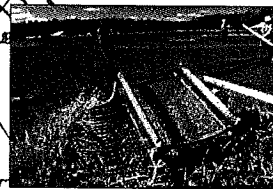


Commonwealth of Massachusetts

Statutory Basis Financial Report

Fiscal Year Ended June 30, 1998



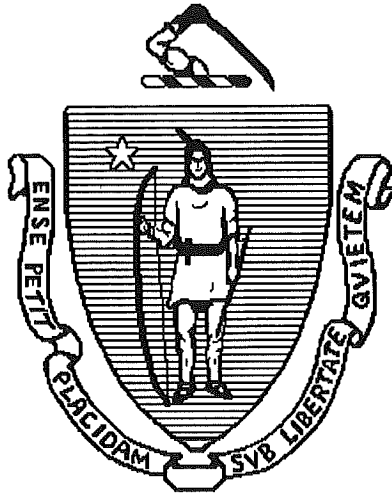
Geo Paul Cellucci
Governor

derick A. Laskey
Secretary for
Administration and Finance

William Kilmartin
Comptroller



Commonwealth of Massachusetts



Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 1998

William Kilmartin, CGFM
State Comptroller

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

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Map of Massachusetts with Tourism Pictures

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 Bureau of Transportation, Planning and Development

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Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 1998

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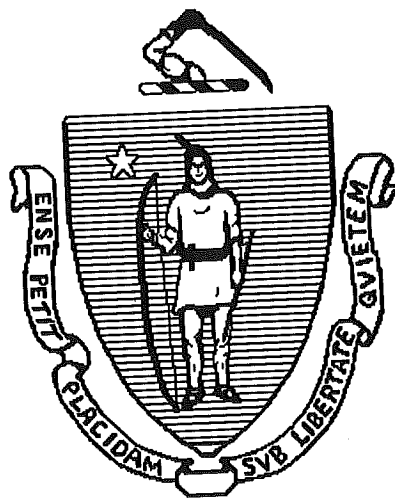
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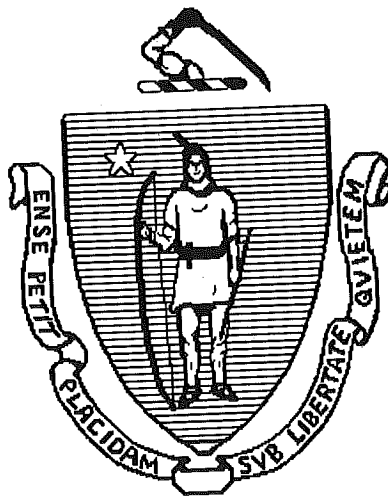


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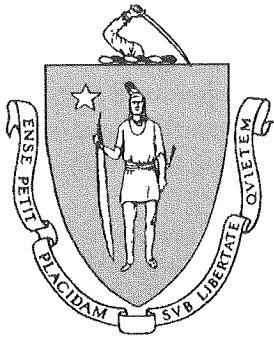
Introductory Section



Comptroller's Letter of Transmittal
Constitutional Officers
Organization Chart of State Government
Acknowledgments



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*William Kilmartin, Comptroller
One Ashburton Place
Boston, MA 02108*

October 30, 1998

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

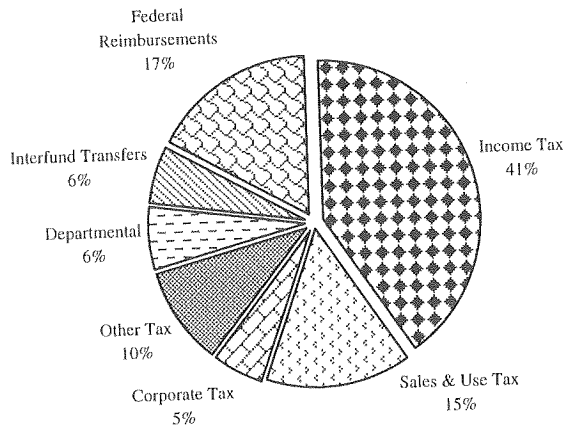
The financial condition of the Commonwealth for the fiscal year ended June 30, 1998 is excellent. For the eighth consecutive year, the Commonwealth has accomplished a positive balance in the budgeted funds. The balance in the budgeted funds of \$2.2 billion is more than 15% of annual tax revenues, and thus conforms to professional standards for a prudent year end balance. Also, per special statutory direction approximately \$300 million was transferred to capital outlay, instead of remaining in the budgetary surplus. Of the \$2.2 billion, \$1.2 billion 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, 1998 (FY98). This report is audited by the firm of Deloitte & Touche LLP, Independent Certified Public Accountants, and is published on or before 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 FY98.

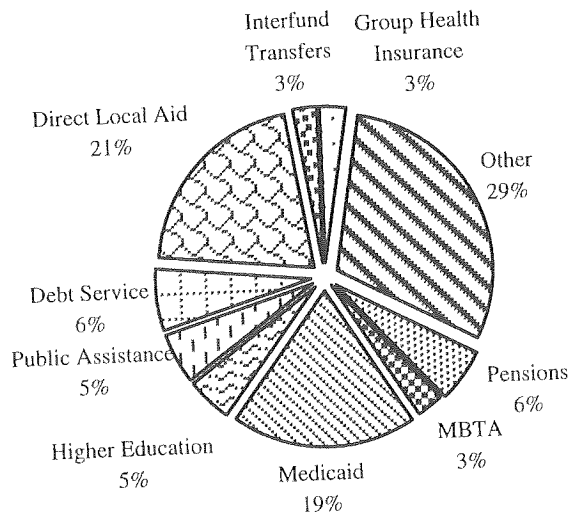
This report includes the budgeted funds, non-budgeted special revenue funds, capital project funds, fiduciary funds and the non-appropriated funds of higher education. The financial operations of these funds are accounted and reported in the Massachusetts Management Accounting and Reporting System (MMARS), 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 FY98 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, 1999 in our Comprehensive Annual Financial Report (CAFR).

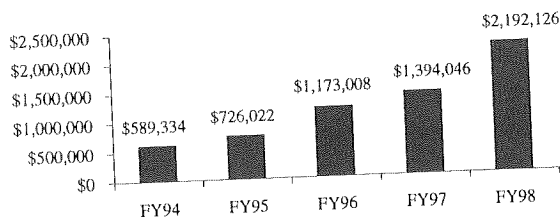
Budgeted Revenues And Other Sources



Budgeted Expenditures And Other Uses



Budgeted Funds - Fund Balance (Amounts in thousands)



Budgeted Funds

In FY98, sources of funds exceeded uses of funds for an operating gain of \$798 million. This follows an operating gain of \$221 million in FY97, \$447 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 8.9% from FY97 to FY98. When analyzed from a multi-year perspective, the proportion of each revenue source to the total did not materially change from FY97 to FY98. Budgeted expenditures and other financing uses are up 5.8% from FY97 to FY98.

The FY98 activity in the budgeted funds is summarized and compared to FY97 in the Budgeted Funds - Operations table. Financial statements for each of the 58 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 on page 3 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.

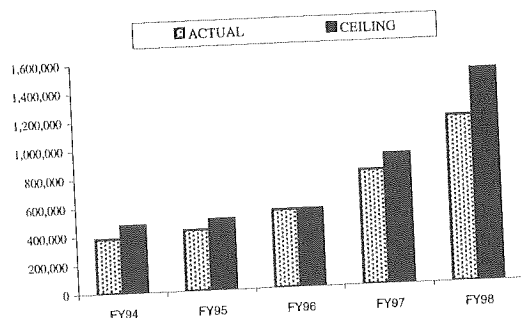
The graph of Budgeted Funds - Fund Balance shows the combined fund balance in the budgeted funds for the past five years. This "bottom line" perspective demonstrates the accumulation of resources attributable to balanced budgets over the multi-year period.

The FY98 ending balance of \$2.192 billion is composed of \$286.3 million reserved for continuing appropriations and debt service, \$1.159 billion reserved in the Stabilization Fund, \$367.6 million reserved for tax reductions, and \$378.5 million as undesignated surplus available for appropriation in FY99.

Budgeted Funds - Operations
(Amounts in thousands)

	1997	1998
Beginning fund balances:		
Reserved and designated.....	\$ 263,344	\$ 225,151
Tax Reduction Fund Current.....	150,000	91,764
Tax Reduction Fund Future.....	81,722	-
Stabilization Fund.....	543,303	799,300
Undesignated.....	134,639	277,831
Total.....	<u>1,173,008</u>	<u>1,394,046</u>
Revenues and other sources:		
Taxes.....	12,864,501	14,026,256
Federal reimbursements.....	3,019,692	3,361,181
Departmental and other revenues.....	1,267,882	1,286,452
Interfund transfers from non-budgeted funds and other uses.....	1,017,977	1,125,950
Budgeted revenues and other sources.....	<u>18,170,052</u>	<u>19,799,839</u>
Mass transit assessments.....	151,525	155,610
Intragovernmental Service Fund revenues.....	83,622	84,958
Interfund transfers among budgeted funds and other sources.....	818,167	1,364,217
Total revenues and other sources.....	<u>19,223,366</u>	<u>21,404,624</u>
Expenditures and other uses:		
Programs and services.....	15,218,752	16,238,763
Debt service.....	1,275,539	1,213,363
Pension.....	1,069,184	1,069,771
Interfund transfers to non-budgeted funds and other uses.....	385,539	479,862
Budgeted expenditures and other uses.....	<u>17,949,014</u>	<u>19,001,759</u>
Payments of mass transit assessments.....	151,525	155,610
Intragovernmental Service Fund expenditures.....	83,622	84,958
Interfund transfers among budgeted funds and other uses.....	818,167	1,364,217
Total expenditures and other uses.....	<u>19,002,328</u>	<u>20,606,544</u>
Excess of revenues and other sources over expenditures and uses.....	<u>221,038</u>	<u>798,080</u>
Ending fund balances:		
Reserved and designated.....	225,151	286,348
Tax Reduction - Current.....	91,764	367,663
Stabilization Fund.....	799,300	1,159,588
Undesignated.....	277,831	378,527
Total.....	<u>\$ 1,394,046</u>	<u>\$ 2,192,126</u>

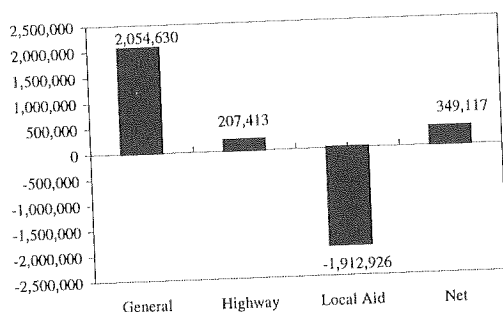
Stabilization Fund Balance
(Amounts in Thousands)



The balance in the Stabilization Fund is a good indicator of the positive financial condition of the Commonwealth. State finance law as amended during FY98, increased the maximum balance that may accumulate in the Stabilization Fund to an amount not to exceed 7.5% of 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 FY98 was \$1.484 billion, so the actual balance in the Stabilization Fund of \$1.160 billion was under the cap. The stabilization ceiling and 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 undesignated component of the General, Local Aid, and Highway Funds. According to this restricted definition, fiscal balance was achieved in FY98 in the amount of \$349.1 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
(Amounts in Thousands)



Also problematic is the formula for deposits to the Stabilization Fund. Under current law, the "Consolidated Net Surplus" in the General, Highway and Local Aid Funds is measured in comparison to 0.5% of state tax revenues. Any amount in excess of 0.5% of taxes is computed for transfer to Capital Project funds and for the transfer to the Stabilization 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 whereby 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 Fund.

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 Fund.

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 disposition of the accumulated 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 FY98, the Commonwealth maintained 27 active non-budgeted funds, including the Lottery Funds, Federal Grants Fund, the Grant Anticipation Note 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 FY98 activity in these Non-Budgeted Funds is summarized and compared to FY97 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)

	1997	1998
Beginning fund balance.....	\$ 178,108	\$ 155,878
Revenues and other sources:		
Taxes.....	9,918	11,631
Assessments.....	330,723	261,650
Federal grants and reimbursements.....	1,213,554	1,482,709
Departmental and miscellaneous.....	3,475,262	3,955,294
Transfers and other sources.....	87,500	1,003,098
Total revenues and sources.....	<u>5,116,957</u>	<u>6,714,382</u>
Expenditures and other uses:		
Programs and services.....	4,189,619	4,675,102
Debt service.....	2,747	1,227
Transfers and other uses.....	946,821	1,676,322
Total expenditures and uses.....	<u>5,139,187</u>	<u>6,352,651</u>
Excess of revenues and sources over expenditures and uses.....	<u>(22,230)</u>	<u>361,731</u>
Ending fund balance.....	<u>\$ 155,878</u>	<u>\$ 517,609</u>

While the Federal Grants Fund has a positive fund balance, the deficiency in cash is \$26.6 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 FY97 to FY98. Net profits also increased, so that distributions to cities and towns for local aid increased by \$103.6 million.

The significant increase in fund balance in these funds can be attributed to the proceeds of Federal Grant Anticipation Notes (GANS). During FY98 the legislature authorized the issuance of up to \$1.5 billion in GANS. These GANS, with maturities of 7 to 17 years, finance the current cash flow needs of the Central Artery/Tunnel Project. These GANS will be redeemed with future reimbursements from the federal government. The Commonwealth issued the GANS as "Asset Backed Securities", secured by a pledge of future receipts from the Federal Highway Trust Fund. The GANS are not general obligations of the Commonwealth. The \$312 million balance in the fund represents proceeds held by the treasurer to be released in the coming months as expenditures are incurred.

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 FY98 ending balance after expenditure and other financial operations is \$13.0 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 \$1,237.7 million, with a combined fund balance of over \$172.5 million.

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. Three of these dormant funds have been abolished, JFK Library and Park Fund as of June 30, 1998 and Freight Rail and Passenger Rail as of July 1, 1998.

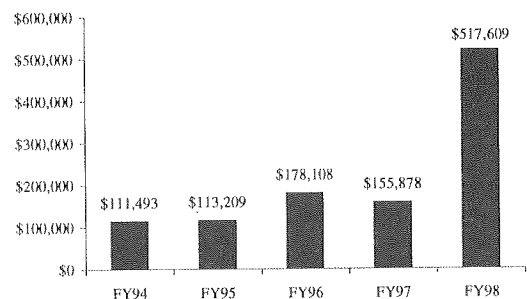
The Government Land Bank Fund has a chronic and structural fund deficit. This fund should be abolished and the deficit absorbed into the General Fund.

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 FY98, legislation was enacted to transfer to the Capital Investment Trust Fund \$189.2 million from the budgetary surplus. This fund supports capital projects without the need to issue bonds. In addition, the amount of \$111.6 million was transferred from the budgeted funds as part of the surplus disposition calculation to provide financing to existing Capital Project Funds in lieu of bonds.

The FY98 financial activity for the capital projects funds is summarized and compared to FY97 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)

	1997	1998
	\$	\$
Beginning fund deficit.....	(217,574)	(131,777)
Revenues and other sources:		
Federal grants and reimbursements.....	1,035,630	785,241
Departmental and miscellaneous.....	2,089	113,347
General obligation financing.....	899,471	766,953
Special obligation financing.....	-	100,059
Proceeds of refunding bonds.....	722,621	861,793
Transfers from budgetary surplus.....	89,503	111,571
Transfer for Capital Projects Funds.....	229,800	189,235
Transfers and other sources.....	175,958	1,058,087
Total revenues and sources.....	3,155,072	3,986,286
Expenditures and other uses:		
Acquisition of assets.....	2,213,249	2,663,419
Payments to refunded bond escrow.....	722,621	861,793
Transfers and other uses.....	133,405	678,333
Total expenditures and uses.....	3,069,275	4,203,545
Excess (deficiency) of revenues and sources over expenditures and uses.....	85,797	(217,259)
Ending fund deficit.....	\$ (131,777)	\$ (349,036)

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

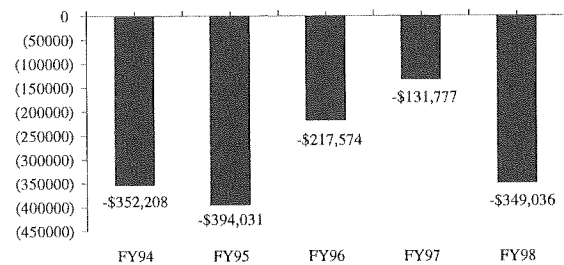
The financial concept is that each capital outlay authorization is balanced, creating authorization for inflows, (proceeds from sales of bonds and federal reimbursements or other revenues), and authorization for expenditure. However, imbalances due to timing differences develop when the outflow (expenditure) 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.

