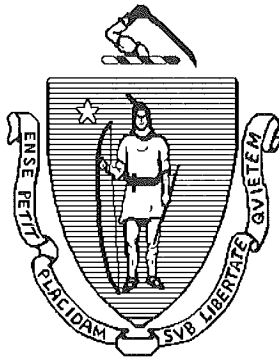
June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 15	\$ -
Accounts payable.....	<u>3</u>	<u>11</u>
Total liabilities.....	<u>18</u>	<u>11</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(18)</u>	<u>(11)</u>
Total fund balance (deficit).....	<u>(18)</u>	<u>(11)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Intercity Bus Capital Assistance Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	16	37
Total other financing sources.....	16	37
Total revenues and other sources.....	16	37
EXPENDITURES AND OTHER USES		
Expenditures:		
Transportation and construction.....	23	44
Total expenditures.....	23	44
Other financing uses:		
Fringe benefit cost assessment.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	23	44
Excess of expenditures and other uses over revenues.....	(7)	(7)
Fund equity (deficit) at beginning of year.....	(11)	(4)
Fund balance (deficit) at end of year.....	\$ (18)	\$ (11)



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Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the Commonwealth in a trustee capacity or as an agent for individuals, private organizations or other governments.

EXPENDABLE TRUST FUNDS:

Expendable Trust Fund accounts for various gifts, bequests or contributions held by the Commonwealth of which both principal and interest may be expended for purposes designated by the donor.

Revolving Loan Fund accounts for federal grants, investment and interest income; to be expended for loans to non-profit private entities to establish housing for individuals recovering from alcohol or drug abuse and for loans to local housing authorities.

Unemployment Compensation Fund accounts for unemployment taxes collected from employers and held by the United States Treasury in the Federal Unemployment Trust Fund, from which funds are drawn for the payment of benefits to the unemployed.

NONEXPENDABLE TRUST FUNDS:

Nonexpendable Trust Fund accounts for various gifts and bequests held by the Commonwealth, of which only the income may be expended for purposes specified by the donor.

PENSION TRUST FUNDS:

Pension Trust Funds accounts for the assets, liabilities and fund balances held in trust by the State Employees' and Teachers' Retirement Systems for the payment of retirement, disability and death benefits to members of these retirement systems.

AGENCY FUNDS:

Agency Funds accounts for cash, investments held or managed by the Commonwealth on behalf of others. These include the investments made by cities, towns and local authorities in the Municipal Depository Trust and Pension Reserves Investment Trust, employees' contributions to the deferred compensation plan, annuity contracts held for lottery prize winners, local option taxes collected but not yet remitted, assets held in escrow accounts by the Commonwealth's court system and human service departments, child support payments collected or receivable and not yet remitted to custodial parents, and deposits required from insurance companies and similar organizations.

Fiduciary Fund Types
Combining Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

ASSETS	Expendable Trust Funds	Nonexpendable Trust Funds	Pension Trust Funds
Cash and short-term investments.....	\$ 132,788	\$ 5,835	\$ 869,492
Cash on deposit with U.S. Treasury.....	1,222,725	-	-
Investments.....	-	-	18,969,346
Assets held in trust.....	-	-	-
Other receivables, net of allowance for uncollectibles.....	-	-	218,393
Total assets.....	<u>\$ 1,355,513</u>	<u>\$ 5,835</u>	<u>\$ 20,057,231</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable.....	\$ 18,288	\$ -	\$ 493,513
Accrued payroll.....	34	-	-
Agency liabilities.....	9,210	-	-
Due to cities and towns.....	-	-	-
Due to federal government.....	-	-	-
Due to other funds.....	-	-	3,657
Total liabilities.....	<u>27,532</u>	<u>-</u>	<u>497,170</u>
Fund balances:			
Reserved for:			
Employees' pension benefits.....	-	-	19,560,061
Unemployment benefits.....	1,222,725	-	-
Unreserved:			
Designated for specific purpose.....	105,256	5,835	-
Total fund balances.....	<u>1,327,981</u>	<u>5,835</u>	<u>19,560,061</u>
Total liabilities and fund balances.....	<u>\$ 1,355,513</u>	<u>\$ 5,835</u>	<u>\$ 20,057,231</u>

Agency Funds	Totals	
	1997	1996
\$ 221,137	\$ 1,229,252	\$ 648,063
-	1,222,725	761,987
559,426	19,528,772	16,205,800
1,708,422	1,708,422	1,648,336
-	218,393	142,404
<u>\$ 2,488,985</u>	<u>\$ 23,907,564</u>	<u>\$ 19,406,590</u>
\$ 8,991	\$ 520,792	\$ 214,972
-	34	280
2,459,852	2,469,062	2,344,033
20,142	20,142	18,147
-	-	51
-	3,657	7,901
<u>2,488,985</u>	<u>3,013,687</u>	<u>2,585,384</u>
-	19,560,061	15,956,271
-	1,222,725	761,987
-	111,091	102,948
-	20,893,877	16,821,206
<u>\$ 2,488,985</u>	<u>\$ 23,907,564</u>	<u>\$ 19,406,590</u>

Expendable Trust Funds
Combining Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

ASSETS	Expendable Trusts	Unemployment Compensation Trust	Totals	
			1997	1996
Cash and short-term investments.....	\$ 132,788	\$ -	\$ 132,788	\$ 113,275
Cash on deposit with U.S. Treasury.....	-	1,222,725	1,222,725	761,987
Total assets.....	<u>\$ 132,788</u>	<u>\$ 1,222,725</u>	<u>\$ 1,355,513</u>	<u>\$ 875,262</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable.....	18,288	-	18,288	12,049
Accrued payroll.....	34	-	34	280
Other liabilities.....	9,210	-	9,210	3,833
Total liabilities.....	<u>27,532</u>	<u>-</u>	<u>27,532</u>	<u>16,162</u>
Fund balances:				
Reserved for:				
Unemployment benefits.....	-	1,222,725	1,222,725	761,987
Unreserved:				
Designated for specific purpose.....	105,256	-	105,256	97,113
Total fund balances.....	<u>105,256</u>	<u>1,222,725</u>	<u>1,327,981</u>	<u>859,100</u>
Total liabilities and fund balances.....	<u>\$ 132,788</u>	<u>\$ 1,222,725</u>	<u>\$ 1,355,513</u>	<u>\$ 875,262</u>

Expendable Trust Funds

Combining Statement Of Revenues, Expenses And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

REVENUES AND OTHER FINANCING SOURCES	Expendable Trusts	Unemployment Compensation Trust	Totals	
			1997	1996
Revenues:				
Taxes.....	\$ 158	\$ 1,174,174	\$1,174,332	\$ 1,131,469
Assessments.....	1,686	-	1,686	1,378
Federal grants and reimbursements.....	12,481	17,220	29,701	21,569
Departmental.....	6,724	-	6,724	7,732
Miscellaneous.....	151,826	62,982	214,808	194,493
Total revenues.....	172,875	1,254,376	1,427,251	1,356,641
Other financing sources:				
Operating transfers in.....	6,971	-	6,971	2,934
Other sources.....	2,073	-	2,073	2,155
Total other financing sources.....	9,044	-	9,044	5,089
Total revenues and other financing sources.....	181,919	1,254,376	1,436,295	1,361,730
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary.....	229	-	229	139
Secretary of the Commonwealth.....	5	-	5	86
Treasurer and Receiver-General.....	7,033	-	7,033	926
Auditor of the Commonwealth.....	285	-	285	236
Attorney General.....	1,724	-	1,724	1,596
District Attorney.....	3,215	-	3,215	3,173
Administration and finance.....	5,320	-	5,320	1,827
Environmental affairs.....	7,613	-	7,613	6,537
Health and human services.....	18,299	-	18,299	18,774
Transportation and construction.....	2,609	-	2,609	1,068
Education.....	1,140	-	1,140	1,409
Higher education.....	103	-	103	44
Public safety.....	2,967	-	2,967	3,591
Economic development.....	2,732	-	2,732	3,140
Elder affairs.....	50	-	50	50
Consumer affairs.....	7,098	-	7,098	6,459
Labor.....	44,089	793,638	837,727	851,421
Total expenditures.....	104,511	793,638	898,149	900,476
Other financing uses:				
Fringe benefit cost assessment.....	2,365	-	2,365	2,019
Operating transfers out.....	66,900	-	66,900	101,391
Total other financing uses.....	69,265	-	69,265	103,410
Total expenditures and other financing uses.....	173,776	793,638	967,414	1,003,886
Excess and other financing sources over expenditures and other financing uses.....	8,143	460,738	468,881	357,844
Fund balances at beginning of year.....	97,113	761,987	859,100	501,256
Fund balances at end of year.....	\$ 105,256	\$ 1,222,725	\$1,327,981	\$ 859,100