In FY98, the Capital Expenditure Reserve Fund is presented as a capital project fund. Pursuant to statute and agreement with the Massachusetts Turnpike Authority (MTA), funding in the amount of \$100 million was provided in FY96 by the MTA relating to the Central Artery/Tunnel Project. Legislation passed in FY97 requires the Massachusetts Turnpike Authority to make payment of an additional \$600 million and the Massachusetts Port Authority to make payment of \$30.7 million in the next fiscal year. During FY98, the Commonwealth received \$100 million from Massachusetts Turnpike Authority and \$12.1 million from Massachusetts Port Authority toward this commitment. This funding is in addition to state and federal funding in the Capital Projects Funds for the project.

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 FY98, 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.

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



Future Payments by the Authorities
(Amounts in thousands)

Fiscal Year	MTA	MassPort
1999	\$600,000	\$30,700
2000	-	52,200
2001	-	-
2002	-	-
2003	400,000 *	105,000
2004	-	50,000
2005	-	50,000
Total	\$1,000,000	\$287,900

* Represents contingent amount subject to the certain conditions

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/Tunnel Project 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 and MassPort's participation in the Capital Expenditure Reserve Fund and the new Capital Investment Trust Fund previously described, should be continued.

Certain funds have not reported financial activity for the past two fiscal years, and serious consideration should be given to abolishing these funds. One inactive fund is the Lockup Facilities Improvements.

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 FY98 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)

	1997	1998
Beginning fund balance.....	\$ 16,815,371	\$ 20,888,042
Revenues and other sources:		
Taxes.....	1,174,332	1,092,698
Federal reimbursements.....	29,701	28,930
Departmental and other revenues.....	680,748	1,773,290
Interfund transfers and other sources.....	908,092	81,875
Investment earnings.....	3,372,852	3,435,381
Total revenues and sources.....	6,165,725	6,412,174
Expenditures and other uses:		
Expenditures.....	2,023,789	2,094,295
Interfund transfers.....	69,265	82,705
Total expenditures and uses.....	2,093,054	2,177,000
Excess of revenues and sources over expenditures and uses....	4,072,671	4,235,174
Ending fund balance.....	\$ 20,888,042	\$ 25,123,216

Over 92% of this fiduciary fund activity is related to the Commonwealth's pension fund. Detailed fund statements for the Commonwealth's pension fund can be seen on page 310.

On October 26, 1998 the Commonwealth updated its pension valuation with material changes. A discussion of the Commonwealth's progress toward funding its pension liability is included in footnote 10.

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.

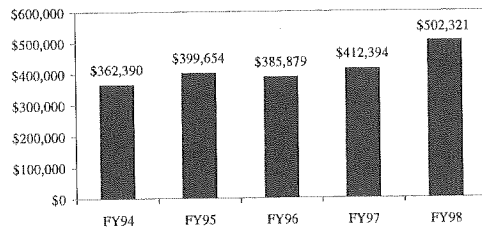
Each institution of higher education is authorized and directed in its enabling statute to collect, retain, and expend certain fees, rents, sales, donations, federal financial participation and other types of income. These financial resources are integral parts of the total financial activity of each campus, and represent resources in addition to amounts made available from appropriations.

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

	1997	1998
Beginning fund balance.....	\$ 385,879	\$ 412,394
Revenues and other sources:		
Federal Grants and reimbursements.....	204,615	218,825
Departmental and miscellaneous.....	1,155,355	1,044,477
Transfers and other sources.....	160,134	258,570
Total revenues and sources.....	1,520,104	1,521,872
Expenditures and other uses:		
Programs and services.....	1,260,017	1,174,447
Transfers and other uses.....	233,572	257,498
Total expenditures and uses.....	1,493,589	1,431,945
Excess (deficiency) of revenues and sources over expenditures and uses...	26,515	89,927
Ending fund balance.....	\$ 412,394	\$ 502,321

The FY98 financial activity for the non-appropriated funds of higher education is summarized and compared to FY97 in the table of Non-Appropriated Funds of Higher Education - Operations. Individual campus statements are presented in the statistical section of this report.

Non-Appropriated Funds of Higher Education - Fund Balance
(Amounts in Thousands)



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 \$400 million portion for the University of Massachusetts, \$50 million for the State College system, and \$52 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 FY98. 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 Fund. 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 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 Government Land Bank Fund with a deficit should be absorbed 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 \$37.4 million 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.
7. The Commonwealth must continue its effort to remediate the Year 2000 problem in its mechanical and data processing systems. The "year 2000 problem" is the result of shortcomings in many electronic data processing systems and other equipment that make operations beyond the year 1999 troublesome. For many years, computer programmers eliminated the first two digits from the year when writing programs. Accordingly, many programs, if not corrected, will not be able to distinguish between the year 2000 and the year 1900. These problems have the potential for causing a disruption of governmental services.

In June 1997, the Executive Office for Administration and Finance established a Year 2000 Program Management Office within its Information Technology Division. The purpose of this office is to ensure accurate monitoring of the Commonwealth's progress in achieving "year 2000 compliance." The program office has asked agencies to identify "mission critical" and "essential" systems. Mission critical systems are those which directly affect the health, safety or livelihood of citizens, which directly affect state revenues or whose loss would severely

jeopardize agency delivery of services. Essential systems' loss would cause disruption of some agency services but would not prevent the agency from delivering primary services. The program office has identified 261 mission critical and 192 essential systems. The Commonwealth currently expects that all mission critical systems will be Y2K compliant by December 31, 1999.

In addition, the Office of the State Auditor has conducted extensive examinations of Commonwealth systems for "Y2K" compliance.

Those seeking more detailed information on the Commonwealth Y2K efforts should visit the Information Technology Division Y2K web page: www.state.ma.us/Y2K or the Office of the State Auditor's web page: www.state.ma.us/SAO.

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 FY98 a successful year. I am grateful to Governor Cellucci 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.

We are pleased to welcome Mr. Frederick A. Laskey as Secretary for Administration and Finance. Mr. Charles D. Baker recently concluded his service as Secretary. His leadership in fiscal policy was directly related to the excellent financial condition communicated in this report. Mr. Baker's support for other initiatives, such as procurement reform and aggressive exploitation of information technology, has resulted in improvements to state administrative processes that have enduring value. Simply stated, Mr. Baker stands out as a role model for excellence in public service and has earned the highest respect from his colleagues in the Office of the Comptroller and throughout state government. We are pleased to dedicate this report in Charlie's honor.

Respectfully transmitted,



William Kilmartin
Comptroller

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A. Joseph DeNucci
Auditor

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President of the Senate

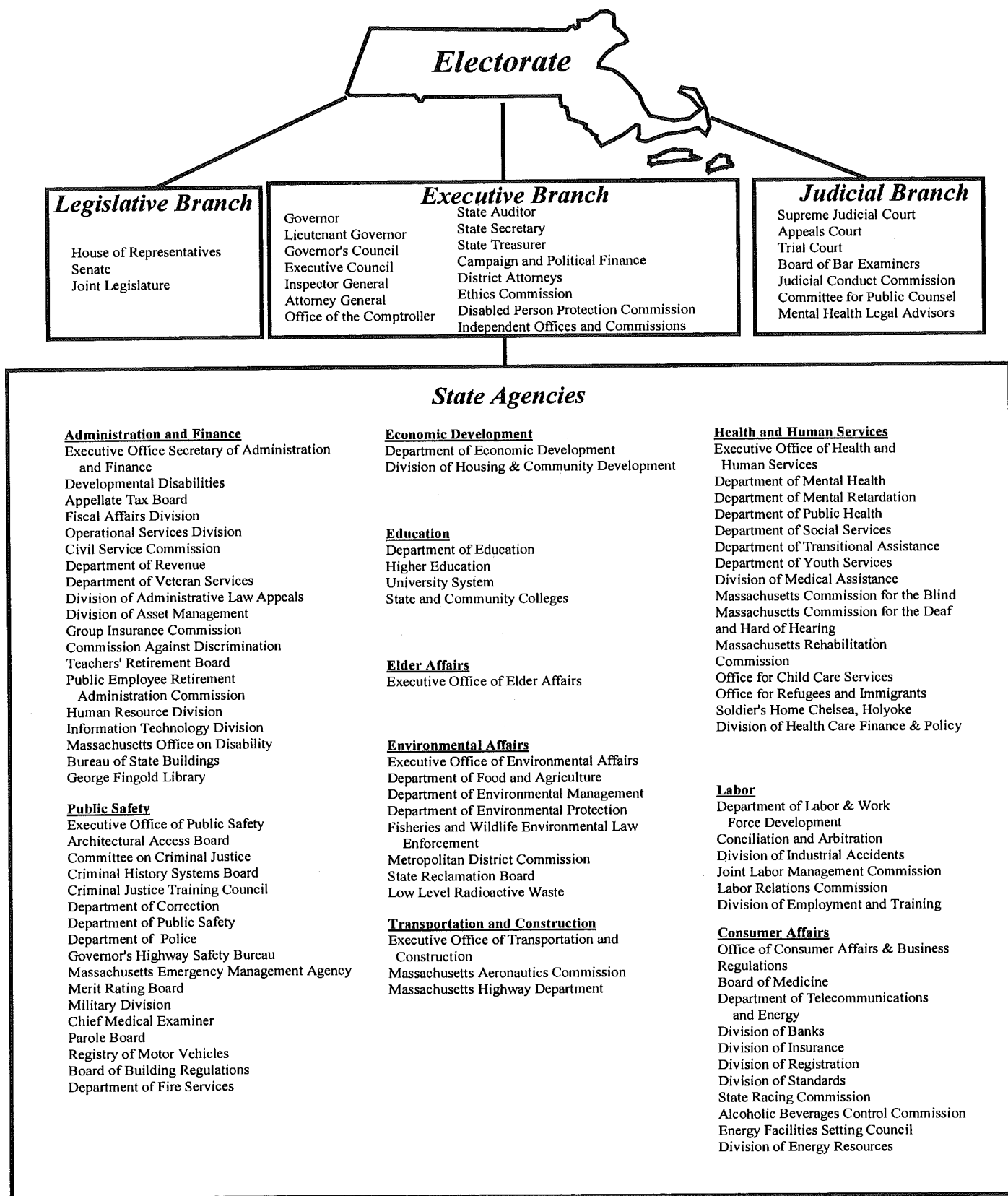
Thomas M. Finneran
Speaker of the House

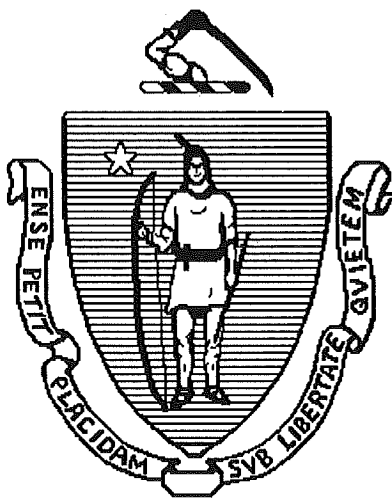
JUDICIAL OFFICERS

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Chief Justice, Supreme Judicial Court

Joseph P. Warner
Chief Justice, Appeals Court

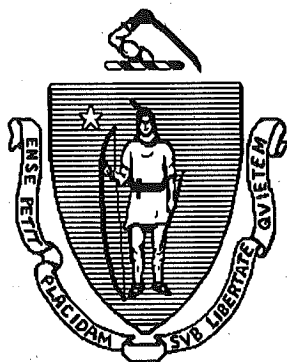
Barbara A. Dortch-Okara
Chief Justice for Administration and Management, Trial Court



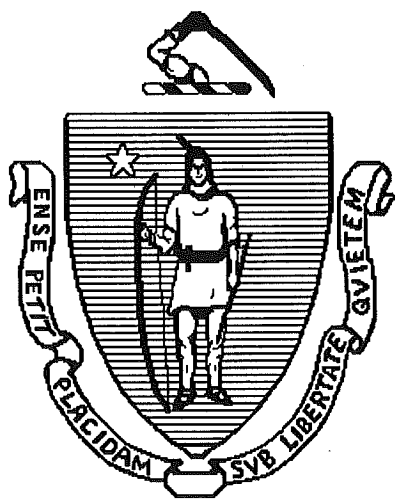


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Financial Section



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, 1998, 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 83 percent and 70 percent, respectively, of the total assets and total revenues of the Fiduciary Fund Type. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Reserves Investment Trust, is based solely on the report of the other auditor.

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 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 report of the other auditor 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, 1998, and the results of its operations for the year then ended, on the basis of accounting described in Note 2.

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 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 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 27, 1998 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 27, 1998

Combined Financial Statements - Statutory Basis

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

June 30, 1998
(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.....	\$ 4,003,541	\$ 562,881	\$ 420,217	\$ 1,480,896
Cash on deposit with U.S. Treasury.....	-	-	-	1,699,693
Cash with fiscal agent.....	26,059	11,572	-	-
Investments.....	-	-	-	23,395,600
Advances to related entity.....	232,762	-	-	-
Assets held in trust.....	-	-	-	1,866,078
Receivables, net of allowance for uncollectibles:				
Taxes.....	5,108	732	-	-
Due from federal government.....	171,943	287,905	4,475	-
Other receivables.....	19,061	29,282	-	482,658
Due from cities and towns.....	150,028	-	-	-
Due from other funds.....	6,130	-	102,786	-
Fixed assets:				
Land.....	-	-	-	-
Buildings.....	-	-	-	-
Machinery and equipment.....	-	-	-	-
Construction in progress.....	-	-	-	-
Amount available for retirement of long-term obligations.....	-	-	-	-
Amount to be provided for retirement of long-term obligations...	-	-	-	-
Total assets and other debits.....	<u>\$ 4,614,632</u>	<u>\$ 892,372</u>	<u>\$ 527,478</u>	<u>\$ 28,924,925</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Deficiency in cash and short-term investments.....	\$ 1,781,454	\$ 26,573	\$ 544,903	\$ -
Accounts payable.....	612,316	243,921	331,101	933,732
Accrued payroll.....	24,616	1,145	510	79
Other liabilities.....	-	-	-	2,837,718
Due to cities and towns.....	-	-	-	22,673
Due to other funds.....	4,120	103,124	-	1,672
Capital leases.....	-	-	-	-
Bonds and notes payable.....	-	-	-	-
Total liabilities.....	<u>2,422,506</u>	<u>374,763</u>	<u>876,514</u>	<u>3,795,874</u>
Fund equity and other credits:				
Investment in general fixed assets.....	-	-	-	-
Fund balances (deficit):				
Reserved for:				
Continuing appropriations.....	260,289	-	-	-
Commonwealth stabilization.....	1,159,588	-	-	-
Tax reduction.....	367,663	-	-	-
Debt service.....	26,059	27,240	-	-
Employees' pension benefits.....	-	-	-	23,221,308
Unemployment benefits.....	-	-	-	1,699,693
Capital projects.....	-	-	269,478	-
Unreserved:				
Designated for specific purpose.....	-	490,369	-	208,050
Undesignated.....	378,527	-	(618,514)	-
Total fund equity (deficit) and other credits.....	<u>2,192,126</u>	<u>517,609</u>	<u>(349,036)</u>	<u>25,129,051</u>
Total liabilities, fund equity and other credits.....	<u>\$ 4,614,632</u>	<u>\$ 892,372</u>	<u>\$ 527,478</u>	<u>\$ 28,924,925</u>

See notes to combined financial statements - statutory basis.