Expendable Trust Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 129,773	\$ 111,573
Total assets.....	<u>\$ 129,773</u>	<u>\$ 111,573</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ 18,288	\$ 11,836
Accrued payroll.....	34	280
Agency liabilities.....	9,210	3,833
Total liabilities.....	<u>27,532</u>	<u>15,949</u>
Fund balances:		
Unreserved:		
Designated for specific purpose.....	102,241	95,624
Total fund balances.....	<u>102,241</u>	<u>95,624</u>
Total liabilities and fund balances.....	<u>\$ 129,773</u>	<u>\$ 111,573</u>

Expendable Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Taxes.....	\$ 158	\$ -
Assessments.....	1,686	1,378
Federal grants and reimbursements.....	12,481	9,326
Departmental.....	6,724	7,732
Miscellaneous.....	151,741	156,857
Total revenues.....	172,790	175,293
Other financing sources:		
Operating transfers in.....	6,971	2,934
Other sources.....	66	4
Total other financing sources.....	7,037	2,938
Total revenues and other financing sources.....	179,827	178,231
EXPENDITURES AND OTHER USES		
Expenditures:		
Judiciary.....	229	139
Secretary of the Commonwealth.....	5	86
Treasurer and Receiver-General.....	7,033	926
Auditor of the Commonwealth.....	285	236
Attorney General.....	1,724	1,596
District Attorney.....	3,215	3,173
Administration and finance.....	5,320	1,827
Environmental affairs.....	7,613	6,537
Health and human services.....	18,289	18,760
Transportation and construction.....	2,609	1,068
Education.....	1,140	1,409
Higher education.....	103	44
Public safety.....	2,967	3,591
Economic development.....	2,176	1,090
Elder affairs.....	50	50
Consumer affairs.....	7,098	6,459
Labor.....	44,089	46,538
Total expenditures.....	103,945	93,529
Other financing uses:		
Fringe benefit cost assessment.....	2,365	2,019
Operating transfers out.....	66,900	101,391
Total other financing uses.....	69,265	103,410
Total expenditures and other financing uses.....	173,210	196,939
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	6,617	(18,708)
Fund balances at beginning of year.....	95,624	114,332
Fund balances at end of year.....	\$ 102,241	\$ 95,624

Revolving Loan Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 3,015	\$ 1,702
Total assets.....	<u>\$ 3,015</u>	<u>\$ 1,702</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ 213
Total liabilities.....	<u>-</u>	<u>213</u>
Fund balances:		
Unreserved:		
Designated for specific purpose.....	3,015	1,489
Total fund balances.....	<u>3,015</u>	<u>1,489</u>
Total liabilities and fund balances.....	<u>\$ 3,015</u>	<u>\$ 1,702</u>

Revolving Loan Fund
Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 85	\$ 82
Total revenues.....	85	82
Other financing sources:		
Operating transfers in.....	-	-
Other sources.....	2,007	2,151
Total other financing sources.....	2,007	2,151
Total revenues and other financing sources.....	2,092	2,233
EXPENDITURES AND OTHER USES		
Expenditures:		
Economic development.....	556	2,050
Health and human services.....	10	14
Total expenditures.....	566	2,064
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	566	2,064
Excess of revenues and other sources over expenditures and other uses.....	1,526	169
Fund balances at beginning of year.....	1,489	1,320
Fund balances at end of year.....	\$ 3,015	\$ 1,489

Unemployment Compensation Fund

Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	1997	1996
ASSETS		
Cash on deposit with U.S. Treasury.....	\$ 1,222,725	\$ 761,987
Total assets.....	<u>\$ 1,222,725</u>	<u>\$ 761,987</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balances:		
Reserved for:		
Unemployment benefits.....	1,222,725	761,987
Total fund balances.....	<u>1,222,725</u>	<u>761,987</u>
Total liabilities and fund balances.....	<u>\$ 1,222,725</u>	<u>\$ 761,987</u>

Unemployment Compensation Fund

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

June 30, 1997
(Amounts in thousands)

	1997	1996
REVENUES AND OTHER SOURCES		
Revenues:		
Taxes.....	\$ 1,174,174	\$ 1,131,469
Federal grants and reimbursements.....	17,220	12,243
Miscellaneous.....	62,982	37,554
Total revenues.....	1,254,376	1,181,266
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	1,254,376	1,181,266
EXPENDITURES AND OTHER USES		
Expenditures:		
Labor.....	793,638	804,883
Total expenditures.....	793,638	804,883
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	793,638	804,883
Excess of revenues and other sources over expenditures and other uses.....	460,738	376,383
Fund balances at beginning of year.....	761,987	385,604
Fund balances at end of year.....	\$ 1,222,725	\$ 761,987

Nonexpendable Trust Fund
Balance Sheet - Statutory Basis

June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 5,835	\$ 5,835
Total assets.....	<u>\$ 5,835</u>	<u>\$ 5,835</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balances:		
Unreserved:		
Designated for specific purpose.....	5,835	5,835
Total fund balances.....	<u>5,835</u>	<u>5,835</u>
Total liabilities and fund balances.....	<u>\$ 5,835</u>	<u>\$ 5,835</u>

Nonexpendable Trust Fund

Statement Of Revenues, Expenses And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	1997	1996
Operating revenues:		
Investment earnings.....	\$ -	\$ -
Total operating revenues.....	-	-
Operating expenses:		
Administration.....	-	2
Total operating expenses.....	-	2
Net income (deficit).....	-	(2)
Fund balances at beginning of year.....	5,835	5,837
Fund balances at end of year.....	\$ 5,835	\$ 5,835

See notes to combined financial statements - statutory basis.

Pension Trust Funds
Combining Statement of Net Assets Available for Pension Benefits - Statutory Basis

June 30, 1997
(Amounts in thousands)

ASSETS	State Employees' PERS	Teachers' PERS	Totals	
			1997	1996
Cash and short-term investments.....	\$ 428,397	\$ 441,095	\$ 869,492	\$ 342,009
Investments at fair value.....	9,359,311	9,610,035	18,969,346	15,671,490
Other receivables, net of allowance for uncollectibles.....	102,313	116,080	218,393	142,404
Total assets.....	<u>\$ 9,890,021</u>	<u>\$ 10,167,210</u>	<u>\$ 20,057,231</u>	<u>\$ 16,155,903</u>
LIABILITIES				
Accounts payable.....	\$ 243,506	\$ 250,007	\$ 493,513	\$ 191,731
Due to other funds.....	1,984	1,673	3,657	7,901
Total liabilities.....	<u>245,490</u>	<u>251,680</u>	<u>497,170</u>	<u>199,632</u>
Net assets available for pension benefits (fund balances reserved for employees' pension benefits) (A schedule of funding progress for each plan is presented in Note 10).....	<u>\$ 9,644,531</u>	<u>\$ 9,915,530</u>	<u>\$ 19,560,061</u>	<u>\$ 15,956,271</u>

Pension Trust Funds

Combined Statement of Changes in Net Assets Available for Pension Benefits - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