Account Groups		Totals (Memorandum Only)	
General Fixed Assets	General Long-term Obligations	1998	1997
\$ -	\$ -	\$ 6,467,535	\$ 4,030,484
-	-	1,699,693	1,222,725
-	-	37,631	24,823
-	-	23,395,600	19,528,772
-	-	232,762	229,063
-	-	1,866,078	1,708,422
-	-	5,840	7,435
-	-	464,323	674,779
-	-	531,001	273,451
-	-	150,028	141,580
-	-	108,916	3,657
589,512	-	589,512	564,854
4,005,976	-	4,005,976	3,700,765
1,187,321	-	1,187,321	1,177,749
156,227	-	156,227	121,370
-	53,299	53,299	44,891
-	11,182,160	11,182,160	10,357,778
<u>\$ 5,939,036</u>	<u>\$ 11,235,459</u>	<u>\$ 52,133,902</u>	<u>\$ 43,812,598</u>
\$ -	\$ -	\$ 2,352,930	\$ 1,441,205
-	-	2,121,070	1,583,053
-	-	26,350	16,048
-	-	2,837,718	2,469,062
-	-	22,673	20,142
-	-	108,916	3,657
-	156,856	156,856	131,375
-	11,078,603	11,078,603	10,271,294
-	11,235,459	18,705,116	15,935,836
5,939,036	-	5,939,036	5,564,738
-	-	260,289	180,260
-	-	1,159,588	799,300
-	-	367,663	91,764
-	-	53,299	44,891
-	-	23,221,308	19,560,061
-	-	1,699,693	1,222,725
-	-	269,478	229,800
-	-	698,419	266,969
-	-	(239,987)	(83,746)
5,939,036	-	33,428,786	27,876,762
<u>\$ 5,939,036</u>	<u>\$ 11,235,459</u>	<u>\$ 52,133,902</u>	<u>\$ 43,812,598</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, 1998
(Amounts in thousands)

	Governmental Fund Types		
	Budgeted	Non-budgeted Special Revenue	Capital Projects
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ 14,026,256	\$ 11,631	\$ -
Assessments.....	255,134	261,650	-
Federal grants and reimbursements.....	3,361,181	1,482,709	785,241
Departmental.....	1,082,591	3,844,785	243
Payments from authorities.....	-	-	112,515
Miscellaneous.....	189,295	110,509	589
Total revenues.....	18,914,457	5,711,284	898,588
Other financing sources:			
Proceeds of general obligation bonds.....	-	-	766,953
Proceeds of grant anticipation notes.....	-	580,557	-
Proceeds of special obligation bonds.....	-	-	100,059
Proceeds of refunding bonds.....	-	-	861,793
Fringe benefit cost recovery.....	224,761	-	-
Lottery reimbursements.....	71,990	32,093	-
Lottery distributions.....	788,802	-	-
Transfer for MBTA contract assistance.....	129,176	-	-
Sewer rate relief.....	-	50,700	-
Caseload mitigation.....	10	-	-
Surplus transfer to capital projects.....	-	-	111,571
Transfer for capital projects funds.....	-	-	189,235
Operating transfers in.....	428,739	339,748	507,415
Collective bargaining reserve.....	75,068	-	-
Stabilization transfer.....	317,357	-	-
Transfer for tax reduction.....	454,264	-	-
State share of federal highway construction.....	-	-	550,672
Other sources.....	-	-	-
Total other financing sources.....	2,490,167	1,003,098	3,087,698
Total revenues and other financing sources.....	21,404,624	6,714,382	3,986,286
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Legislature.....	51,045	-	214
Judiciary.....	465,833	365	9,692
Inspector General.....	1,858	-	520
Governor and Lieutenant Governor.....	5,080	-	-
Secretary of the Commonwealth.....	22,333	725	5,716
Treasurer and Receiver-General.....	97,773	2,560,007	4,901
Auditor of the Commonwealth.....	12,953	-	2,276
Attorney General.....	25,383	4,851	4,386
Ethics Commission.....	1,279	-	25
District Attorney.....	66,139	2,062	871
Office of Campaign & Political Finance.....	764	-	-
Sheriff's Departments.....	40,405	108	-
Disabled Persons Protection Commission.....	1,516	11	51
Board of Library Commissioners.....	6,241	2,591	13,448
Comptroller.....	7,129	-	2,979
Administration and finance.....	1,072,737	64,753	313,078
Environmental affairs.....	197,964	22,399	146,528
Communities and development.....	135,636	217,879	80,014
Health and human services.....	3,681,018	1,106,905	33,326
Transportation and construction.....	795,525	6,745	1,988,965
Education.....	237,184	435,695	5,865
Higher education.....	861,840	4,833	26,583
Public safety.....	809,305	37,093	21,354
Economic development.....	28,800	7,945	977
Elder affairs.....	153,879	25,379	124

Fiduciary Fund Type	Totals (Memorandum Only)	
Expendable Trust	1998	1997
\$ 1,092,698	\$ 15,130,585	\$ 14,048,751
2,306	519,090	558,479
28,930	5,658,061	5,298,577
15,489	4,943,108	4,557,340
-	112,515	-
285,645	586,038	418,502
1,425,068	26,949,397	24,881,649
-	766,953	899,471
-	580,557	-
-	100,059	-
-	861,793	722,621
-	224,761	197,667
-	104,083	81,510
-	788,802	685,137
-	129,176	137,869
-	50,700	54,398
-	10	128,000
-	111,571	89,503
-	189,235	229,800
78,796	1,354,698	211,781
-	75,068	50,000
-	317,357	234,253
-	454,264	150,000
-	550,672	175,958
3,079	3,079	2,073
81,875	6,662,838	4,050,041
1,506,943	33,612,235	28,931,690
-	51,259	50,611
226	476,116	437,580
-	2,378	2,330
-	5,080	5,263
5	28,779	18,495
1,380	2,664,061	2,708,397
170	15,399	13,651
3,404	38,024	30,020
-	1,304	1,193
3,152	72,224	64,512
-	764	670
-	40,513	-
-	1,578	1,476
-	22,280	20,752
-	10,108	8,486
9,529	1,460,097	1,299,925
7,137	374,028	316,591
606	434,135	419,888
17,934	4,839,183	4,291,963
526	2,791,761	2,466,763
6,117	684,861	589,743
117	893,373	817,698
2,645	870,397	883,141
754	38,476	43,734
36	179,418	166,959

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, 1998
(Amounts in thousands)

	Governmental Fund Types		
	Budgeted	Non-budgeted Special Revenue	Capital Projects
Expenditures (continued):			
Consumer affairs.....	36,914	1,383	1,329
Labor.....	47,977	165,612	197
Direct local aid.....	3,948,982	7,762	-
Medicaid.....	3,665,839	-	-
Pension.....	1,069,771	-	-
Debt service:			
Principal retirement.....	706,489	776	-
Interest and fiscal charges.....	506,874	450	-
Total expenditures.....	18,762,465	4,676,329	2,663,419
Other financing uses:			
Payments to refunded bond escrow agent.....	-	-	861,793
Fringe benefit cost assessment.....	93,082	41,736	17,899
Lottery operating reimbursements.....	-	104,083	-
Lottery distributions.....	-	788,802	-
Transfer for MBTA contract assistance.....	129,176	-	-
State share of federal highway construction.....	-	-	550,672
Operating transfers out.....	423,616	741,701	109,762
Sewer rate relief.....	50,700	-	-
Collective bargaining reserve.....	75,068	-	-
Caseload mitigation.....	10	-	-
Transfer for capital projects funds.....	189,235	-	-
Surplus transfer for capital projects.....	111,571	-	-
Stabilization transfer.....	317,357	-	-
Transfer for tax reduction.....	454,264	-	-
Total other financing uses.....	1,844,079	1,676,322	1,540,126
Total expenditures and other financing uses.....	20,606,544	6,352,651	4,203,545
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	798,080	361,731	(217,259)
Fund balances (deficits) at beginning of year.....	1,394,046	155,878	(131,777)
Fund balances (deficits) at end of year.....	\$ 2,192,126	\$ 517,609	\$ (349,036)

See notes to combined financial statements - statutory basis.

Fiduciary Fund Type	Totals (Memorandum Only)	
Expendable Trust	1998	1997
6,402	46,028	44,094
790,171	1,003,957	1,030,796
-	3,956,744	3,564,653
-	3,665,839	3,455,531
-	1,069,771	1,069,184
-	707,265	752,669
-	507,324	525,617
850,311	26,952,524	25,102,385
-	861,793	722,621
3,086	155,803	124,989
-	104,083	81,510
-	788,802	685,137
-	129,176	137,869
-	550,672	175,958
79,619	1,354,698	211,781
-	50,700	54,398
-	75,068	50,000
-	10	128,000
-	189,235	229,800
-	111,571	89,503
-	317,357	234,253
-	454,264	150,000
82,705	5,143,232	3,075,819
933,016	32,095,756	28,178,204
573,927	1,516,479	753,486
1,327,981	2,746,128	1,992,642
\$ 1,901,908	\$ 4,262,607	\$ 2,746,128

Budgeted Funds
Combined Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget and Actual
Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ 12,815,300	\$ 14,026,256	\$ 1,210,956
Assessments.....	-	255,134	255,134
Federal grants and reimbursements.....	3,287,200	3,361,181	73,981
Departmental.....	1,243,600	1,082,591	(161,009)
Miscellaneous.....	-	189,295	189,295
Total revenues.....	17,346,100	18,914,457	1,568,357
Other financing sources:			
Fringe benefit cost recovery.....	-	224,761	224,761
Lottery reimbursements.....	80,735	71,990	(8,745)
Lottery distributions.....	640,800	788,802	148,002
Transfer for MBTA contract assistance.....	-	129,176	129,176
Caseload mitigation.....	-	10	10
Operating transfers in.....	305,117	428,739	123,622
Collective bargaining reserve.....	-	75,068	75,068
Stabilization transfer.....	-	317,357	317,357
Transfer for tax reduction.....	-	454,264	454,264
Total other financing sources.....	1,026,652	2,490,167	1,463,515
Total revenues and other financing sources.....	18,372,752	21,404,624	3,031,872
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Legislature.....	72,647	51,045	21,602
Judiciary.....	497,910	465,833	32,077
Inspector General.....	1,871	1,858	13
Governor and Lieutenant Governor.....	6,295	5,080	1,215
Secretary of the Commonwealth.....	24,662	22,333	2,329
Treasurer and Receiver-General.....	108,574	97,773	10,801
Auditor of the Commonwealth.....	12,957	12,953	4
Attorney General.....	25,516	25,383	133
Ethics Commission.....	1,279	1,279	-
District Attorney.....	66,662	66,139	523
Office of Campaign & Political Finance.....	768	764	4
Sheriff's Departments.....	45,218	40,405	4,813
Disabled Persons Protection Commission.....	1,528	1,516	12
Board of Library Commissioners.....	6,277	6,241	36
Comptroller.....	7,136	7,129	7
Administration and finance.....	1,227,721	1,072,737	154,984
Environmental affairs.....	224,558	197,964	26,594
Communities and development.....	139,699	135,636	4,063
Health and human services.....	3,800,197	3,681,018	119,179
Transportation and construction.....	807,297	795,525	11,772
Education.....	240,912	237,184	3,728
Higher education.....	867,954	861,840	6,114
Public safety.....	824,077	809,305	14,772
Economic development.....	77,488	28,800	48,688
Elder affairs.....	155,169	153,879	1,290
Consumer affairs.....	38,298	36,914	1,384
Labor.....	52,554	47,977	4,577
Direct local aid.....	3,953,051	3,948,982	4,069
Medicaid.....	3,706,508	3,665,839	40,669
Pension.....	1,069,883	1,069,771	112
Debt service:			
Principal retirement.....	720,152	706,489	13,663
Interest and fiscal charges.....	519,060	506,874	12,186
Total expenditures.....	19,303,878	18,762,465	541,413
Other financing uses:			
Fringe benefit cost assessment.....	-	93,082	(93,082)
Transfer for MBTA contract assistance.....	131,450	129,176	2,274
Operating transfers out.....	423,616	423,616	-
Sewer rate relief.....	50,700	50,700	-
Collective bargaining reserve.....	75,068	75,068	-
Caseload mitigation.....	10	10	-
Transfer for capital projects funds.....	189,235	189,235	-
Surplus transfer for capital projects.....	-	111,571	(111,571)
Stabilization transfer.....	150,000	317,357	(167,357)
Transfer for tax reduction.....	454,264	454,264	-
Total other financing uses.....	1,474,343	1,844,079	(369,736)
Total expenditures and other financing uses.....	20,778,221	20,606,544	171,677
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(2,405,469)	798,080	3,203,549
Fund balances at beginning of year.....	1,394,046	1,394,046	-
Fund balances (deficits) at end of year.....	\$ (1,011,423)	\$ 2,192,126	\$ 3,203,549

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, 1998
(Amounts in thousands)

	1998	1997
REVENUES		
Revenues:		
Investment earnings.....	\$ -	\$ -
Total revenues.....	-	-
EXPENSES		
Expenses:		
Treasurer and Receiver-General.....	-	-
Total expenses.....	-	-
Excess of revenues over expenses.....	-	-
Fund balances at beginning of year.....	5,835	5,835
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, 1998
(Amounts in thousands)

	1998	1997
Additions:		
Commonwealth contributions.....	\$ 939,089	\$ 899,048
Employees contributions.....	530,761	457,530
Total contributions.....	<u>1,469,850</u>	<u>1,356,578</u>
Net investment income:		
Net appreciation in fair value of investments.....	2,788,533	2,823,841
Interest.....	352,503	368,654
Dividends.....	256,430	158,922
Real estate operating income, net.....	71,824	54,525
Alternative investments.....	5,205	27,457
Other.....	3,755	156
Total investment income.....	<u>3,478,250</u>	<u>3,433,555</u>
Less: investment expense.....	42,869	60,703
Net investment income.....	<u>3,435,381</u>	<u>3,372,852</u>
Total additions.....	<u>4,905,231</u>	<u>4,729,430</u>
Deductions:		
Administration.....	35,973	3,688
Retirement benefits and refunds.....	1,208,011	1,121,952
Total deductions.....	<u>1,243,984</u>	<u>1,125,640</u>
Net increase	3,661,247	3,603,790
Net assets available for pension benefits at beginning of year (fund balances reserved for employees' pension benefits).....	<u>19,560,061</u>	<u>15,956,271</u>
Net assets available for pension benefits at end of year (fund balances reserved for employees' pension benefits).....	<u>\$ 23,221,308</u>	<u>\$ 19,560,061</u>

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 and capital leases.

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. Under GAAP, the books are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are generally recognized when cash deposits are received by the 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 and the Commonwealth. Under GAAP, revenues are recognized when they become both measurable and available.

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. Under GAAP, expenditures are recorded in the period in which the related fund liability is incurred.

The Pension Trust Funds are reported using a flow of economic resources measurement focus and the accrual basis of accounting on both the Statutory and GAAP basis. 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 Commonwealth enters into interest rate swap agreements to modify interest rates on outstanding debt. Other than the net interest expenditures resulting from these agreements no amounts are recorded in the financials statements.

The Pension Trust Funds, with investments totaling \$22,656,891,000, 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, leveraged 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, 1998, the estimated fair values, determined by management with input from the investment managers, of these real estate and alternative investments were \$1,943,727,000 of the Pension Trust Funds, representing 6.7% 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, 1998, the market value of the securities on loan from the Pension Reserve Investment Trust (PRIT) was approximately \$1,190,000,000. The value of the collateral held by PRIT amounted to \$1,239,000,000 at June 30, 1998. The PRIT securities on loan were collateralized at all times by U.S. 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.”