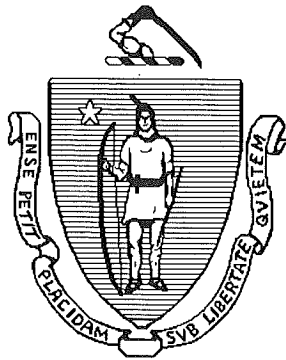
	State Employees' PERS	Teachers' PERS	1997	1996
Additions:				
Commonwealth contributions.....	\$ 470,241	\$ 428,807	\$ 899,048	\$ 850,841
Employees contributions.....	243,144	214,386	457,530	449,210
Total contributions.....	713,385	643,193	1,356,578	1,300,051
Net investment income:				
Net appreciation in fair value of investments.....	1,397,792	1,426,049	2,823,841	1,786,940
Interest.....	180,936	187,718	368,654	363,645
Dividends.....	78,324	80,598	158,922	125,716
Real estate operating income, net.....	27,162	27,363	54,525	37,929
Alternative investments.....	13,683	13,774	27,457	14,943
Other.....	74	82	156	2,915
Total investment income.....	1,697,971	1,735,584	3,433,555	2,332,088
Less: investment expense.....	30,022	30,681	60,703	43,406
Net investment income.....	1,667,949	1,704,903	3,372,852	2,288,682
Total additions.....	2,381,334	2,348,096	4,729,430	3,588,733
Deductions:				
Administration.....	1,666	2,022	3,688	3,673
Retirement benefits and refunds.....	600,104	521,848	1,121,952	1,083,898
Total deductions.....	601,770	523,870	1,125,640	1,087,571
Net increase	1,779,564	1,824,226	3,603,790	2,501,162
Net assets available for pension benefits at beginning of year (fund balances reserved for employees' pension benefits).....	7,864,967	8,091,304	15,956,271	13,455,109
Net assets available for pension benefits at end of year (fund balances reserved for employees' pension benefits).....	\$ 9,644,531	\$ 9,915,530	\$ 19,560,061	\$ 15,956,271

Agency Funds
Statement Of Changes In Assets And Liabilities - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

ASSETS	Balance June 30, 1996	Additions	Deductions	Balance June 30, 1997
Cash and short-term investments.....	\$ 186,944	\$ 3,363,808	\$ 3,329,615	\$ 221,137
Investments.....	534,310	25,116	-	559,426
Assets held in trust.....	1,648,336	156,971	96,885	1,708,422
Total assets.....	<u>\$ 2,369,590</u>	<u>\$ 3,545,895</u>	<u>\$ 3,426,500</u>	<u>\$ 2,488,985</u>
 LIABILITIES				
Accounts payable.....	\$ 11,192	\$ 988,122	\$ 990,323	\$ 8,991
Due to cities and towns.....	18,147	202,327	200,332	20,142
Due to federal government.....	51	61	112	-
Agency liabilities.....	2,340,200	2,130,864	2,011,212	2,459,852
Total liabilities.....	<u>\$ 2,369,590</u>	<u>\$ 3,321,374</u>	<u>\$ 3,201,979</u>	<u>\$ 2,488,985</u>

Required Supplementary Information



Calculation of Transfers - Stabilization and Tax Reduction Funds

Calculation Of Transfers: Stabilization Fund

June 30, 1997
(Amounts in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Law Chapter 29, Sections 5 and 5C as most recently amended by Ch. 10 of Acts of 1997. 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.

Part 1: Status of Consolidated Net Surplus in the Operating Funds before Stabilization Fund transfers, and Capital Projects Fund transfer but after authorization to retain 0.5% of net revenue from taxes.

Undesignated Fund Balance (Deficit) in the Operating Funds:

General Fund.....	\$ 1,270,955
Highway Fund.....	349,665
Local Aid Fund.....	(1,338,883)

Consolidated Net Surplus.....	\$ 281,737
-------------------------------	------------

Available to carry forward to subsequent fiscal year (per Schedule A).....	\$ 57,981
--	-----------

Consolidated net surplus before transfer to Capital Projects Fund.....	\$ 223,756
--	------------

Part 2: Calculation of transfers to Capital Projects Fund:

Transfer from General Fund to Capital Project Fund (per Schedule B):	\$ 89,503
--	-----------

Net Consolidated surplus available for Stabilization Fund.....	\$ 134,253
--	------------

Part 3: Calculation of transfers to Stabilization Fund:

From the General Fund, @ 60%.....	\$ 80,552
-----------------------------------	-----------

From the Local Aid Fund, @ 40%.....	53,701
-------------------------------------	--------

Total Transfers.....	\$ 134,253
----------------------	------------

Part 4: Status of Consolidated Net Surplus after Stabilization Fund transfers

Undesignated Fund Balance (Deficit) in the Operating Funds:

General Fund.....	\$ 1,100,900
Highway Fund.....	349,665
Local Aid Fund.....	(1,392,584)

Consolidated Net Surplus.....	\$ 57,981
-------------------------------	-----------

Part 5: Status of Stabilization Fund after transfers

Reserved for Stabilization - Accumulated Balances.....	\$ 565,047
--	------------

Amount appropriated at the close of fiscal year 1997	100,000
--	---------

FY97 Calculated Transfers to Stabilization Fund.....	134,253
--	---------

Reserved for Stabilization.....	\$ 799,300
---------------------------------	------------

Calculation Of Transfers: Tax Reduction Fund

June 30, 1997
(Amounts in thousands)

This statement is prepared pursuant to Chapters 29 and 29B of the Massachusetts General Laws. 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. There are two computations of potential transfers to the Tax Reduction Fund.

The first computation is as follows:

**Part 1: Comparison of Stabilization Fund, after current fiscal year transfers,
to 5% of State Tax Revenues**

Undesignated Fund Balance in the Stabilization Fund.....	\$ 799,300
Allowable Stabilization Balance (per Schedule C).....	908,503
Stabilization Fund Excess, if any, transferrable to Tax Reduction Fund.....	<u>\$ -</u>

Part 2: Status of Stabilization Fund after transfers

Stabilization Fund Balance.....	\$ 799,300
Transfer to Tax Reduction Fund.....	<u>-</u>
Stabilization Fund Balance after transfer to Tax Reduction Fund.....	<u>\$ 799,300</u>

Part 3: Status of Tax Reduction Fund after transfers

Tax Reduction Fund Balance.....	\$ 91,764
Transfers from Stabilization Fund.....	<u>-</u>
Tax Reduction Fund Balance after transfers.....	<u>\$ 91,764</u>

The second computation is as follows:

Part 1: Comparison of State Tax Revenues to Allowable Tax Revenues

FY96 Allowable State Tax Revenues (Schedule F).....	\$ 13,214,862
Multiplied by Growth Factor (Schedule G).....	1.0631
Computed FY97 State Tax Revenue Base.....	14,048,720
Plus: Local Aid Adjustment (Schedule H).....	<u>108,894</u>
FY97 Computed Maximum and Allowable State Tax Revenues.....	<u>\$ 14,157,614</u>
FY97 State Tax Revenues (Schedule D)	<u>\$ 12,874,419</u>
State Tax Revenue Excess, if any, transferrable to Tax Reduction Fund.....	<u>\$ -</u>

Schedule A
Calculation of State Tax Revenue

June 30, 1997
(Amounts in thousands)

Tax Revenue (per Schedule D).....	\$	12,874,419
Less: Debt Service (per Schedule E).....		<u>1,278,286</u>
State Tax Revenue.....	\$	<u>11,596,133</u>
Allowable consolidated net surplus, 0.5% of State Tax Revenue.....	\$	<u>57,981</u>

State tax Revenue for the purposes of calculation of Stabilization Fund Transfers and Tax Reduction Transfers are defined in Section 1 of Chapter 29B General Laws.

Schedule B
Calculation of Capital Project Fund Transfer

June 30, 1997
(Amounts in thousands)

Maximum Allowable Transfer Amount:

A: Consolidated Net Surplus available for transfer.....	\$	223,756
	X	40%
B: Maximum based on 40% of Consolidated Net Surplus.....	\$	89,503
C: Fund Deficits - Capital Project Funds.....	\$	(451,933)
Lower of the 40% of the Consolidated Net Surplus or sum of fund deficits in the Capital Project Funds at year end.....	\$	89,503
Amount Transferred by the Comptroller.....	\$	89,503

Schedule C Calculation of Cap on Stabilization Fund

June 30, 1997
(Amounts in thousands)

Total Budgeted Revenues and Other Financial Resources pertaining to the Budgeted funds.....	\$ 19,223,366
Elimination of budgetary interfund activity (detail below).....	<u>(1,053,314)</u>
Budgeted Revenues and Other Financial Resources pertaining to the Budgeted funds.....	<u>\$ 18,170,052</u>
Allowable Stabilization Fund - Balance, 5.0% of Budgeted Revenue.....	<u>\$ 908,503</u>

Calculation of Stabilization Fund Transfers as defined by Mass General Law Ch. 29 section 5 and 5c and as recently ammended by Ch.10 Acts of 1997.

Detailed schedule of Eliminations of Budgetary Fund Activity

Adjustments to Revenues:

Municipal Transit Assessments.....	\$ (151,525)
Transfers to Intragovernmental Services Fund.....	(83,622)

Adjustments to Other Financing Sources and Uses:

MBTA Subsidy Transfer from Highway and Local Aid Funds to the General Fund (Authorities Deficiency).....	(137,869)
Stabilization Transfer.....	(234,253)
Fringe Assessed to Budgeted Funds.....	(63,017)
Transfer from Intragovernmental Services fund to General Fund.....	(2,402)
Transfer from Revenue Maximization Fund to General fund.....	(50,245)
License Plates.....	(2,274)
Caseload Mitigation Transfer.....	(128,000)
Collective Bargaining Reserve.....	(50,000)
Transfer from Tax Reduction Fund.....	(150,000)
Miscellaneous.....	<u>(107)</u>

Eliminations of Budgetary Activity	<u>\$ (1,053,314)</u>
------------------------------------	-----------------------

Schedule D **FY97 Tax Revenues By Revenue Class**

June 30, 1997
(Amounts in thousands)

Alcoholic Beverages.....	\$	60,302
Banks: Commercial.....		98,984
Banks: Savings.....		41,249
Cigarette.....		281,708
Corporations.....		963,873
Deeds.....		59,019
Estate and Inheritance.....		202,707
Income.....		7,181,821
Insurance.....		289,272
Motor Fuels.....		602,840
Public Utilities.....		109,220
Room Occupancy.....		80,544
Sales and Use.....		2,876,066
Club Alcoholic Beverages.....		578
Motor Vehicle Excise.....		128
State Racing.....		10,185
Beano		6,383
Raffles and Bazaars.....		1,028
Boxing.....		28
Insurance: Excess and Surplus Lines.....		8,484
Total.....	\$	<u>12,874,419</u>

This schedule is prepared on the statutory basis of accounting. It presents tax revenues as reported in the budgeted 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 accord with Chapter 62F, as established by Chapter 555 of the Acts of 1986.

Schedule E
FY97 Debt Service

June 30, 1997
(Amounts in thousands)

Principal.....	\$	483,192
Discount.....		16,412
Interest.....		505,117
Debt Service on Capital Projects.....		<u>1,004,721</u>
Commonwealth Fiscal Recovery - Debt Service on FY90 Deficit Financing.....		273,565
Total Debt Service.....	\$	<u><u>1,278,286</u></u>

Schedule F Cumulative Calculation Of Allowable State Tax Revenues

June 30, 1997
(Amounts in thousands)

When Chapter 488, Acts of 1986 was enacted, it established, among other things, Chapter 29B of the General Laws. In reference to this calculation, the statute directed the use of FY86 State Tax Revenues, as defined, as the basis for the initial calculation in FY87. In each subsequent fiscal year, the prior year's accumulated Allowable State Tax Revenues result is incremented by the current Growth Factor, also defined in the legislation.

The cumulative trend of this calculation is as follows:

Allowable State Tax Revenues:

FY87.....	\$	7,780,704
FY88.....	\$	8,622,576
FY89.....	\$	9,521,911
FY90.....	\$	10,547,421
FY91.....	\$	11,113,817
FY92.....	\$	11,282,746
FY93.....	\$	11,599,166
FY94.....	\$	12,014,101
FY95.....	\$	12,577,741
FY96.....	\$	13,214,862

Schedule G
Allowable State Revenue Growth Factor

June 30, 1997
(Amounts in thousands)

Total Massachusetts Wages & Salaries:

Calendar Year:

1993.....	\$	89,219,883
1994.....	\$	93,376,128
1995.....	\$	99,447,795
1996.....	\$	106,102,542

Calculation of FY97 Growth Factor:

$$\frac{(\$106,102,542 / \$89,219,883) - 1}{3} = \underline{\underline{0.0631}}$$

Source:

U.S Department of Commerce, Bureau of Economic Analysis, Regional Economic Measurement
Division, Washington, D.C.
As revised and released September 1997.

Schedule H Local Aid Adjustment Factor

June 30, 1997
(Amounts in thousands)

Calculation of Percentage Increase Factor:

Local Aid to Cities, Towns and Regional School Districts :

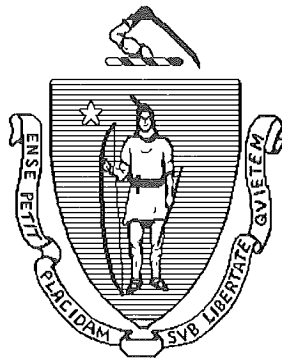
Fiscal Year Ended June 30:

1996.....	\$	3,202,760
1997.....	\$	3,513,828
Percentage Change in Local Aid.....		9.71%
Less: Allowable State Revenue Growth Factor (Schedule G).....		6.31%
Local Aid Percentage Growth in Excess of Growth Factor.....		<u>3.40%</u>

Calculation of Local Aid Adjustment :

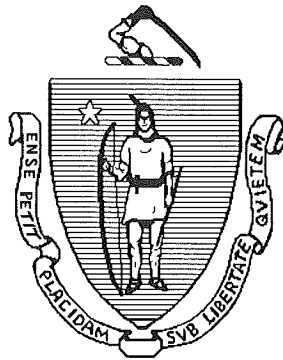
Previous Year's Local Aid.....	\$	3,202,760
Percentage Increase Factor.....		3.40%
Local Aid Adjustment.....	\$	<u>108,894</u>

Source: Massachusetts Department of Revenue, Division of Local Services Municipal Data Bank - Cherry
Sheet Estimated State Aid FY97.