Due from Cities and Towns – Represents reimbursement due to the Commonwealth for its expenditures on certain programs for the benefit of cities and towns.

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. These advances 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 except land associated with infrastructure. 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 Management – 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 by the Human Resources Division. 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/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.

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 \$224,761,000 in the budgeted funds are offset by fringe benefit costs assessments of \$155,803,000 in the governmental fund types and the expendable trust funds. In addition \$68,958,000 is assessed against the higher education non-appropriated activity which is not included in the combined financial statements - statutory basis.

School Construction Grants - The Commonwealth, through legislation, is committed to reimburse certain cities, towns and regional school districts for a portion of their debt service costs for school construction and renovation. These costs are recorded as expenditures when paid. The amounts expected to be liquidated with available financial resources are reported as expenditures in fund liabilities under GAAP. The long-term portion of this liability is recorded in the General Long-Term Obligation Account Group on a GAAP 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.

Lottery Revenue and Prizes – Ticket revenues and prizes awarded by the Massachusetts Lottery Commission are recognized as drawings are held. For certain prizes payable in installments, the Commonwealth purchases annuities and principal only and interest only treasury

strips in the Commonwealth's name, which are recorded as annuity contracts and prizes payable in the Agency Funds on a GAAP basis. The Commonwealth retains the risk related to such annuities.

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 5C of Chapter 29.

"Reserved for tax reduction" - identifies the amount set aside in the Tax Reduction Fund according to Section 6 of Chapter 29B of the Massachusetts General Laws and amount set aside in the Tax Escrow Fund to fund the FY98 portion of permanent tax reductions authorized by Chapter 175 of the Acts of 1998.

"Reserved for debt service" – identifies amounts held by fiscal agents to fund future debt service obligations pertaining to Special Obligation Revenue Bonds authorized under Section 20 of Chapter 29 of the Massachusetts General Laws and Chapter 33, Acts of 1991 and Grant Anticipation Notes authorized by Chapter 11 of the Acts of 1997 and Chapter 121 of the Acts of 1998.

"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 1997 account balances to conform to the presentation used in 1998.

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 1998 appropriations act was Chapter 43, Acts of 1997. This appropriation act authorized \$17,527,458,000 in direct appropriations. In addition, the act contained \$838,636,000 in authorizations to retain and expend certain non-tax revenues of which \$820,636,000 were estimated to be collected and expended, plus \$98,084,000 of interagency chargebacks. Chapter 43 included estimates of \$12,815,300,000 in tax revenues and approximately \$5,557,452,000 in non-tax revenues. With these revenues (exclusive of chargebacks) projected to total approximately \$18,372,752,000 and with unreserved balances of approximately \$277,831,000 carried forward from the fiscal year 1997, the budget as presented in this original appropriation act was considered to be in balance.

During fiscal year 1998, the Legislature also passed and the Governor signed, with some modification through veto, Chapters 88, 170, 221 and 226 of the Acts of 1997, and Chapters 28, 78, 99 and 156 of the Acts of 1998, which included numerous supplemental budgetary appropriations. These supplements added \$173,834,000 in direct appropriations and \$28,574,000 in additional retained revenue authorizations.

Subsequent to June 30, 1998 the Legislature passed and the Governor signed Chapters 260, 297, 299 and 319 of the Acts of 1998 which included \$293,475,000 in additional supplemental appropriations, \$62,869,000 in additional retained revenue authorizations, and \$122,000 in additional interagency chargebacks. The cumulative fiscal year 1998 appropriations, retained revenues, and interagency chargebacks totaled \$19,023,052,000. Appropriations continued from fiscal year 1997 totaled approximately \$180,260,000 and certain interfund transfers directed by statute totaled approximately \$1,574,909,000.

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.....	\$ 21,404,624	\$ 20,606,544
Adjustments to revenues and expenditures		
Municipal transit assessments.....	(155,610)	(155,610)
Transfer to the Intragovernmental Service Fund Revenues.....	(84,958)	(84,958)
Adjustments to other financing sources and uses:		
MBTA subsidy transfer.....	(129,176)	(129,176)
Fringe benefit cost assessments.....	(93,082)	(93,082)
Transfer from the Intragovernmental Service Fund to the General Fund.....	(2,861)	(2,861)
Transfer from the Revenue Maximization Fund to the General Fund.....	(60,498)	(60,498)
RMV License Plates.....	(3,169)	(3,169)
Stabilization transfers.....	(317,357)	(317,357)
Transfer to Tax Exemption Escrow Trust Fund.....	(162,500)	(162,500)
Transfer to Brownfields Revitalization Fund.....	(45,000)	(45,000)
Collective Bargaining Reserve Fund.....	(75,068)	(75,068)
Transfer to Tax Reduction Fund.....	(200,000)	(200,000)
Transfer from Tax Reduction Fund.....	(91,764)	(91,764)
Voting Equipment Loan Fund Transfer.....	(2,145)	(2,145)
Transfer from General to Children's and Senior's Health Fund.....	(36,952)	(36,952)
MWRA Debt Service Reimbursement.....	(6,720)	(6,720)
Transfer to Child Care Fund.....	(91,874)	(91,874)
Transfer to Social Services Program Fund.....	(45,937)	(45,937)
Transfer to Inland Fisheries and Game Fund.....	(104)	(104)
Transfer to Caseload Mitigation Fund.....	(10)	(10)
Actual as presented on budgetary documents.....	<u>\$19,799,839</u>	<u>\$19,001,759</u>

The 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, Intragovernmental Service Fund, Revenue Maximization Fund, Tax Exemption Escrow Trust 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, Second Century Fund and Safe Drinking Water Fund.

Other Budgeted Special Revenue Funds: Brownfields Revitalization Fund, 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 Economic Development Fund, Commonwealth Cost Relief Fund, Children's & Senior's Health Fund, Diversity Awareness Education Trust Fund, Child Care Fund, Transitional Aid to Needy Families Fund, Social Services Program Fund, Local Consumer Inspection Fund, University of Massachusetts Lowell Wannalancit Complex Building Management Fund, Caseload Increase Mitigation Fund, Boston Convention and Exhibition Center Fund and Voting Equipment Loan 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 fair value.

The pooled cash and short-term investments at June 30, 1998 are as follows (amounts in thousands):

	Carrying Value
Cash.....	\$ 209,792
Certificates of deposit.....	310,089
	<u>519,881</u>
Short-term investments:	
U.S. Treasury obligations.....	697
Commercial paper.....	587,752
Short-term investment pool.....	1,134,818
Repurchase agreements.....	925,000
Money market investments	984,088
Total.....	<u>\$ 4,152,236</u>

Pooled cash and short-term investments include the following:

Cash & short-term investments.....	\$ 6,467,535
Cash with fiscal agent.....	37,631
Deficiency in cash and short-term investments.....	(2,352,930)
Total.....	<u>\$ 4,152,236</u>

The Pension Trust Funds have invested a significant portion of their portfolios into a pooled trust which pools assets for investment purposes and allocates returns on these investments in proportion to each fund's share of the pool. The pooled trust is permitted to invest in equity securities, fixed income securities, real estate and other alternative investments.

The investments are carried at fair value. At June 30, 1998, they are as follows (amounts in thousands):

	Amount
Investments:	
Equity securities.....	\$ 11,771,083
U.S. government and government agency securities.....	3,080,784
Fixed income securities.....	2,629,537
Real estate.....	946,676
Alternative investments.....	997,052
International investments.....	3,970,468
Total.....	<u>\$ 23,395,600</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, 1998, 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, 1998.

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 1998, there were no RANs issued or outstanding.

Capital Projects Funds - The Commonwealth may issue bond anticipation notes (BANs) to temporarily finance its capital projects. During fiscal year 1998, there were no BANs issued or outstanding.

Letter-of-Credit Agreements - During fiscal year 1998, 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, 1998, or subsequent thereto. One \$200,000,000 letter of credit agreement expired on September 1, 1998. The remaining agreements expire on October 31, 2000. The average costs are approximately .07% on unutilized amounts and approximately .10% on utilized amounts.

Line-of-Credit Agreement - During fiscal year 1998, 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 had a term through September 30, 1999 but was optionally terminated on November 4, 1997. The average cost of all the lines of credit was approximately .055% on unutilized amounts and approximately .08% on utilized amounts.

6. LONG-TERM DEBT

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, 1998, the Commonwealth had three types of long term debt outstanding: general obligation bonds, special obligation bonds and grant anticipation notes.

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.

Some Commonwealth general obligation debt is issued as college opportunity bonds (COBs) as authorized by the Massachusetts General Laws. Such bonds were issued in fiscal years 1996, 1997 and 1998 in initial amounts totaling \$64,900,000, with maturities ranging from 2000 through 2017. COBs have an accreting interest component payable at maturity. The annual accretion rate of each COB's maturity is a variable rate equal to the change in annual Consumer Price Index (CPI) plus 2.0%. Assuming the CPI averages 3.5% during the life of the outstanding COBs the payments due at maturities of the COBs will total \$113,900,000. In addition, COBs pay current interest in the amount of 0.5% per year of the initial amount still outstanding. These bonds are backed by the full faith and credit of the Commonwealth.

Chapter 48 of the Acts of 1997 abolished the former Middlesex County. As part of that legislation the Commonwealth assumed outstanding debt of the County. This debt of \$1,525,000 at June 30, 1998 is considered a general obligation of the Commonwealth.

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, 1998, the Commonwealth had outstanding \$606,005,000 of such special obligation bonds, secured by a pledge of 6.86 cents of the 21-cent motor fuel excise tax imposed on gasoline.

The Commonwealth also issues Federal Highway Grant Anticipation Notes (GANS) to finance current cash flow for the Central Artery/Tunnel Project in anticipation of future federal reimbursements. Section 9 through 10D of Chapter 11 of the Acts of 1997, as amended by Chapter 121 of the Acts of 1998, authorizes the Commonwealth to sell up to \$1,500,000,000 in GANS. All Federal Highway Construction reimbursements and reimbursements from the federal highway constructions trust funds are pledged to the repayment of the GANS. Up to \$900,000,000 of said notes may be paid off through

the issuance of authorized general obligation bonds of the Commonwealth in the event federal financial assistance is not available. At June 30, 1998, the Commonwealth has \$600,000,000 of GANS outstanding with maturity dates ranging from 2005 to 2015. These notes are secured by the pledge of Federal Highway Construction reimbursements without a general obligation pledge.

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 were designated as Fiscal Recovery Loan Act of 1990, and they were 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. These bonds were paid in full in December 1997.

For financial reporting purposes, long-term debt is carried at its face value, which includes discount and any issuance costs financed. The outstanding amount represents the total principal to be repaid. For capital appreciation bonds, the outstanding amount 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 long term debt authorized but unissued is measured in accordance with the statutory basis of accounting. Only the net proceeds (exclusive of discount and costs of issuance) are deducted from the total authorized by the Legislature.

Long-term debt outstanding (including discount and issuance cost) and debt authorized-unissued at June 30, 1998 are as follows (amounts in thousands):

Purpose	Outstanding Amounts	Maturities	Authorized - Unissued
GANS	\$ 600,000	2005-2015	\$ 919,443
Capital Projects:			
General.....	5,115,887	1998-2025	4,384,620
Highway.....	3,786,968	1998-2018	5,682,830
Local Aid.....	1,516,885	1998-2017	513,155
Other.....	58,863	1998-2025	816,690
	<u>10,478,603</u>		<u>11,397,295</u>
Total.....	<u>\$ 11,078,603</u>		<u>\$ 12,316,738</u>

Interest rates on the Commonwealth's debt outstanding at June 30, 1998 ranged from .01% to 14.1%.

Changes in long-term debt outstanding (including discount and issuance cost) and bonds authorized -

unissued for the year ended June 30, 1998 are as follows (amounts in thousands):

	Bonds Outstanding	Authorized - Unissued
Balance July 1, 1997.....	\$ 10,271,294	\$ 11,954,142
General and Special obligation bonds:		
Principal less discount and issuance costs	870,568	(867,013)
Discount and issuance costs.....	17,393	
County Debt:		
Principal of bonds assumed.....	1,680	
Grant Anticipation Notes		
Principal less discount and issuance costs.....	580,557	(580,557)
Discount and issuance costs.....	19,443	
General obligation refunding bonds:		
Principal of bonds issued.....	647,120	
Refunded bonds.....	(626,385)	
Special Obligation refunding bonds:		
Special Obligation principal of bonds issued.....	191,080	
Special Obligation refunded bonds	(186,880)	
Increase in bonds authorized.....		2,268,342
Contributions in lieu of bonds.....		(223,157)
Bonds retired.....	(707,267)	
Expiration of authorizations.....		(235,019)
Balance June 30, 1998.....	<u>\$ 11,078,603</u>	<u>\$ 12,316,738</u>

At June 30, 1998, 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
1999.....	\$ 658,027	\$ 534,209	\$ 1,192,236
2000.....	643,019	496,211	1,139,230
2001	686,880	462,923	1,149,803
2002	651,976	428,700	1,080,676
2003	665,566	399,458	1,065,024
2004 and thereafter.....	7,773,135	2,370,290	10,143,425
Total.....	<u>\$ 11,078,603</u>	<u>\$ 4,691,791</u>	<u>\$ 15,770,394</u>

The Commonwealth issued bonds and notes under negotiated contracts and under competitive bidding contracts during fiscal year 1998. The costs for legal counsel and underwriting fees under competitive bond sale costs were estimated at \$102,000 and \$1,314,000, respectively. Negotiated legal fees and underwriter fees

were estimated at \$501,000 and \$8,232,000 respectively. In addition, the Commonwealth paid \$70,000 for disclosure counsel services.

Advance Refunding and Defeased Bonds - As authorized by the Massachusetts General Laws, the Commonwealth advance refunded certain general obligation bonds through the issuance of \$375,840,000 of general obligation refunding bonds during fiscal year 1998 with interest rates ranging from 4.5% to 5.8%, and \$271,280,000 general obligation refunding bonds with variable interest rates. In addition, the Commonwealth issued \$294,695,000 in special obligation bonds with interest rates ranging from 3.8% to 5.5%, which included \$191,080,000 in special obligation refunding bonds and \$103,615,000 in new issue special obligation bonds. Proceeds totaling approximately \$861,793,000, 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 \$51,400,000 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 \$35,800,000. At June 30, 1998, approximately \$813,265,000 of the bonds refunded remain outstanding and are considered defeased.

As part of its refunding activity during fiscal year 1998, the Commonwealth issued \$271,280,000 of general obligation variable rate demand bonds. The variable rate for those bonds are determined weekly based on the activity of a remarketing agent, and interest is paid monthly. In connection with issuance of the variable rate demand bonds, the Commonwealth has entered into interest rate exchange ("swap") agreements with certain counterparties. These agreements require the counterparties to pay the Commonwealth an amount equal to the variable rate payable on the bonds and in return the Commonwealth pays a fixed rate. Only the net difference in interest payments is actually exchanged with the counterparty. The bond principal is not exchanged. The Commonwealth continues to pay interest to the bondholders at the variable rate provided by the bonds.

Through these agreements the Commonwealth has effectively fixed its interest payment obligations relative to the variable rate bonds at a rate equal to 4.8%, including the costs of the liquidity facility and remarketing (The debt service requirements to maturity for these bonds presented in this note are based on that fixed rate.) The Commonwealth will be exposed to a variable rate if the counterpartys to the swap default or if the swap is terminated. A termination of the swap agreement may also result in the Commonwealth's making or receiving a termination payment.

The variable rate bonds are supported by a stand-by bond purchase liquidity facility with a commercial bank, which requires that the bank purchase any bonds that are not successfully remarketed and tendered. Until and unless remarketed, the Commonwealth would be required to pay the bank interest on such bonds at a rate equal to the bank's prime interest rate. In addition, the Commonwealth would be required to repay the principal amount of any such bonds in equal quarterly installments over the remainder of the term of the stand-by bond purchase agreement. As of June 30, 1998 the stand-by bond purchase facility has not been used. The stand-by bond purchase agreement has a stated expiration date of August 11, 2004, but may be renewed or extended by mutual consent of the Commonwealth and the bank. In connection with the agreement the Commonwealth pays a fee equal to 0.10% per year of the principal amount of variable rate bonds outstanding.