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Statistical Section



Ten-Year Schedules - Statutory Basis

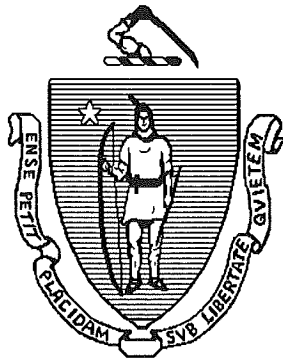
Higher Education Non-appropriated Funds - Statutory Basis

Ten-Year Schedule Of Revenues And Other Financing Sources
All Governmental Fund Types - Statutory Basis

June 30, 1997
(Amounts in millions)

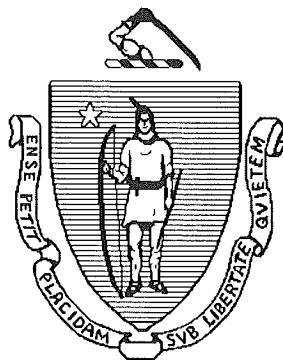
	1997	% Total	1996	% Total	1995	% Total	1994	% Total
Taxes.....	\$ 12,874	46.8	\$ 12,058	46.8	\$ 11,172	45.4	\$ 10,615	45.5
Federal reimbursements.....	4,084	14.9	3,957	15.4	3,955	16.1	3,882	16.6
Federal grants.....	1,185	4.3	1,188	4.6	1,195	4.9	1,184	5.1
Lotteries.....	3,377	12.3	3,195	12.4	2,957	12.0	2,600	11.1
Assessments.....	557	2.0	557	2.2	566	2.3	546	2.3
Motor vehicle licenses and registrations.....	295	1.1	263	1.0	307	1.2	284	1.2
Fees, investment earnings, etc.....	1,085	3.9	1,291	5.0	1,388	5.6	1,214	5.2
Proceeds of dedicated income tax bonds.....	-	-	-	-	-	-	-	-
Proceeds of general obligation bonds.....	899	3.2	940	3.6	810	3.3	392	1.7
Proceeds of special obligation bonds.....	-	0.0	147	0.6	-	-	298	1.3
Proceeds of refunding bonds.....	723	2.6	-	0.0	514	2.1	836	3.6
Other interfund transfers.....	2,416	8.8	2,150	8.4	1,708	6.9	1,465	6.3
Other financing sources.....	-	-	-	-	49	0.2	35	0.1
Total revenues and other financing sources.....	<u>\$ 27,495</u>	<u>100.0</u>	<u>\$ 25,746</u>	<u>100.0</u>	<u>\$ 24,621</u>	<u>100.0</u>	<u>\$ 23,351</u>	<u>100.0</u>

1993	% Total	1992	% Total	1991	% Total	1990	% Total	1989	% Total	1988	% Total
\$ 9,935	44.3	\$ 9,491	47.3	\$ 9,250	42.8	\$ 9,022	51.0	\$ 8,859	53.6	\$ 8,275	56.6
3,430	15.3	2,989	14.9	3,053	14.1	2,158	12.2	1,774	10.7	1,622	11.1
1,132	5.0	1,093	5.4	962	4.4	902	5.1	892	5.4	803	5.5
2,148	9.6	1,835	9.1	1,701	7.9	1,668	9.4	1,464	8.9	1,398	9.6
614	2.7	774	3.9	1,548	7.2	281	1.6	233	1.4	149	1.0
332	1.5	300	1.5	290	1.3	306	1.7	237	1.4	167	1.1
1,270	5.7	965	4.8	980	4.5	830	4.7	693	4.2	677	4.6
-	-	-	-	1,363	6.3	-	-	-	-	-	-
368	1.6	721	3.6	1,030	4.8	1,431	8.1	1,374	8.3	543	3.7
-	-	100	0.5	-	-	-	-	-	-	-	-
1,891	8.4	574	2.9	-	-	-	-	226	1.4	-	-
1,282	5.7	1,176	5.9	1,416	6.5	1,069	6.0	757	4.6	870	6.0
42	0.2	47	0.2	37	0.2	38	0.2	24	0.1	117	0.8
<u>\$ 22,444</u>	<u>100.0</u>	<u>\$ 20,065</u>	<u>100.0</u>	<u>\$ 21,630</u>	<u>100.0</u>	<u>\$ 17,705</u>	<u>100.0</u>	<u>\$ 16,533</u>	<u>100.0</u>	<u>\$ 14,621</u>	<u>100.0</u>



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Statistical Section



Ten-Year Schedules - Statutory Basis
Higher Education Non-appropriated Funds - Statutory Basis

Ten-Year Schedule Of Revenues And Other Financing Sources
All Governmental Fund Types - Statutory Basis

June 30, 1997
(Amounts in millions)

	1997	% Total	1996	% Total	1995	% Total	1994	% Total
Taxes.....	\$ 12,874	46.8	\$ 12,058	46.8	\$ 11,172	45.4	\$ 10,615	45.5
Federal reimbursements.....	4,084	14.9	3,957	15.4	3,955	16.1	3,882	16.6
Federal grants.....	1,185	4.3	1,188	4.6	1,195	4.9	1,184	5.1
Lotteries.....	3,377	12.3	3,195	12.4	2,957	12.0	2,600	11.1
Assessments.....	557	2.0	557	2.2	566	2.3	546	2.3
Motor vehicle licenses and registrations.....	295	1.1	263	1.0	307	1.2	284	1.2
Fees, investment earnings, etc.....	1,085	3.9	1,291	5.0	1,388	5.6	1,214	5.2
Proceeds of dedicated income tax bonds.....	-	-	-	-	-	-	-	-
Proceeds of general obligation bonds.....	899	3.2	940	3.6	810	3.3	392	1.7
Proceeds of special obligation bonds.....	-	0.0	147	0.6	-	-	298	1.3
Proceeds of refunding bonds.....	723	2.6	-	0.0	514	2.1	836	3.6
Other interfund transfers.....	2,416	8.8	2,150	8.4	1,708	6.9	1,465	6.3
Other financing sources.....	-	-	-	-	49	0.2	35	0.1
Total revenues and other financing sources.....	<u>\$ 27,495</u>	<u>100.0</u>	<u>\$ 25,746</u>	<u>100.0</u>	<u>\$ 24,621</u>	<u>100.0</u>	<u>\$ 23,351</u>	<u>100.0</u>

1993	% Total	1992	% Total	1991	% Total	1990	% Total	1989	% Total	1988	% Total
\$ 9,935	44.3	\$ 9,491	47.3	\$ 9,250	42.8	\$ 9,022	51.0	\$ 8,859	53.6	\$ 8,275	56.6
3,430	15.3	2,989	14.9	3,053	14.1	2,158	12.2	1,774	10.7	1,622	11.1
1,132	5.0	1,093	5.4	962	4.4	902	5.1	892	5.4	803	5.5
2,148	9.6	1,835	9.1	1,701	7.9	1,668	9.4	1,464	8.9	1,398	9.6
614	2.7	774	3.9	1,548	7.2	281	1.6	233	1.4	149	1.0
332	1.5	300	1.5	290	1.3	306	1.7	237	1.4	167	1.1
1,270	5.7	965	4.8	980	4.5	830	4.7	693	4.2	677	4.6
-	-	-	-	1,363	6.3	-	-	-	-	-	-
368	1.6	721	3.6	1,030	4.8	1,431	8.1	1,374	8.3	543	3.7
-	-	100	0.5	-	-	-	-	-	-	-	-
1,891	8.4	574	2.9	-	-	-	-	226	1.4	-	-
1,282	5.7	1,176	5.9	1,416	6.5	1,069	6.0	757	4.6	870	6.0
42	0.2	47	0.2	37	0.2	38	0.2	24	0.1	117	0.8
<u>\$ 22,444</u>	<u>100.0</u>	<u>\$ 20,065</u>	<u>100.0</u>	<u>\$ 21,630</u>	<u>100.0</u>	<u>\$ 17,705</u>	<u>100.0</u>	<u>\$ 16,533</u>	<u>100.0</u>	<u>\$ 14,621</u>	<u>100.0</u>

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

June 30, 1997
(Amounts in millions)

	1997	% Total	1996	% Total	1995	% Total	1994	% Total
Income.....	\$ 7,182	55.8	\$ 6,707	55.6	\$ 5,974	53.5	\$ 5,690	53.6
Sales and use.....	2,876	22.3	2,610	21.6	2,481	22.2	2,302	21.7
Corporations.....	964	7.5	876	7.3	911	8.2	782	7.4
Motor fuels.....	603	4.7	599	5.0	578	5.2	563	5.3
Cigarette.....	282	2.2	233	1.9	234	2.1	237	2.2
Insurance.....	289	2.2	285	2.4	284	2.5	282	2.7
Estate and inheritance.....	203	1.6	188	1.6	209	1.9	277	2.6
Banks.....	140	1.1	219	1.8	206	1.8	200	1.9
Alcoholic beverages.....	60	0.5	60	0.5	61	0.5	61	0.6
Other.....	275	2.1	281	2.3	234	2.1	221	2.0
Total taxes.....	<u>\$ 12,874</u>	<u>100.0</u>	<u>\$ 12,058</u>	<u>100.0</u>	<u>\$ 11,172</u>	<u>100.0</u>	<u>\$ 10,615</u>	<u>100.0</u>