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, 1998, approximately \$3,273,769,000 of bonds outstanding from advance refundings in prior fiscal years are considered defeased.

Subsequent to June 30, 1998, the Commonwealth issued \$17,683,000 in college opportunity bonds with variable interest rates and \$500,000,000 in general obligation bonds with interest rates ranging from 4.4% to 5.25%.

In addition, in September 1998, the Commonwealth issued additional variable rate refunding bonds in the amount of \$499,520,000. These bonds are structured similar to those issued in fiscal year 1998, including the use of interest rate swap agreements, obligations with respect to the bonds, and the use of a stand-by bond purchase liquidity facility with an expiration date of

September 17, 2003. Through these agreements, the Commonwealth has effectively fixed its interest payment obligations relative to the variable rate bonds at a rate equal to 4.3% including the costs of the liquidity facility and remarketing.

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 1998 was \$9,568,282,874. Outstanding debt subject to the limit at June 30, 1998 was \$9,047,467,000. 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 special obligation bonds, grant anticipation notes, refunded bonds, and certain refunding bonds and debt issued by counties.

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

	<u>Debt Outstanding</u>
Balance June 30, 1998.....	\$ 11,078,603
Less amounts excluded:	
Discount and issuance cost.....	(702,014)
Chapter 5 of the Acts of 1992 Refunding..	(144,509)
Special Obligation Principal.....	(602,531)
GANS Principal.....	(580,557)
County Debt Assumed.....	(1,525)
Outstanding Direct Debt.....	<u>\$ 9,047,467</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. Lease 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, 1998, capital lease/purchase expenditures totaled approximately \$ 60,247,000. At June 30, 1998, the Commonwealth's aggregate outstanding liability under capital leases, the present value of the net minimum lease payments, totals approximately \$156,856,000. 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 \$146,300,000.

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. Operating lease expenditures for the fiscal year ended June 30, 1998 was approximately \$108,412,000.

The following is a schedule of future minimum payments under non-cancelable leases as of June 30, 1998 (amounts in thousands):

Fiscal Year Ending June 30,	Capital Leases	Operating Leases
1999.....	\$ 50,650	\$ 82,030
2000.....	37,528	60,635
2001.....	27,509	44,478
2002.....	20,952	34,785
2003.....	15,541	18,162
2004 and thereafter.....	37,439	31,584
Total.....	189,619	271,674
Less interest.....	(32,763)	-
Present value	<u>\$ 156,856</u>	<u>\$ 271,674</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, 1998, as follows (amounts in thousands):

Budgeted Funds:	
Local Aid Fund.....	\$ 1,939,755
Mosquito and Greenhead Fly Control Fund.....	1,301
Environmental Challenge Fund.....	4,594
Toxic Use Reduction Fund.....	1,850
Environmental Permitting and Compliance Assurance Fund.....	21,700
Environmental Law Enforcement Fund.....	1,311
Public Access Fund.....	44
Marine Fisheries Fund.....	2,739
Low-Level Radioactive Waste Management Fund.....	221
Clean Air Act Compliance Fund.....	709
Second Century Fund.....	3,367
Safe Drinking Water Fund.....	13
Anti-trust Law Enforcement Fund.....	1,771
Victim and Witness Assistance Fund.....	3,894
Intercity Bus Capital Assistance Fund.....	6,388
Health Care Access Fund.....	23,105
Ponkapoag Recreational Fund.....	30
Leo J. Martin Recreation Fund.....	156
Division of Insurance Fund.....	217
Transitional Aid to Needy Families Fund.....	35
Social Services Program Fund.....	480
	<u>2,013,680</u>

Non-Budgeted Special Revenue:

Other:	
Government Land Bank Fund.....	34,496
	<u>34,496</u>

Capital Projects:

Boston Convention & Exhibition Center Fund.....	19,000
Highway Fund.....	559,787
Federal Highway Construction Fund.....	34
Community Development Action Grants Fund.....	36,820
Suffolk County Jail Facility Fund.....	18
County Correctional Facility Fund.....	78
Water Pollution Control Fund.....	651
State Recreation Areas Fund.....	17
Metropolitan Parks Fund.....	3,116
Government Land Bank Fund.....	11,800
	<u>631,321</u>

Total \$ 2,679,497

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. If these changes are adopted by the legislature, the deficiencies 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 \$631,321,000 reflects the time lag between capital expenditures and the receipt or allocation of proceeds from the sale of related bonds. Subsequent to June 30, 1998, the Commonwealth issued \$17,683,000 in college opportunity bonds and \$500,000,000 in general obligation 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, 1998, the General Fund, Local Aid Fund and Children's and Senior's Health Fund include \$3,665,839,000 in expenditures for Medicaid claims processed for payment.

The combined financial statements – statutory basis include Medicaid claims processed but unpaid at June 30, 1998, as accounts payable of approximately \$50,553,000. The Commonwealth estimates its total liability, as determined in accordance with generally accepted

accounting principles, at \$577,553,000 including the amounts reported as accounts payable at June 30, 1998. This amount includes estimates of both the cost of care provided as of June 30, 1998, for which claims have not been processed and other costs. Of this amount, \$271,700,000 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. The Commonwealth is statutorily required to have an actuarial valuation once every three years and every two years on a GAAP basis.

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 and does not issue a stand alone financial report.

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 and is not part of the reporting entity and a stand alone financial report is not available.

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, 1998 is as follows:

	<u>SERS</u>	<u>TRS</u>	<u>SBRs</u>
Retirees and beneficiaries			
currently receiving benefits.....	43,144	30,499	2,742
Terminated employees entitled to			
benefits but not yet receiving them....	2,073	1,850	96
Subtotal.....	45,217	32,349	2,838
Current employees:			
Vested.....	48,035	50,477	4,181
Non-vested.....	34,596	24,422	1,269
Subtotal.....	82,631	74,899	5,450
Total.....	127,848	107,248	8,288

During fiscal year 1998, the Commonwealth abolished Franklin and Middlesex Counties, transferring their functions, assets, debts and obligations to the Commonwealth. The SERS actuarial accrued liability includes former county employees who were transferred to the Commonwealth.

Benefit Provisions – Massachusetts General Laws established 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, 1998. The Commonwealth has revised three actuarial assumptions used in the calculation of contribution requirements and Unfunded Actuarial Liability (UAL). First, the assumed rate of return on investments of present and future assets was changed from 8.5% to 8.25% per year resulting in a \$641,000,000 increase in the UAL. Second, the use of an updated mortality table resulted in a \$1,100,000,000 increase in the UAL. Third, a change from using the market value of assets to an actuarial value of assets had the effect in this valuation of reporting assets at 97% of the market value. This third change results in a \$643,000,000 increase in UAL. Other significant assumptions used are (a) projected salary increases of 6% per year, (b) cost of living (inflation rate) increases of 3% per year on the first \$12,000 of the retirees total allowance, and (c) interest rate credited to the annuity savings fund of 5.5% per year. These calculations use a level dollar amortization method over 20 years closed period.

The following table presents the schedule of funding progress as presented in the five most recent actuarial valuations at the dates indicated (amounts in thousands):

Actuarial Valuation as of January 1,	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability (UAL)	Funded Ratio %	Annual Covered Payroll *	UAL as a % of Covered Payroll
State Employers Retirement System						
1998**	\$ 9,914,000	\$ 11,361,000	\$ 1,447,000	87 %	\$ 3,111,000	46.5 %
1996	7,366,000	9,441,000	2,075,000	78	2,989,000	69.4
1995	5,879,000	8,602,000	2,723,000	68	2,992,000	91.0
1993	5,071,000	8,738,000	3,667,000	58	2,919,000	125.6
1992	4,699,000	7,303,000	2,604,000	64	2,638,000	98.7
Teachers Retirement System						
1998**	10,170,000	13,095,000	2,925,000	78	3,175,000	92.1
1996	7,553,000	10,252,000	2,699,000	74	2,810,000	96.0
1995	6,014,000	9,712,000	3,698,000	62	2,667,000	138.7
1993	5,142,000	8,921,000	3,779,000	58	2,428,000	155.6
1992	4,784,000	8,706,000	3,922,000	55	2,032,000	193.0
State - Boston Retirement System						
1998**	699,000	1,219,000	520,000	57	285,000	182.5
1996	549,000	1,025,000	476,000	54	274,000	173.7
1995	438,000	833,000	395,000	53	232,000	170.3
1993	370,000	743,000	373,000	50	206,000	181.1
1992	342,000	759,000	417,000	45	184,000	226.6

* - The covered payroll amounts approximate the employer payroll.

** - Revised actuarial assumptions

In addition to these system liabilities, the Commonwealth had 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 actuarial liability for COLA as of January 1, 1998 was \$912,029,000.

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. Chapter 32, Section 22C of General Laws enacted in 1998 calls for the payment of normal cost plus an amortization payment of UAL such that the UAL is reduced to zero by June 30, 2018.

This legislation also directs the Secretary of 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 the pension benefits paid exceed the scheduled contribution, the Commonwealth's contribution shall equal these benefit payments through fiscal 1997. All subsequent contributions will be made in accordance with the funding schedule.

The current legislatively approved funding schedule, based on the January 1, 1996 valuation, was adopted by the Legislature as part of the fiscal year 1998 budget process. Under the current schedule the amortization payments are designed to eliminate the unfunded liability by fiscal year 2017. It required contributions by the Commonwealth of \$1,045,570,000 during the fiscal year ended June 30, 1998. Of this amount \$127,155,000 was payments for COLA granted to participants in 104 retirement systems of cities, towns and counties.

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								
1998	\$ 261,255	\$ (83,446)	\$ 77,180	\$ 254,989	\$ 494,289	\$ 1,250,766	189 %	194 %
1997	246,037	(65,478)	41,889	222,448	463,590	1,011,466	188	208
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								
1998	315,474	(59,126)	54,686	311,034	446,619	852,267	142	144
1997	245,426	(44,832)	28,681	229,275	418,519	716,682	171	183
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								
1998	48,795	(2,114)	1,995	48,636	35,000	11,983	72	72
1997	34,621	(2,082)	1,332	33,871	35,000	25,619	101	103
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, 1998, the Commonwealth's pension expenditure included payments totaling \$19,310,000 to current retirees employed prior to the establishment of the current plans and the 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 \$173,047,000 for the fiscal year ended June 30, 1998. There are approximately 44,600 participants eligible to receive benefits at June 30, 1998.

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 1998, net expenditures were \$491,133,000 and \$38,877,000, respectively. For fiscal year 1999, the Commonwealth has appropriated \$509,602,000 and \$39,212,000 to the MBTA and regional transit authorities, respectively. These appropriations cover net costs of service for the calendar year ended December 31, 1997.

The Commonwealth is also statutorily obligated to provide contract assistance for debt service obligations to the Massachusetts Convention Center Authority, the Government Land Bank and the Water Pollution Abatement Trust. Such assistance totaled \$55,382,000 in fiscal year 1998. For fiscal year 1999, appropriations for this purpose totaled \$69,779,000.

At June 30, 1998, the aggregate outstanding debt for which the Commonwealth is obligated to provide contract assistance support totaled approximately \$3,485,749,000 long-term and \$401,730,000 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, 1998 was approximately \$234,069,000.

At June 30, 1998, the Commonwealth had commitments of approximately \$3,215,615,000 for various construction projects. The majority relate to construction funding for a major infrastructure project known as the Central Artery/Tunnel Project. The Central Artery/Tunnel Project continues to anticipate federal participation and payments from the Massachusetts Turnpike Authority and the Massachusetts Port Authority.

During fiscal year 1998, the Commonwealth received payments from the Massachusetts Turnpike Authority (MTA) and the Massachusetts Port Authority (MassPort) pursuant to two separate memoranda of understandings dated September 12, 1997 and August 13, 1998 respectively. The MTA and MassPort made payments to the Commonwealth to finance portion of the Central Artery/Tunnel Project Artery Tunnel Project in the amount of \$100,000,000 and \$12,115,000 respectively.

The remaining future payments are as follows:
(Amounts in thousands)

Fiscal Year	MTA	MassPort
1999	\$600,000	\$30,700
2000	-	52,200
2001	-	-
2002	-	-
2003	400,000 *	105,000
2004	-	50,000
2005	-	50,000
Total	<u>\$1,000,000</u>	<u>\$287,900</u>

* Represents contingent amount subject to the certain conditions

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 \$59,200,000 which is expected to be paid in fiscal year 1999. 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, 1998, is estimated to be \$278,200,000, of which approximately \$35,500,000 is expected to be paid during fiscal year 1999. 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, 1998, 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 \$4,430,000, which is expected to be reclaimed and paid in fiscal year 1999, are to be remitted to the General Fund each June 30, where it is included as miscellaneous revenue. Amounts remitted during fiscal year 1998 totaled approximately \$75,837,000. Since inception, approximately \$756,893,000 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 1998 were:

Department Collectors	Collections	Fees
Allen Daniel Associates.....	\$ 134,969	\$ 25,443
Collection Company of America.....	486,843	104,229
Gragil Associates.....	241,105	48,206
Payco.....	46,745	9,610
Walker Associates.....	1,984,160	260,767
Windham Professionals.....	320,165	86,424
Total.....	<u>\$ 3,213,987</u>	<u>\$ 534,679</u>

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

Department Collectors	Collections	Fees
Allen Daniel Associates.....	\$ 788,093	\$ 134,716
Associated Credit Services.....	7,289	1,145
Collection Company of America.....	1,436,424	433,594
Financial Collection Agency.....	44,696	5,622
Glenn Associates.....	413,822	85,253
Gragil Associates.....	17,658	4,468
Payco.....	647,733	156,428
Walker Associates.....	4,726	1,021
Windham Professionals.....	644,782	127,379
Total.....	<u>\$4,005,223</u>	<u>\$ 949,626</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 1998, approximately \$73,724,000 was collected through such efforts. After contractor fees of \$7,787,000 were paid on a contingent basis, the Commonwealth received approximately \$65,937,000.

Pursuant to Section 181 of Chapter 43 of the Acts of 1997 (the FY98 budget), the Comptroller's Office is authorized to engage vendors for the purpose of identification and pursuit of cost savings/avoidance opportunities. For fiscal year 1998 there was one department engaged in a Section 181 procurement/project. In fiscal year 1998, estimated total cost avoidance based on actuarial calculations was approximately \$65,257,000 and fees paid to the Public Consulting Group were \$1,786,000.

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 1998, \$296,000 was recouped and \$148,000 was paid or payable to the Utility Management Group, resulting in a net benefit to the Commonwealth of \$148,000. As of June 30, 1998, reviews were in process for 12 municipalities who have taken advantage of the master service agreement negotiated by Procurement and General Services.

14. YEAR 2000

The “year 2000 problem” is the result of shortcomings in many electronic data processing systems and other equipment that make operations beyond the year 1999 troublesome. For many years, computer programmers eliminated the first two digits from a year when writing programs. Accordingly, many programs, if not corrected, will not be able to distinguish between the year 2000 and the year 1900. These problems have the potential for causing a disruption of governmental services.

In June 1997, the Executive Office for Administration and Finance established a Year 2000 Program Management Office within its Information Technology Division. The purpose of this office is to ensure accurate monitoring of the Commonwealth’s progress in achieving “year 2000 compliance.” The program office has asked agencies to identify “mission critical” and “essential” systems. Mission critical systems are those which directly affect the health, safety or livelihood of citizens, which directly affect state revenues or whose loss would severely jeopardize agency delivery of services. Essential systems’ loss would cause disruption of some agency services but would not prevent the agency from delivering primary services.