1993	% Total	1992	% Total	1991	% Total	1990	% Total	1989	% Total	1988	% Total
\$ 5,375	54.1	\$ 5,337	56.2	\$ 5,292	57.3	\$ 4,962	55.0	\$ 4,287	48.4	\$ 3,985	48.2
2,124	21.4	1,979	20.9	1,909	20.6	1,957	21.7	2,082	23.5	2,021	24.4
737	7.4	644	6.8	612	6.6	698	7.7	921	10.4	772	9.3
557	5.6	541	5.7	464	5.0	302	3.3	307	3.5	306	3.7
190	1.9	140	1.5	144	1.6	151	1.7	159	1.8	168	2.0
281	2.8	285	3.0	268	2.9	273	3.0	302	3.4	248	3.0
267	2.7	260	2.7	250	2.7	276	3.1	259	2.9	255	3.1
153	1.5	60	0.6	48	0.5	111	1.2	223	2.5	219	2.7
62	0.6	63	0.7	66	0.7	71	0.8	76	0.9	78	0.9
189	2.0	182	1.9	197	2.1	221	2.5	243	2.7	223	2.7
<u>\$ 9,935</u>	<u>100.0</u>	<u>\$ 9,491</u>	<u>100.0</u>	<u>\$ 9,250</u>	<u>100.0</u>	<u>\$ 9,022</u>	<u>100.0</u>	<u>\$ 8,859</u>	<u>100.0</u>	<u>\$ 8,275</u>	<u>100.0</u>

Ten-Year Schedule Of Expenditures And Other Financing Uses By Secretariat
All Governmental Fund Types - Statutory Basis

June 30, 1997
(Amounts in millions)

	1997	% Total	1996	% Total	1995	% Total	1994	% Total
Legislature.....	\$ 52	0.2	\$ 49	0.2	\$ 48	0.2	\$ 43	0.2
Judiciary.....	438	1.6	405	1.6	356	1.5	342	1.5
Inspector General.....	2	-	2	-	2	-	1	-
Governor and Lieutenant Governor.....	5	-	5	-	5	-	4	-
Secretary of the Commonwealth.....	18	0.1	17	0.1	17	0.1	12	0.1
Treasurer and Receiver-General.....	3,694	13.6	3,518	14.0	3,245	13.2	2,940	12.6
Auditor of the Commonwealth.....	13	0.1	12	-	12	-	11	-
Attorney General.....	28	0.1	26	0.1	24	0.1	24	0.1
Ethics Commission.....	1	-	1	-	1	-	1	-
District Attorney.....	61	0.2	56	0.2	56	0.2	47	0.2
Office of Campaign and Political Finance.....	1	-	1	-	1	-	1	-
Disabled Persons Protection Commission.....	1	-	1	-	1	-	1	-
Board of Library Commissioners.....	42	0.2	35	0.2	30	0.1	26	0.1
Comptroller.....	8	-	9	-	11	-	11	-
Administration and finance.....	1,328	4.9	1,173	4.7	1,165	4.8	1,118	4.8
Environmental affairs.....	309	1.1	327	1.3	296	1.2	285	1.2
Communities and development.....	-	-	-	-	399	1.6	396	1.7
Health and human services.....	7,730	28.4	7,743	30.9	7,892	32.2	7,611	32.6
Transportation and construction.....	2,507	9.2	2,274	9.1	2,205	9.0	2,134	9.1
Education.....	2,963	10.9	2,656	10.6	2,403	9.8	2,167	9.3
Educational affairs.....	-	-	14	0.1	7	-	3	-
Higher education.....	818	3.0	764	3.0	727	3.0	692	3.0
Public safety.....	979	3.6	956	3.8	851	3.5	782	3.3
Economic development.....	461	1.7	531	2.1	206	0.8	213	0.9
Elder affairs.....	167	0.6	162	0.6	162	0.7	156	0.7
Consumer affairs.....	37	0.1	35	0.2	34	0.1	33	0.1
Labor.....	193	0.7	118	0.5	25	0.1	24	0.1
Pension.....	1,069	3.9	1,005	4.0	969	4.0	909	3.9
Debt service.....	1,278	4.7	1,192	4.8	1,234	5.0	1,151	4.9
Payments to refunded bond escrow agent.....	723	2.7	-	-	514	2.1	836	3.6
Pension funding transfers.....	-	-	-	-	-	-	-	-
Fund deficit support.....	-	-	-	-	-	-	-	-
Other interfund transfers.....	2,284	8.4	1,970	7.9	1,626	6.7	1,395	6.0
Other financing uses.....	-	-	-	-	-	-	-	-
Total expenditures and other financing uses..	\$ 27,210	100.0	\$ 25,057	100.0	\$ 24,524	100.0	\$ 23,369	100.0

1993	% Total	1992	% Total	1991	% Total	1990	% Total	1989	% Total	1988	% Total
\$ 41	0.2	\$ 43	0.2	\$ 39	0.2	\$ 44	0.2	\$ 50	0.3	\$ 48	0.3
309	1.4	308	1.6	297	1.5	311	1.7	308	1.8	252	1.7
1	-	1	-	1	-	1	-	1	-	1	-
4	-	4	-	4	-	4	-	6	-	6	-
14	0.1	12	0.1	13	0.1	12	0.1	16	0.1	13	0.1
2,485	11.0	2,167	11.1	2,311	11.4	2,289	12.6	2,139	12.6	2,011	13.2
10	-	10	0.1	10	-	11	0.1	13	0.1	12	0.1
22	0.1	18	0.1	17	0.1	17	0.1	21	0.1	18	0.1
1	-	1	-	1	-	1	-	1	-	1	-
44	0.2	39	0.2	42	0.2	47	0.3	48	0.3	82	0.5
1	-	1	-	1	-	1	-	1	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
35	0.2	24	0.1	29	0.1	20	0.1	24	0.1	28	0.2
8	-	6	-	5	-	5	-	-	-	-	-
1,056	4.7	1,348	6.9	1,398	6.9	1,373	7.6	1,187	7.0	1,110	7.3
283	1.2	230	1.2	371	1.8	441	2.4	495	2.9	418	2.7
398	1.8	426	2.2	486	2.4	562	3.1	605	3.6	481	3.2
7,274	32.2	6,824	34.9	7,789	38.3	6,344	34.9	5,367	31.7	4,679	30.7
1,816	8.0	1,320	6.8	983	4.8	854	4.7	904	5.4	710	4.7
2,032	9.0	1,791	9.2	1,832	9.1	2,064	11.4	2,053	12.1	1,951	12.8
10	-	3	-	-	-	-	-	-	-	-	-
565	2.5	546	2.8	638	3.1	728	4.0	785	4.7	777	5.1
716	3.2	650	3.3	145	0.7	150	0.8	154	0.9	163	1.1
214	0.9	195	1.0	171	0.8	163	0.9	194	1.2	182	1.2
149	0.7	141	0.7	146	0.7	152	0.8	170	1.0	160	1.1
30	0.1	27	0.1	33	0.2	35	0.2	49	0.3	50	0.3
24	0.1	20	0.1	20	0.1	23	0.1	24	0.1	19	0.1
868	3.8	752	3.8	704	3.5	670	3.7	636	3.9	552	3.6
1,143	5.0	901	4.6	1,407	6.9	775	4.3	653	3.9	568	3.8
1,891	8.3	574	2.9	-	-	-	-	226	1.3	-	-
-	-	-	-	-	-	2	-	24	0.1	48	0.3
-	-	-	-	235	1.2	1	-	-	-	231	1.5
1,208	5.3	1,175	6.0	1,189	5.9	1,076	5.9	758	4.5	645	4.2
-	-	-	-	-	-	-	-	-	-	15	0.1
\$ 22,652	100.0	\$ 19,557	100.0	\$ 20,317	100.0	\$ 18,176	100.0	\$ 16,912	100.0	\$ 15,231	100.0

Ten-Year Schedule Of Budgeted Funds Expenditures By Major Program Category

Fiscal Year Ended June 30, 1997
(Amounts in millions)

	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988*
Direct local aid.....	\$ 3,558	\$ 3,246	\$ 2,976	\$ 2,727	\$ 2,547	\$ 2,359	\$ 2,608	\$ 2,937	\$ 2,961	\$ -
Medicaid.....	3,456	3,416	3,398	3,313	3,151	2,818	2,765	2,121	1,834	-
Public assistance.....	1,090	1,089	1,095	1,100	1,075	1,065	1,092	1,001	924	-
Higher education.....	806	744	703	673	545	534	609	702	743	-
MBTA and regional transit authorities...	520	518	516	522	499	450	406	354	309	-
Pension.....	1,069	1,005	969	909	868	752	704	672	660	-
Group health insurance.....	522	519	510	496	491	466	446	433	341	-
Debt service.....	1,276	1,184	1,231	1,149	1,140	898	942	771	650	-
Major programs.....	12,297	11,721	11,398	10,889	10,316	9,342	9,572	8,991	8,422	-
Other program expenditures.....	5,501	5,357	5,043	4,822	4,627	4,262	4,093	4,346	4,310	-
Interfund transfers and other uses.....	1,204	847	352	241	250	310	399	138	249	-
Budgeted expenditures and other uses..	\$ 19,002	\$ 17,925	\$ 16,793	\$ 15,952	\$ 15,193	\$ 13,914	\$ 14,064	\$ 13,475	\$ 12,981	\$ -

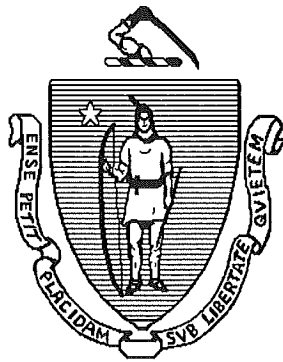
Note: Information for 1988 is not available.

Ten-Year Schedule Of Long-Term Bonds Outstanding

Fiscal Year Ended June 30, 1997
(Amounts in millions)

	1997	1996	1995	1994	1993	1992	1991	1990	1989*	1988*
General obligation bonds.....	\$ 9,620	\$ 9,148	\$ 8,615	\$ 8,184	\$ 8,082	\$ 7,916	\$ 7,164	\$ 6,605	\$ -	\$ -
Dedicated income tax bonds.....	130	383	619	840	1,045	1,244	1,416	-	-	-
Special obligation bonds.....	521	535	395	404	104	104	-	-	-	-
Commonwealth long-term bonds....	<u>\$ 10,271</u>	<u>\$ 10,066</u>	<u>\$ 9,629</u>	<u>\$ 9,428</u>	<u>\$ 9,231</u>	<u>\$ 9,264</u>	<u>\$ 8,580</u>	<u>\$ 6,605</u>	<u>\$ -</u>	<u>\$ -</u>

* Note: Information for 1989 and 1988 not available.



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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 to the overall financial operations of the respective Institutions, and are in addition to amounts made available from appropriations.

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

State College System includes the nine state colleges which provide four-year post-secondary education programs.

Bridgewater State College
Framingham State College
Fitchburg State College
Massachusetts College of Art
Massachusetts Maritime Academy
North Adams State College
Salem State College
Worcester State College
Westfield State College

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, 1997
(Amounts in thousands)

	University of Massachusetts	State Colleges	Community Colleges	TOTALS	
				1997	1996
Revenues and other financing sources:					
Federal grants and reimbursements.....	\$ 153,614	\$ 14,327	\$ 36,674	\$ 204,615	\$ 234,777
Departmental revenues.....	828,195	135,658	99,592	1,063,445	906,443
Miscellaneous revenues.....	153,038	51,922	47,084	252,044	281,223
Total revenues and other financing sources...	1,134,847	201,907	183,350	1,520,104	1,422,443
Expenditures and other financing uses (by MMARS subsidiary):					
AA Regular employee compensation.....	333,985	27,901	21,664	383,550	369,484
BB Regular employee related expenses.....	16,590	3,154	2,248	21,992	18,787
CC Special employees and contracted services....	72,706	24,043	40,700	137,449	129,524
DD Pension and insurance.....	94,754	8,628	6,637	110,019	113,651
EE Administrative expenditures.....	68,939	21,422	27,964	118,325	177,182
FF Facility operational supplies.....	113,692	9,106	15,846	138,644	119,066
GG Energy costs and space rental.....	19,116	8,924	4,013	32,053	40,339
HH Consultant services.....	61,788	5,694	4,941	72,423	67,059
JJ Operational services.....	42,205	18,031	9,499	69,735	54,160
KK Equipment purchase.....	35,208	8,496	7,095	50,799	44,107
LL Equipment leases, maintenance and repair....	28,940	5,017	6,445	40,402	37,334
MM Purchased client services and programs.....	22,703	719	904	24,326	17,575
NN Construction and improvements.....	28,297	6,797	827	35,921	33,137
PP Aid to local governments.....	428	1,147	-	1,575	1,404
RR Benefit programs.....	154,822	18,131	29,042	201,995	159,373
SS Debt payment.....	254	5,091	433	5,778	11,389
TT Loans and special payments.....	18,237	28,878	1,488	48,603	42,647
Total expenditures and other uses.....	1,112,664	201,179	179,746	1,493,589	1,436,218
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	22,183	728	3,604	26,515	(13,775)
Fund balance at beginning of year.....	299,823	42,359	43,697	385,879	399,654
Fund balance at end of year.....	\$ 322,006	\$ 43,087	\$ 47,301	\$ 412,394	\$ 385,879

University Of Massachusetts
Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 1997
(Amounts in thousands)

	<u>1997</u>	<u>1996</u>
Revenues and other financing sources:		
Federal grants and reimbursements.....	\$ 153,614	\$ 164,493
Departmental revenues.....	828,195	674,692
Miscellaneous revenues.....	153,038	184,180
Total revenues and other financing sources.....	<u>1,134,847</u>	<u>1,023,365</u>
Expenditures and other financing uses (by MMARS subsidiary):		
AA Regular employee compensation.....	333,985	318,899
BB Regular employee related expenses.....	16,590	14,568
CC Special employees and contracted services.....	72,706	64,756
DD Pension and insurance.....	94,754	96,919
EE Administrative expenditures.....	68,939	128,202
FF Facility operational supplies.....	113,692	95,084
GG Energy costs and space rental.....	19,116	26,733
HH Consultant services.....	61,788	56,274
JJ Operational services.....	42,205	25,416
KK Equipment purchase.....	35,208	29,872
LL Equipment leases, maintenance and repair.....	28,940	26,423
MM Purchased client services and programs.....	22,703	16,386
NN Construction and improvements.....	28,297	26,913
PP Aid to local governments.....	428	341
RR Benefit programs.....	154,822	116,285
SS Debt payment.....	254	4,685
TT Loans and special payments.....	18,237	842
Total expenditures and other uses.....	<u>1,112,664</u>	<u>1,048,598</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	22,183	(25,233)
Fund balance at beginning of year.....	299,823	325,056
Fund balance at end of year.....	<u>\$ 322,006</u>	<u>\$ 299,823</u>

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

Fiscal Year Ended June 30, 1997

(Amounts in thousands)