Legislation approved by the Acting Governor on August 10, 1998 appropriates \$20,400,000 million for expenditure by the Information Technology Division to achieve year 2000 compliance for six Executive Offices and other departments, which report directly to the Governor, of this amount approximately \$4,100,000 million is committed for contracts. This amount, together with previously appropriated amounts and expenditures at the departmental level from existing funds, is anticipated by management to be sufficient to meet most of the remediation efforts for such Executive Offices and departments. The Secretary of Administration and Finance is to report quarterly to the Legislature on the

progress being made to address the year 2000 compliance efforts, and to assess the sufficiency of funding levels.

The failure of certain entities beyond the control of the Commonwealth, such as the United States government, suppliers, utility providers and financial services providers, to address Year 2000 compliance could have a material adverse impact on the operations or finances of the Commonwealth.

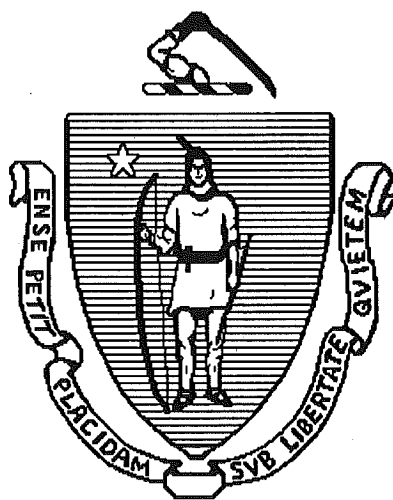
15. SUBSEQUENT EVENTS

Subsequent to year-end, two counties were abolished and transferred to the Commonwealth and legislation was enacted which abolishes three additional counties in the future.

Section 11 of Chapter 300 of the Acts of 1998 amended Section 1 of Chapter 48 of the Acts of 1997 relative to the abolition of certain counties. The act calls for the transfer of all functions, assets, debts and obligations of the county to the Commonwealth on the transfer date. The counties of Worcester and Hampden have been transferred as of July 1, 1998 (FY99), the county of Hampshire will be transferred on January 1, 1999, (FY99); the county of Essex will be transferred July 1, 1999, (FY00); and the county of Berkshire will be transferred on July 1, 2000 (FY01).

The transfer date can be earlier if a county has failed to make a required payment on an outstanding bond or note.

The Commonwealth will include in its audited financial statements the financial activity of an abolished county in the fiscal year the actual transfers occur.



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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.

Tax Exemption Escrow Trust Fund Accounts for a reserve to partly fund the permanent personal income tax cuts enacted by Chapter 175 of the Acts of 1998.

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 expenditures 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 waterways.

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

Marine Fisheries Fund accounts 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.

Safe Drinking Water Fund accounts for drinking water assessments to end suppliers engaged in the distribution of water and used for the administration of monitoring federal safe drinking water act.

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.

Brownfields Revitalization Fund accounts for transfers from General Fund and related interest or investment earnings; amount appropriated for financial assistance to project sites located within Federal Empowerment Zones or Enterprise communities.

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 Building Management Fund accounts for revenue rentals and commissions, such as parking fees and expenditures for the maintenance and operation of the Massachusetts Information Technology Center, 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.

Child Care Fund accounts for monies transferred from Transitional Aid to Needy Families Fund; used for the administration of child care programs under the Office of Child Care Services.

Transitional Aid to Needy Families Fund accounts for all federal revenues and reimbursements received by the Commonwealth pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, effectively ending Aid to Families with Dependent Children (AFDC) and replacing it with Transitional Aid to Needy Families (TANF) block grants.

Social Services Program Fund accounts for monies transferred from Transitional Aid to Needy Families Fund, used for the operation of the Department of Social Services.

Local Consumer Inspection Fund accounts for all amounts generated from item pricing fines,

appropriated to provide financial assistance to eligible local or regional agencies.

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 .

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.

Boston Convention and Exhibition Center Fund accounts for surcharges imposed on tourist tickets, such as cruise and for any land-based sightseeing located in the Commonwealth to finance the construction of new Boston Convention Center.

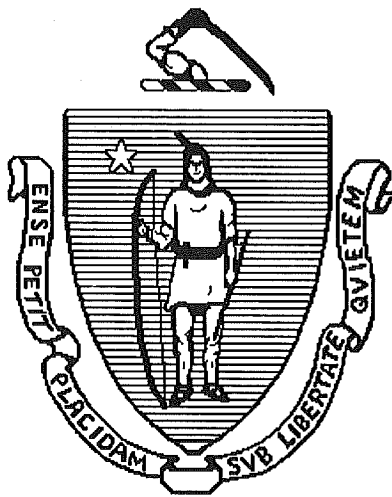
Voting Equipment Loan Fund accounts for transfers from General Fund; loans to municipalities to replace punch card voting systems which shall be repaid to the Commonwealth no later than ten years after such loan is made.

The following funds have been enacted in legislation but are inactive for fiscal 1998:

Rate Payer Parity Trust Fund accounts for all personal and corporate tax revenues attributable to the sale of assets relative to electric companies and penalties and fees collected for the purpose of providing extraordinary assistance in achieving the required electricity rate reduction.

Child Support Penalty Fee Fund accounts for penalties, fees or interest assessed by IV-D agency to establish the enforcement of child supports authorized under Title IV of the Social Security Act.

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.



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Budgeted Funds
Combining Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	General	Highway	Local Aid
ASSETS			
Cash and short-term investments.....	\$ 1,765,009	\$ 255,399	\$ -
Cash with fiscal agent.....	-	26,059	-
Advances to related entity.....	232,762	-	-
Receivables, net of allowance for uncollectibles:			
Taxes.....	5,108	-	-
Due from federal government.....	133,883	-	-
Other receivables.....	8,454	56	-
Due from cities and towns.....	149,621	-	407
Due from other funds.....	5,792	338	-
Total assets.....	<u>\$ 2,300,629</u>	<u>\$ 281,852</u>	<u>\$ 407</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Deficiency in cash and short-term investments.....	\$ -	\$ -	\$ 1,770,509
Accounts payable.....	345,736	19,483	169,549
Accrued payroll.....	22,326	1,612	104
Due to other funds.....	-	-	-
Total liabilities.....	<u>368,062</u>	<u>21,095</u>	<u>1,940,162</u>
Fund balances (deficits):			
Reserved for:			
Continuing appropriations.....	89,922	27,285	40,114
Commonwealth stabilization.....	-	-	-
Tax reduction.....	-	-	-
Debt service.....	-	26,059	-
Unreserved:			
Undesignated.....	1,842,645	207,413	(1,979,869)
Total fund balances (deficits).....	<u>1,932,567</u>	<u>260,757</u>	<u>(1,939,755)</u>
Total liabilities and fund balances.....	<u>\$ 2,300,629</u>	<u>\$ 281,852</u>	<u>\$ 407</u>

Commonwealth Stabilization	Administrative Control	Environmental	Other	Totals	
				1998	1997
\$ 1,159,588	\$ 488,455	\$ -	\$ 335,090	\$ 4,003,541	\$ 2,371,364
-	-	-	-	26,059	24,823
-	-	-	-	232,762	229,063
-	-	-	-	5,108	6,486
-	-	-	38,060	171,943	371,546
-	-	10,551	-	19,061	52,776
-	-	-	-	150,028	141,580
-	-	-	-	6,130	3,657
<u>\$ 1,159,588</u>	<u>\$ 488,455</u>	<u>\$ 10,551</u>	<u>\$ 373,150</u>	<u>\$ 4,614,632</u>	<u>\$ 3,201,295</u>
\$ -	\$ -	\$ 10,945	\$ -	\$ 1,781,454	\$ 1,206,082
-	9,273	14,996	53,279	612,316	585,985
-	25	449	100	24,616	15,182
-	-	4,120	-	4,120	-
-	9,298	30,510	53,379	2,422,506	1,807,249
-	45,427	8,533	49,008	260,289	180,260
1,159,588	-	-	-	1,159,588	799,300
-	367,663	-	-	367,663	91,764
-	-	-	-	26,059	44,891
-	66,067	(28,492)	270,763	378,527	277,831
<u>1,159,588</u>	<u>479,157</u>	<u>(19,959)</u>	<u>319,771</u>	<u>2,192,126</u>	<u>1,394,046</u>
<u>\$ 1,159,588</u>	<u>\$ 488,455</u>	<u>\$ 10,551</u>	<u>\$ 373,150</u>	<u>\$ 4,614,632</u>	<u>\$ 3,201,295</u>

Budgeted Funds

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	General	Highway	Local Aid	Commonwealth Stabilization
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 8,312,968	\$ 531,143	\$ 4,760,501	\$ -
Assessments.....	226,737	11,121	-	-
Federal grants and reimbursements.....	2,671,658	2,950	-	-
Departmental.....	593,226	317,513	759	-
Miscellaneous.....	111,695	2,145	302	42,931
Total revenues.....	11,916,284	864,872	4,761,562	42,931
Other financing sources:				
Fringe benefit cost recovery.....	224,761	-	-	-
Lottery reimbursements.....	71,990	-	-	-
Lottery distributions.....	1,000	-	787,802	-
Transfer for MBTA contract assistance.....	129,176	-	-	-
Caseload mitigation.....	-	-	-	-
Operating transfers in.....	197,036	338	-	-
Collective bargaining reserve.....	-	-	-	-
Stabilization transfer.....	-	-	-	317,357
Transfer for tax reduction.....	55,058	-	36,706	-
Total other financing sources.....	679,021	338	824,508	317,357
Total revenues and other financing sources.....	12,595,305	865,210	5,586,070	360,288
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Legislature.....	51,045	-	-	-
Judiciary.....	47,139	-	418,694	-
Inspector General.....	1,858	-	-	-
Governor and Lieutenant Governor.....	5,080	-	-	-
Secretary of the Commonwealth.....	16,513	-	4,948	-
Treasurer and Receiver-General.....	91,788	600	2,783	-
Auditor of the Commonwealth.....	12,246	-	707	-
Attorney General.....	23,574	8	723	-
Ethics Commission.....	638	-	641	-
District Attorney.....	247	-	58,496	-
Office of Campaign & Political Finance.....	381	-	383	-
Sheriff's Departments.....	40,307	54	33	-
Disabled Persons Protection Commission.....	1,516	-	-	-
Board of Library Commissioners.....	3,815	-	2,426	-
Comptroller.....	6,701	-	-	-
Administration and finance.....	801,647	6,605	121,372	-
Environmental affairs.....	58,463	25,566	28,757	-
Communities and development.....	100,642	-	30,927	-
Health and human services.....	3,010,817	-	1,421	-
Transportation and construction.....	496,854	171,036	126,471	-
Education.....	12,998	-	200,247	-
Higher education.....	856,624	-	5	-
Public safety.....	393,800	183,466	217,824	-
Economic development.....	10,556	-	-	-
Elder affairs.....	142,853	-	9,335	-
Consumer affairs.....	31,717	2,009	-	-
Labor.....	45,711	2	242	-
Direct local aid.....	689	43,472	3,904,821	-
Medicaid.....	3,470,215	-	32,000	-
Pension.....	375,212	76,627	616,886	-
Debt service:				
Principal retirement.....	372,233	149,338	54,989	-
Interest and fiscal charges.....	253,536	179,732	71,237	-
Total expenditures.....	10,737,415	838,515	5,906,368	-
Other financing uses:				
Fringe benefit cost assessment.....	-	-	65,434	-
Transfer for MBTA contract assistance.....	-	43,059	86,117	-
Operating transfers out.....	210,889	3,766	924	-
Sewer rate relief.....	-	-	44,210	-
Collective bargaining reserve.....	75,068	-	-	-
Caseload mitigation.....	5	-	-	-
Transfer for capital projects funds.....	96,235	93,000	-	-
Surplus transfer for capital projects.....	111,571	-	-	-
Stabilization transfer.....	250,414	-	66,943	-
Transfer for tax reduction.....	362,500	-	-	-
Total other financing uses.....	1,106,682	139,825	263,628	-
Total expenditures and other financing uses.....	11,844,097	978,340	6,169,996	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	751,208	(113,130)	(583,926)	360,288
Fund balances (deficit) at beginning of year.....	1,181,359	373,887	(1,355,829)	799,300
Fund balances (deficit) at end of year.....	\$ 1,932,567	\$ 260,757	\$ (1,939,755)	\$ 1,159,588

Administrative Control	Environmental	Other	Totals	
			1998	1997
\$ 160,072	\$ 7,659	\$ 253,913	\$ 14,026,256	\$ 12,864,501
-	17,276	-	255,134	226,070
37,386	3,231	645,956	3,361,181	3,019,692
81,858	56,601	32,634	1,082,591	1,107,736
6,341	25,470	411	189,295	169,223
285,657	110,237	932,914	18,914,457	17,387,222
-	-	-	224,761	197,667
-	-	-	71,990	76,486
-	-	-	788,802	685,137
-	-	-	129,176	137,869
-	-	10	10	128,000
8,637	605	222,123	428,739	176,732
75,068	-	-	75,068	50,000
-	-	-	317,357	234,253
362,500	-	-	454,264	150,000
446,205	605	222,133	2,490,167	1,836,144
731,862	110,842	1,155,047	21,404,624	19,223,366
-	-	-	51,045	48,968
-	-	-	465,833	426,054
-	-	-	1,858	1,602
-	-	-	5,080	5,263
124	-	748	22,333	16,358
1,569	-	1,033	97,773	96,590
-	-	-	12,953	12,766
-	89	989	25,383	23,531
-	-	-	1,279	1,193
-	-	7,396	66,139	60,335
-	-	-	764	670
-	-	11	40,405	-
-	-	-	1,516	1,429
-	-	-	6,241	3,862
428	-	-	7,129	6,730
75,555	28,746	38,812	1,072,737	992,637
5,607	78,469	1,102	197,964	178,577
14	-	4,053	135,636	132,432
24,486	-	644,294	3,681,018	3,577,268
1,161	-	3	795,525	794,087
135	-	23,804	237,184	179,540
2,467	1,811	933	861,840	806,470
8,500	127	5,588	809,305	827,995
11	-	18,233	28,800	31,458
5	-	1,686	153,879	140,834
1	-	3,187	36,914	35,367
71	-	1,951	47,977	38,213
-	-	-	3,948,982	3,558,139
-	-	163,624	3,665,839	3,455,531
-	1,046	-	1,069,771	1,069,184
129,900	-	29	706,489	750,459
2,364	-	5	506,874	525,080
252,398	110,288	917,481	18,762,465	17,798,622
935	12,919	13,794	93,082	63,017
-	-	-	129,176	137,869
63,362	6,839	137,836	423,616	66,866
-	-	6,490	50,700	54,398
-	-	-	75,068	50,000
-	-	5	10	128,000
-	-	-	189,235	229,800
-	-	-	111,571	89,503
-	-	-	317,357	234,253
91,764	-	-	454,264	150,000
156,061	19,758	158,125	1,844,079	1,203,706
408,459	130,046	1,075,606	20,606,544	19,002,328
323,403	(19,204)	79,441	798,080	221,038
155,754	(755)	240,330	1,394,046	1,173,008
\$ 479,157	\$ (19,959)	\$ 319,771	\$ 2,192,126	\$ 1,394,046

Budgeted Funds

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	General			Highway		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ 7,596,600	\$ 8,312,968	\$ 716,368	\$ 507,600	\$ 531,143	\$ 23,543
Assessments.....	-	226,737	226,737	-	11,121	11,121
Federal grants and reimbursements.....	2,616,300	2,671,658	55,358	3,400	2,950	(450)
Departmental.....	780,800	593,226	(187,574)	309,100	317,513	8,413
Miscellaneous.....	-	111,695	111,695	-	2,145	2,145
Total revenues.....	10,993,700	11,916,284	922,584	820,100	864,872	44,772
Other financing sources:						
Fringe benefit cost recovery.....	-	224,761	224,761	-	-	-
Lottery reimbursements.....	80,735	71,990	(8,745)	-	-	-
Lottery distributions.....	1,000	1,000	-	-	-	-
Transfer for MBTA contract assistance.....	-	129,176	129,176	-	-	-
Caseload mitigation.....	-	-	-	-	-	-
Operating transfers in.....	268,065	197,036	(71,029)	-	338	338
Collective bargaining reserve.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	55,058	55,058	-	-	-
Total other financing sources.....	349,800	679,021	329,221	-	338	338
Total revenues and other financing sources.....	11,343,500	12,595,305	1,251,805	820,100	865,210	45,110
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature.....	72,647	51,045	21,602	-	-	-
Judiciary.....	50,339	47,139	3,200	-	-	-
Inspector General.....	1,871	1,858	13	-	-	-
Governor and Lieutenant Governor.....	6,295	5,080	1,215	-	-	-
Secretary of the Commonwealth.....	16,811	16,513	298	-	-	-
Treasurer and Receiver-General.....	102,005	91,788	10,217	675	600	75
Auditor of the Commonwealth.....	12,250	12,246	4	-	-	-
Attorney General.....	23,694	23,574	120	8	8	-
Ethics Commission.....	638	638	-	-	-	-
District Attorney.....	274	247	27	-	-	-
Office of Campaign & Political Finance.....	383	381	2	-	-	-
Sheriff's Departments.....	45,103	40,307	4,796	58	54	4
Disabled Persons Protection Commission.....	1,528	1,516	12	-	-	-
Board of Library Commissioners.....	3,815	3,815	-	-	-	-
Comptroller.....	6,708	6,701	7	-	-	-
Administration and finance.....	846,610	801,647	44,963	32,278	6,605	25,673
Environmental affairs.....	71,894	58,463	13,431	27,326	25,566	1,760
Communities and development.....	104,543	100,642	3,901	-	-	-
Health and human services.....	3,101,943	3,010,817	91,126	-	-	-
Transportation and construction.....	503,240	496,854	6,386	173,796	171,036	2,760
Education.....	13,458	12,998	460	-	-	-
Higher education.....	862,434	856,624	5,810	-	-	-
Public safety.....	399,269	393,800	5,469	185,854	183,466	2,388
Economic development.....	11,299	10,556	743	-	-	-
Elder affairs.....	143,849	142,853	996	-	-	-
Consumer affairs.....	32,670	31,717	953	2,020	2,009	11
Labor.....	50,194	45,711	4,483	2	2	-
Direct local aid.....	2,909	689	2,220	43,472	43,472	-
Medicaid.....	3,472,784	3,470,215	2,569	-	-	-
Pension.....	375,304	375,212	92	76,647	76,627	20
Debt service:						
Principal retirement.....	381,053	372,233	8,820	152,877	149,338	3,539
Interest and fiscal charges.....	259,775	253,536	6,239	183,991	179,732	4,259
Total expenditures.....	10,977,589	10,737,415	240,174	879,004	838,515	40,489
Other financing uses:						
Fringe benefit cost assessment.....	-	-	-	-	-	-
Transfer for MBTA contract assistance.....	-	-	-	43,817	43,059	758
Operating transfers out.....	210,889	210,889	-	3,766	3,766	-
Sewer rate relief.....	-	-	-	-	-	-
Collective bargaining reserve.....	75,068	75,068	-	-	-	-
Caseload mitigation.....	5	5	-	-	-	-
Transfer for capital projects funds.....	96,235	96,235	-	93,000	93,000	-
Surplus transfer for capital projects.....	-	111,571	(111,571)	-	-	-
Stabilization transfer.....	150,000	250,414	(100,414)	-	-	-
Transfer for tax reduction.....	362,500	362,500	-	-	-	-
Total other financing uses.....	894,697	1,106,682	(211,985)	140,583	139,825	758
Total expenditures and other financing uses.....	11,872,286	11,844,097	28,189	1,019,587	978,340	41,247
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(528,786)	751,208	1,279,994	(199,487)	(113,130)	86,357
Fund balances (deficit) at beginning of year.....	1,181,359	1,181,359	-	373,887	373,887	-
Fund balances (deficit) at end of year.....	\$ 652,573	\$ 1,932,567	\$ 1,279,994	\$ 174,400	\$ 260,757	\$ 86,357

Local Aid			Commonwealth Stabilization			Administrative Control		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 4,353,500	\$ 4,760,501	\$ 407,001	\$ -	\$ -	\$ -	\$ 106,900	\$ 160,072	\$ 53,172
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	37,386	37,386
1,900	759	(1,141)	22,500	-	(22,500)	10,594	81,858	71,264
-	302	302	-	42,931	42,931	-	6,341	6,341
4,355,400	4,761,562	406,162	22,500	42,931	20,431	117,494	285,657	168,163
-	-	-	-	-	-	-	-	-
639,800	787,802	148,002	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	8,637	8,637
-	-	-	-	-	-	-	75,068	75,068
-	-	-	-	317,357	317,357	-	-	-
-	36,706	36,706	-	-	-	-	362,500	362,500
639,800	824,508	184,708	-	317,357	317,357	-	446,205	446,205
4,995,200	5,586,070	590,870	22,500	360,288	337,788	117,494	731,862	614,368
-	-	-	-	-	-	-	-	-
447,571	418,694	28,877	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5,581	4,948	633	-	-	-	125	124	1
3,292	2,783	509	-	-	-	1,569	1,569	-
707	707	-	-	-	-	-	-	-
724	723	1	-	-	-	-	-	-
641	641	-	-	-	-	-	-	-
58,880	58,496	384	-	-	-	-	-	-
385	383	2	-	-	-	-	-	-
35	33	2	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,462	2,426	36	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
151,044	121,372	29,672	-	-	-	428	428	-
30,036	28,757	1,279	-	-	-	122,838	75,555	47,283
31,001	30,927	74	-	-	-	5,644	5,607	37
11,661	1,421	10,240	-	-	-	14	14	-
129,067	126,471	2,596	-	-	-	28,847	24,486	4,361
203,168	200,247	2,921	-	-	-	1,191	1,161	30
5	5	-	-	-	-	135	135	-
224,602	217,824	6,778	-	-	-	2,553	2,467	86
250	-	250	-	-	-	8,525	8,500	25
9,439	9,335	104	-	-	-	11	11	-
-	-	-	-	-	-	5	5	-
242	242	-	-	-	-	1	1	-
3,906,670	3,904,821	1,849	-	-	-	71	71	-
32,000	32,000	-	-	-	-	-	-	-
616,886	616,886	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
56,292	54,989	1,303	-	-	-	129,900	129,900	-
72,925	71,237	1,688	-	-	-	2,364	2,364	-
5,995,566	5,906,368	89,198	-	-	-	304,221	252,398	51,823
-	65,434	(65,434)	-	-	-	-	935	(935)
87,633	86,117	1,516	-	-	-	-	-	-
924	924	-	-	-	-	63,362	63,362	-
44,210	44,210	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	66,943	(66,943)	-	-	-	-	-	-
-	-	-	-	-	-	91,764	91,764	-
132,767	263,628	(130,861)	-	-	-	155,126	156,061	(935)
6,128,333	6,169,996	(41,663)	-	-	-	459,347	408,459	50,888
(1,133,133)	(583,926)	549,207	22,500	360,288	337,788	(341,853)	323,403	665,256
(1,355,829)	(1,355,829)	-	799,300	799,300	-	155,754	155,754	-
\$ (2,488,962)	\$ (1,939,755)	\$ 549,207	\$ 821,800	\$ 1,159,588	\$ 337,788	\$ (186,099)	\$ 479,157	\$ 665,256

continued

Budgeted Funds

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	Environmental			Other		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ 8,400	\$ 7,659	\$ (741)	\$ 242,300	\$ 253,913	\$ 11,613
Assessments.....	-	17,276	17,276	-	-	-
Federal grants and reimbursements.....	4,351	3,231	(1,120)	663,149	645,956	(17,193)
Departmental.....	85,383	56,601	(28,782)	33,323	32,634	(689)
Miscellaneous.....	-	25,470	25,470	-	411	411
Total revenues.....	98,134	110,237	12,103	938,772	932,914	(5,858)
Other financing sources:						
Fringe benefit cost recovery.....	-	-	-	-	-	-
Lottery reimbursements.....	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-
Transfer for MBTA contract assistance.....	-	-	-	-	-	-
Caseload mitigation.....	-	-	-	-	10	10
Operating transfers in.....	100	605	505	36,952	222,123	185,171
Collective bargaining reserve.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing sources.....	100	605	505	36,952	222,133	185,181
Total revenues and other financing sources.....	98,234	110,842	12,608	975,724	1,155,047	179,323
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature.....	-	-	-	-	-	-
Judiciary.....	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	2,145	748	1,397
Treasurer and Receiver-General.....	-	-	-	1,033	1,033	-
Auditor of the Commonwealth.....	-	-	-	-	-	-
Attorney General.....	98	89	9	992	989	3
Ethics Commission.....	-	-	-	-	-	-
District Attorney.....	-	-	-	7,508	7,396	112
Office of Campaign & Political Finance.....	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	22	11	11
Disabled Persons Protection Commission.....	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-
Administration and finance.....	30,732	28,746	1,986	44,219	38,812	5,407
Environmental affairs.....	88,494	78,469	10,025	1,164	1,102	62
Communities and development.....	-	-	-	4,141	4,053	88
Health and human services.....	-	-	-	657,746	644,294	13,452
Transportation and construction.....	-	-	-	3	3	-
Education.....	-	-	-	24,151	23,804	347
Higher education.....	1,886	1,811	75	1,076	933	143
Public safety.....	132	127	5	5,695	5,588	107
Economic development.....	-	-	-	65,928	18,233	47,695
Elder affairs.....	-	-	-	1,876	1,686	190
Consumer affairs.....	-	-	-	3,607	3,187	420
Labor.....	-	-	-	2,045	1,951	94
Direct local aid.....	-	-	-	-	-	-
Medicaid.....	-	-	-	201,724	163,624	38,100
Pension.....	1,046	1,046	-	-	-	-
Debt service:						
Principal retirement.....	-	-	-	30	29	1
Interest and fiscal charges.....	-	-	-	5	5	-
Total expenditures.....	122,388	110,288	12,100	1,025,110	917,481	107,629
Other financing uses:						
Fringe benefit cost assessment.....	-	12,919	(12,919)	-	13,794	(13,794)
Transfer for MBTA contract assistance.....	-	-	-	-	-	-
Operating transfers out.....	6,839	6,839	-	137,836	137,836	-
Sewer rate relief.....	-	-	-	6,490	6,490	-
Collective bargaining reserve.....	-	-	-	-	-	-
Caseload mitigation.....	-	-	-	5	5	-
Capital investment trust fund.....	-	-	-	-	-	-
Surplus transfer for capital projects.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing uses.....	6,839	19,758	(12,919)	144,331	158,125	(13,794)
Total expenditures and other financing uses.....	129,227	130,046	(819)	1,169,441	1,075,606	93,835
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(30,993)	(19,204)	11,789	(193,717)	79,441	273,158
Fund balances (deficit) at beginning of year.....	(755)	(755)	-	240,330	240,330	-
Fund balances (deficit) at end of year.....	\$ (31,748)	\$ (19,959)	\$ 11,789	\$ 46,613	\$ 319,771	\$ 273,158

Totals		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 12,815,300	\$ 14,026,256	\$ 1,210,956
-	255,134	255,134
3,287,200	3,361,181	73,981
1,243,600	1,082,591	(161,009)
-	189,295	189,295
17,346,100	18,914,457	1,568,357
-	224,761	224,761
80,735	71,990	(8,745)
640,800	788,802	148,002
-	129,176	129,176
-	10	10
305,117	428,739	123,622
-	75,068	75,068
-	317,357	317,357
-	454,264	454,264
1,026,652	2,490,167	1,463,515
18,372,752	21,404,624	3,031,872
72,647	51,045	21,602
497,910	465,833	32,077
1,871	1,858	13
6,295	5,080	1,215
24,662	22,333	2,329
108,574	97,773	10,801
12,957	12,953	4
25,516	25,383	133
1,279	1,279	-
66,662	66,139	523
768	764	4
45,218	40,405	4,813
1,528	1,516	12
6,277	6,241	36
7,136	7,129	7
1,227,721	1,072,737	154,984
224,558	197,964	26,594
139,699	135,636	4,063
3,800,197	3,681,018	119,179
807,297	795,525	11,772
240,912	237,184	3,728
867,954	861,840	6,114
824,077	809,305	14,772
77,488	28,800	48,688
155,169	153,879	1,290
38,298	36,914	1,384
52,554	47,977	4,577
3,953,051	3,948,982	4,069
3,706,508	3,665,839	40,669
1,069,883	1,069,771	112
720,152	706,489	13,663
519,060	506,874	12,186
19,303,878	18,762,465	541,413
-	93,082	(93,082)
131,450	129,176	2,274
423,616	423,616	-
50,700	50,700	-
75,068	75,068	-
10	10	-
189,235	189,235	-
-	111,571	(111,571)
150,000	317,357	(167,357)
454,264	454,264	-
1,474,343	1,844,079	(369,736)
20,778,221	20,606,544	171,677
(2,405,469)	798,080	3,203,549
1,394,046	1,394,046	-
\$ (1,011,423)	\$ 2,192,126	\$ 3,203,549

General Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 1,765,009	\$ 758,779
Advances to related entity.....	232,762	229,063
Receivables, net of allowance for uncollectibles:		
Taxes.....	5,108	6,486
Due from federal government.....	133,883	371,503
Other receivables.....	8,454	43,129
Due from cities and towns.....	149,621	140,912
Due from other funds.....	5,792	3,657
Total assets.....	<u>\$ 2,300,629</u>	<u>\$ 1,553,529</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 345,736	\$ 358,120
Accrued payroll.....	22,326	14,050
Total liabilities.....	<u>368,062</u>	<u>372,170</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	89,922	80,459
Unreserved fund balance:		
Undesignated.....	1,842,645	1,100,900
Total fund balance.....	<u>1,932,567</u>	<u>1,181,359</u>
Total liabilities and fund balance.....	<u>\$ 2,300,629</u>	<u>\$ 1,553,529</u>

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

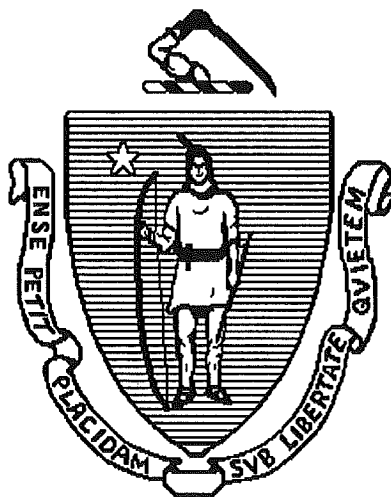
Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 7,596,600	\$ 8,312,968	\$ 716,368	\$ 7,546,903
Assessments.....	-	226,737	226,737	199,666
Federal grants and reimbursements.....	2,616,300	2,671,658	55,358	2,971,955
Departmental.....	780,800	593,226	(187,574)	636,124
Miscellaneous.....	-	111,695	111,695	105,803
Total revenues.....	10,993,700	11,916,284	922,584	11,460,451
Other financing sources:				
Fringe benefit cost recovery.....	-	224,761	224,761	196,996
Lottery reimbursements.....	80,735	71,990	(8,745)	76,486
Lottery distributions.....	1,000	1,000	-	343
Transfer for MBTA contract assistance.....	-	129,176	129,176	137,869
Transfers for tax reduction.....	-	55,058	55,058	90,000
Operating transfers in.....	268,065	197,036	(71,029)	164,303
Total other financing sources.....	349,800	679,021	329,221	665,997
Total revenues and other sources.....	11,343,500	12,595,305	1,251,805	12,126,448
EXPENDITURES AND OTHER USES				
Expenditures:				
Legislature.....	72,647	51,045	21,602	48,968
Judiciary.....	50,339	47,139	3,200	40,863
Inspector General.....	1,871	1,858	13	1,602
Governor and Lieutenant Governor.....	6,295	5,080	1,215	5,263
Secretary of the Commonwealth.....	16,811	16,513	298	10,127
Treasurer and Receiver-General.....	102,005	91,788	10,217	92,466
Auditor of the Commonwealth.....	12,250	12,246	4	12,071
Attorney General.....	23,694	23,574	120	21,891
Ethics Commission.....	638	638	-	581
District Attorney.....	274	247	27	378
Office of Campaign and Political Finance.....	383	381	2	334
Sheriff's Departments.....	45,103	40,307	4,796	-
Disabled Persons Protection Commission.....	1,528	1,516	12	1,397
Board of library commissioners.....	3,815	3,815	-	1,837
Comptroller.....	6,708	6,701	7	6,104