	Bridgewater State College	Framingham State College	Fitchburg State College	Massachusetts College of Art
Revenues and other financing sources:				
Federal grants and reimbursements.....	\$ 3,151	\$ 1,127	\$ 2,071	\$ 673
Departmental revenues.....	25,285	11,565	12,498	8,509
Miscellaneous revenues.....	10,908	11,838	4,780	608
Total revenues and other financing sources.....	39,344	24,530	19,349	9,790
Expenditures and other financing uses (by MMARS subsidiary):				
AA Regular employee compensation.....	7,984	1,905	4,436	662
BB Regular employee related expenses.....	625	158	315	250
CC Special employees and contracted services.....	5,766	1,646	2,782	1,495
DD Pension and insurance.....	3,150	863	667	277
EE Administrative expenditures.....	3,395	7,266	2,397	994
FF Facility operational supplies.....	1,434	869	776	701
GG Energy costs and space rental.....	2,022	1,431	612	1,130
HH Consultant services.....	943	895	821	429
JJ Operational services.....	3,993	3,314	1,013	1,495
KK Equipment purchase.....	2,024	673	1,342	911
LL Equipment leases, maintenance and repair.....	1,130	379	476	446
MM Purchased client services and programs.....	137	296	135	-
NN Construction and improvements.....	551	593	348	12
PP Aid to local governments.....	-	1,147	-	-
RR Benefit programs.....	4,297	1,100	1,732	776
SS Debt payment.....	-	-	-	52
TT Loans and special payments.....	2,465	598	1,698	-
Total expenditures and other uses.....	39,916	23,133	19,550	9,630
Excess (deficiency) of revenues and other sources over expenditures other uses.....	(572)	1,397	(201)	160
Fund balance at beginning of year.....	3,862	7,184	8,054	2,553
Fund balance at end of year.....	\$ 3,290	\$ 8,581	\$ 7,853	\$ 2,713

Massachusetts Maritime Academy	North Adams State College	Salem State College	Worcester State College	Westfield State College	TOTALS	
					1997	1996
\$ 64	\$ 1,072	\$ 2,601	\$ 1,584	\$ 1,984	\$ 14,327	\$ 29,553
-	6,148	43,246	9,562	18,845	135,658	125,067
6,152	4,201	8,503	1,467	3,465	51,922	51,528
6,216	11,421	54,350	12,613	24,294	201,907	206,148
1,466	2,566	5,753	400	2,729	27,901	24,685
534	162	445	437	228	3,154	2,326
100	1,153	5,402	2,718	2,981	24,043	26,361
232	665	1,804	168	802	8,628	9,726
1,133	779	2,999	1,231	1,228	21,422	19,143
1,840	242	1,666	731	847	9,106	7,896
(34)	275	1,854	481	1,153	8,924	8,433
8	334	1,383	502	379	5,694	6,038
849	2,053	3,745	487	1,082	18,031	17,793
-	201	1,776	598	971	8,496	8,224
(4)	483	1,178	437	492	5,017	4,891
-	-	97	-	54	719	475
-	9	4,174	351	759	6,797	4,166
-	-	-	-	-	1,147	1,063
85	1,852	4,474	1,812	2,003	18,131	15,164
-	774	1,080	896	2,289	5,091	5,880
-	-	17,696	-	6,421	28,878	40,101
6,209	11,548	55,526	11,249	24,418	201,179	202,365
7	(127)	(1,176)	1,364	(124)	728	3,783
3,551	676	5,271	6,443	4,765	42,359	38,576
\$ 3,558	\$ 549	\$ 4,095	\$ 7,807	\$ 4,641	\$ 43,087	\$ 42,359

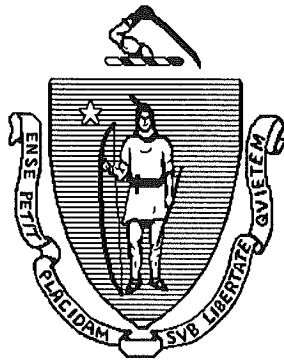
Community College System
Combining Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 1997

(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.....	\$ 857	\$ 3,161	\$ 5,074	\$ 1,561	\$ 1,682	\$ 2,824	\$ 1,904
Departmental revenues.....	5,231	6,561	6,498	4,153	5,645	8,978	7,228
Miscellaneous revenues.....	994	6,469	3,504	3,339	1,662	416	5,377
Total revenues and other financing sources.....	7,082	16,191	15,076	9,053	8,989	12,218	14,509
Expenditures and other financing uses (by MMARS subsidiary):							
AA Regular employee compensation.....	250	4,385	2,532	1,464	1,008	1,061	720
BB Regular employee related expenses.....	115	141	203	103	94	134	163
CC Special employees and contracted services.....	1,066	2,614	3,797	2,885	889	1,865	2,374
DD Pension and insurance.....	310	365	888	667	553	610	251
EE Administrative expenditures.....	1,104	876	937	764	1,730	1,278	4,146
FF Facility operational supplies.....	1,113	616	466	228	804	1,419	576
GG Energy costs and space rental.....	30	179	88	155	663	326	39
HH Consultant services.....	368	81	868	193	223	118	377
JJ Operational services.....	420	971	770	206	186	1,172	1,434
KK Equipment purchase.....	368	417	813	268	320	203	633
LL Equipment leases, maintenance and repair.....	261	417	296	218	150	624	1,020
MM Purchased client services and programs.....	88	388	242	-	-	49	-
NN Construction and improvements.....	75	280	31	5	-	17	97
RR Benefit programs.....	954	3,185	2,281	1,335	1,294	2,798	1,674
SS Debt payment.....	-	-	-	-	-	-	-
TT Loans and special payments.....	176	-	148	6	-	100	906
Total expenditures and other uses.....	6,698	14,915	14,360	8,497	7,914	11,774	14,410
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	384	1,276	716	556	1,075	444	99
Fund balance (deficit) at beginning of year.....	1,621	2,352	3,019	1,083	410	5,977	4,746
Fund balance (deficit) at end of year.....	\$ 2,005	\$ 3,628	\$ 3,735	\$ 1,639	\$ 1,485	\$ 6,421	\$ 4,845

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	
								1997	1996
\$ 1,109	\$ 2,674	\$ 2,381	\$ 3,431	\$ 4,422	\$ 2,019	\$ 508	\$ 3,067	\$ 36,674	\$ 40,731
7,909	8,897	5,068	8,563	8,107	4,664	1,681	10,409	99,592	106,684
2,236	4,397	1,984	4,213	4,739	2,298	3,000	2,456	47,084	45,515
11,254	15,968	9,433	16,207	17,268	8,981	5,189	15,932	183,350	192,930
2,143	2,377	563	680	2,556	416	421	1,088	21,664	25,900
180	357	167	132	105	99	62	193	2,248	1,893
2,061	5,765	2,344	3,672	2,405	3,844	1,390	3,729	40,700	38,407
584	791	271	177	271	395	122	382	6,637	7,006
888	1,245	1,946	5,455	1,584	1,968	2,671	1,372	27,964	29,837
1,086	672	434	568	1,664	4,122	154	1,924	15,846	16,086
181	223	720	96	180	364	225	544	4,013	5,173
168	645	294	249	382	217	232	526	4,941	4,747
598	1,137	229	751	1,121	21	165	318	9,499	10,951
944	614	527	326	497	385	61	719	7,095	6,011
503	251	391	159	572	398	88	1,097	6,445	6,020
97	1	19	-	19	-	-	1	904	714
-	-	9	-	-	-	-	313	827	2,058
1,533	2,168	1,484	3,682	2,885	-	8	3,761	29,042	27,924
-	-	-	-	433	-	-	-	433	824
32	-	4	-	-	-	95	21	1,488	1,704
10,998	16,246	9,402	15,947	14,674	12,229	5,694	15,988	179,746	185,255
256	(278)	31	260	2,594	(3,248)	(505)	(56)	3,604	7,675
1,589	4,890	445	2,038	4,677	1,416	1,162	8,272	43,697	36,022
\$ 1,845	\$ 4,612	\$ 476	\$ 2,298	\$ 7,271	\$ (1,832)	\$ 657	\$ 8,216	\$ 47,301	\$ 43,697



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