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
Expenditures (continued):				
Administration and finance.....	846,610	801,647	44,963	749,390
Environmental affairs.....	71,894	58,463	13,431	51,293
Communities and development.....	104,543	100,642	3,901	102,443
Health and human services.....	3,101,943	3,010,817	91,126	3,467,775
Transportation and construction.....	503,240	496,854	6,386	498,916
Education.....	13,458	12,998	460	12,215
Higher education.....	862,434	856,624	5,810	795,406
Public safety.....	399,269	393,800	5,469	364,913
Economic development.....	11,299	10,556	743	6,484
Elder affairs.....	143,849	142,853	996	130,491
Consumer affairs.....	32,670	31,717	953	30,199
Labor.....	50,194	45,711	4,483	30,238
Direct local aid.....	2,909	689	2,220	839
Medicaid.....	3,472,784	3,470,215	2,569	3,383,531
Pension.....	375,304	375,212	92	358,508
Debt service:				
Principal retirement.....	381,053	372,233	8,820	330,495
Interest and fiscal charges.....	259,775	253,536	6,239	265,639
Total expenditures.....	10,977,589	10,737,415	240,174	10,822,657
Other financing uses:				
Collective bargaining reserve.....	75,068	75,068	-	50,000
Caseload mitigation.....	5	5	-	128,000
Transfer for capital projects funds.....	96,235	96,235	-	229,800
Surplus transfer for capital projects.....	-	111,571	(111,571)	89,503
Operating transfers out.....	210,889	210,889	-	10,066
Stabilization transfer.....	150,000	250,414	(100,414)	180,552
Transfer for tax reduction.....	362,500	362,500	-	-
Total other financing uses.....	894,697	1,106,682	(211,985)	687,921
Total expenditures and other uses.....	11,872,286	11,844,097	28,189	11,510,578
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(528,786)	751,208	1,279,994	615,870
Fund balance at beginning of year.....	1,181,359	1,181,359	-	565,489
Fund balance at end of year.....	\$ 652,573	\$ 1,932,567	\$ 1,279,994	\$ 1,181,359



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Highway Fund

Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 255,399	\$ 377,291
Cash with fiscal agent.....	26,059	24,077
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	-	43
Other receivables.....	56	-
Due from other funds.....	<u>338</u>	<u>-</u>
Total assets.....	<u>\$ 281,852</u>	<u>\$ 401,411</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 19,483	\$ 26,727
Accrued payroll.....	<u>1,612</u>	<u>797</u>
Total liabilities.....	<u>21,095</u>	<u>27,524</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	27,285	145
Reserved for debt service.....	26,059	24,077
Unreserved fund balance:		
Undesignated.....	<u>207,413</u>	<u>349,665</u>
Total fund balance.....	<u>260,757</u>	<u>373,887</u>
Total liabilities and fund balance.....	<u>\$ 281,852</u>	<u>\$ 401,411</u>

Highway Fund

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 507,600	\$ 531,143	\$ 23,543	\$ 514,560
Assessments.....	-	11,121	11,121	10,250
Federal grants and reimbursements.....	3,400	2,950	(450)	2,675
Departmental.....	309,100	317,513	8,413	317,357
Miscellaneous.....	-	2,145	2,145	1,836
Total revenues.....	820,100	864,872	44,772	846,678
Other financing sources:				
Operating transfers in.....	-	338	338	-
Total other financing sources.....	-	338	338	-
Total revenues and other sources.....	820,100	865,210	45,110	846,678
EXPENDITURES AND OTHER USES				
Expenditures:				
Treasurer and Receiver-General.....	675	600	75	636
Attorney General.....	8	8	-	8
Sheriff's departments.....	58	54	4	-
Administration and finance.....	32,278	6,605	25,673	5,428
Environmental affairs.....	27,326	25,566	1,760	27,158
Transportation and construction.....	173,796	171,036	2,760	177,115
Public safety.....	185,854	183,466	2,388	186,212
Labor.....	2	2	-	2
Consumer affairs.....	2,020	2,009	11	2,032
Direct local aid.....	43,472	43,472	-	43,472
Pension.....	76,647	76,627	20	74,185
Debt service:				
Principal retirement.....	152,877	149,338	3,539	126,022
Interest and fiscal charges.....	183,991	179,732	4,259	170,933
Total expenditures.....	879,004	838,515	40,489	813,203
Other financing uses:				
Transfer for MBTA contract assistance.....	43,817	43,059	758	45,956
Transfer for capital projects funds.....	93,000	93,000	-	-
Operating transfers out.....	3,766	3,766	-	2,981
Total other financing uses.....	140,583	139,825	758	48,937
Total expenditures and other uses.....	1,019,587	978,340	41,247	862,140
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(199,487)	(113,130)	86,357	(15,462)
Fund balance at beginning of year.....	373,887	373,887	-	389,349
Fund balance at end of year.....	\$ 174,400	\$ 260,757	\$ 86,357	\$ 373,887

Infrastructure Fund (Subfund Of Highway Fund)

Balance Sheet - Statutory Basis

June 30, 1998

(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 584,818	\$ 458,108
Cash with fiscal agent.....	26,059	24,076
Total assets.....	<u>\$ 610,877</u>	<u>\$ 482,184</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	26,059	24,076
Unreserved fund balance:		
Undesignated.....	584,818	458,108
Total fund balance.....	<u>610,877</u>	<u>482,184</u>
Total liabilities and fund balance.....	<u>\$ 610,877</u>	<u>\$ 482,184</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, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 178,700	\$ 178,700	\$ -	\$ 175,044
Miscellaneous.....	-	1,635	1,635	1,450
Total revenues.....	178,700	180,335	1,635	176,494
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	178,700	180,335	1,635	176,494
EXPENDITURES AND OTHER USES				
Expenditures:				
Debt service:				
Principal retirement.....	22,570	22,570	-	14,500
Interest and fiscal charges.....	29,072	29,072	-	29,383
Total expenditures.....	51,642	51,642	-	43,883
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	51,642	51,642	-	43,883
Excess of revenues and other sources over expenditures and other uses.....	127,058	128,693	1,635	132,611
Fund balance at beginning of year.....	482,184	482,184	-	349,573
Fund balance at end of year.....	\$ 609,242	\$ 610,877	\$ 1,635	\$ 482,184

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, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Due from cities and towns.....	\$ 407	\$ 668
Total assets.....	<u>\$ 407</u>	<u>\$ 668</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 1,770,509	\$ 1,206,082
Accounts payable.....	169,549	150,364
Accrued payroll.....	104	51
Total liabilities.....	<u>1,940,162</u>	<u>1,356,497</u>
Fund balance (deficits):		
Reserved fund balance:		
Reserved for continuing appropriations.....	40,114	36,755
Unreserved fund:		
Undesignated.....	(1,979,869)	(1,392,584)
Total fund deficits.....	<u>(1,939,755)</u>	<u>(1,355,829)</u>
Total liabilities and fund balance.....	<u>\$ 407</u>	<u>\$ 668</u>

Local Aid Fund

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

Fiscal Year Ended June 30, 1998

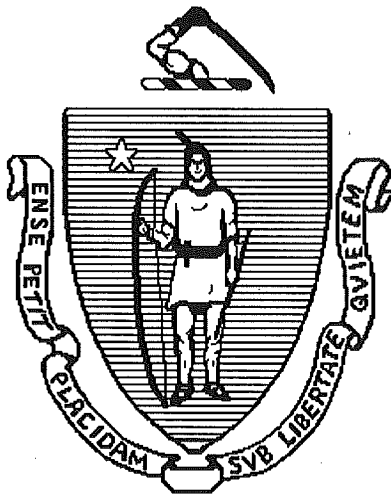
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 4,353,500	\$ 4,760,501	\$ 407,001	\$ 4,297,166
Departmental.....	1,900	759	(1,141)	1,761
Miscellaneous.....	-	302	302	282
Total revenues.....	4,355,400	4,761,562	406,162	4,299,209
Other financing sources:				
Lottery distributions.....	639,800	787,802	148,002	684,794
Transfers for tax reduction.....	-	36,706	36,706	60,000
Total other financing sources.....	639,800	824,508	184,708	744,794
Total revenues and other sources.....	4,995,200	5,586,070	590,870	5,044,003
EXPENDITURES AND OTHER USES				
Expenditures:				
Judiciary.....	447,571	418,694	28,877	381,713
Secretary of the Commonwealth	5,581	4,948	633	6,106
Treasurer and Receiver-General.....	3,292	2,783	509	2,916
Auditor of the Commonwealth.....	707	707	-	695
Attorney General.....	724	723	1	682
Ethics Commission.....	641	641	-	584
District Attorney.....	58,880	58,496	384	53,517
Office of Campaign and Political Finance.....	385	383	2	336
Sheriff's Departments.....	35	33	2	-
Board of Library Commissioners.....	2,462	2,426	36	2,025
Administration and finance.....	151,044	121,372	29,672	120,055
Environmental affairs.....	30,036	28,757	1,279	26,647
Communities and development.....	31,001	30,927	74	29,872
Health and human services.....	11,661	1,421	10,240	1,009
Transportation and construction.....	129,067	126,471	2,596	117,000
Education.....	203,168	200,247	2,921	138,476
Higher education.....	5	5	-	263

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
Expenditures (continued):				
Public safety.....	224,602	217,824	6,778	232,826
Economic development.....	250	-	250	-
Elder affairs.....	9,439	9,335	104	9,192
Labor.....	242	242	-	113
Direct local aid.....	3,906,670	3,904,821	1,849	3,513,828
Medicaid.....	32,000	32,000	-	72,000
Pension.....	616,886	616,886	-	635,480
Debt service:				
Principal retirement.....	56,292	54,989	1,303	40,877
Interest and fiscal charges.....	72,925	71,237	1,688	68,003
Total expenditures.....	5,995,566	5,906,368	89,198	5,454,215
Other financing uses:				
Fringe benefit cost assessment.....	-	65,434	(65,434)	46,014
Transfer for MBTA contract assistance.....	87,633	86,117	1,516	91,913
Sewer rate relief.....	44,210	44,210	-	44,107
Operating transfers out.....	924	924	-	1,004
Stabilization transfer.....	-	66,943	(66,943)	53,701
Total other financing uses.....	132,767	263,628	(130,861)	236,739
Total expenditure and other uses.....	6,128,333	6,169,996	(41,663)	5,690,954
Deficiency of revenues and other sources over expenditures and other uses.....	(1,133,133)	(583,926)	549,207	(646,951)
Fund deficit at beginning of year.....	(1,355,829)	(1,355,829)	-	(708,878)
Fund deficit at end of year.....	\$ (2,488,962)	\$ (1,939,755)	\$ 549,207	\$ (1,355,829)



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Commonwealth Stabilization Fund
Balance Sheet- Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 1,159,588	\$ 799,300
Total assets.....	<u>\$ 1,159,588</u>	<u>\$ 799,300</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund equity:		
Reserved fund balance:		
Reserved for stabilization.....	1,159,588	799,300
Total fund balance.....	<u>1,159,588</u>	<u>799,300</u>
Total liabilities and fund balance.....	<u>\$ 1,159,588</u>	<u>\$ 799,300</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 22,500	\$ -	\$ (22,500)	\$ -
Miscellaneous.....	-	42,931	42,931	21,744
Total revenues.....	22,500	42,931	20,431	21,744
Other financing sources:				
Stabilization transfer.....	-	317,357	317,357	234,253
Total other financing sources.....	-	317,357	317,357	234,253
Total revenues and other sources.....	22,500	360,288	337,788	255,997
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Transfers for tax reduction.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	-	-	-	-
Excess of revenues and other sources over expenditures and other uses.....	22,500	360,288	337,788	255,997
Fund balance at beginning of year.....	799,300	799,300	-	543,303
Fund balance at end of year.....	\$ 821,800	\$ 1,159,588	\$ 337,788	\$ 799,300

Tax Reduction Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	<u>\$ 205,163</u>	<u>\$ 91,764</u>
Total assets.....	<u><u>\$ 205,163</u></u>	<u><u>\$ 91,764</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	<u>\$ -</u>	<u>\$ -</u>
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved for:		
Tax reduction.....	<u>205,163</u>	<u>91,764</u>
Total fund balance.....	<u>205,163</u>	<u>91,764</u>
Total liabilities and fund balance.....	<u><u>\$ 205,163</u></u>	<u><u>\$ 91,764</u></u>

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

Fiscal Year Ended June 30, 1998

(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental	\$ 3,500	\$ -	\$ (3,500)	\$ -
Miscellaneous.....	-	5,163	5,163	10,042
Total revenues.....	3,500	5,163	1,663	10,042
Other financing sources:				
Transfers for tax reduction.....	-	200,000	200,000	-
Total other financing sources.....	-	200,000	200,000	-
Total revenues and other sources.....	3,500	205,163	201,663	10,042
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Transfers for tax reduction.....	91,764	91,764	-	150,000
Total other financing uses.....	91,764	91,764	-	150,000
Total expenditures and other uses.....	91,764	91,764	-	150,000
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(88,264)	113,399	201,663	(139,958)
Fund balance at beginning of year.....	91,764	91,764	-	231,722
Fund balance at end of year.....	\$ 3,500	\$ 205,163	\$ 201,663	\$ 91,764

Intragovernmental Service Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 7,975	\$ 10,203
Total assets.....	<u>\$ 7,975</u>	<u>\$ 10,203</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 7,951	\$ 10,021
Accrued payroll.....	<u>24</u>	<u>5</u>
Total liabilities.....	<u>7,975</u>	<u>10,026</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	<u>-</u>	<u>177</u>
Total fund balance.....	<u>-</u>	<u>177</u>
Total liabilities and fund balance.....	<u>\$ 7,975</u>	<u>\$ 10,203</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 81,828	\$ 81,828	\$ 79,505
Total revenues.....	-	81,828	81,828	79,505
Other financing sources:				
Fringe benefit cost recovery.....	-	-	-	671
Operating transfers in.....	-	8,637	8,637	9,651
Total other financing sources.....	-	8,637	8,637	10,322
Total revenues and other sources.....	-	90,465	90,465	89,827
EXPENDITURES AND OTHER USES				
Expenditures:				
Secretary of the Commonwealth.....	125	124	1	125
Administration and finance.....	75,081	72,846	2,235	74,206
Environmental affairs.....	470	433	37	571
Health and human services.....	6,509	6,464	45	4,629
Transportation and construction.....	171	141	30	278
Public safety.....	6,954	6,929	25	7,104
Total expenditures.....	89,310	86,937	2,373	86,913
Other financing uses:				
Fringe benefit cost assessment.....	-	841	(841)	482
Operating transfers out.....	2,864	2,864	-	2,405
Total other financing uses.....	2,864	3,705	(841)	2,887
Total expenditures and other uses.....	92,174	90,642	1,532	89,800
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(92,174)	(177)	91,997	27
Fund balance at beginning of year.....	177	177	-	150
Fund balance (deficit) at end of year.....	\$ (91,997)	\$ -	\$ 91,997	\$ 177

Revenue Maximization Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 5,835	\$ 3,964
Total assets.....	<u>\$ 5,835</u>	<u>\$ 3,964</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,035	\$ 1,595
Total liabilities.....	<u>1,035</u>	<u>1,595</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	4,800	2,369
Total fund balance.....	<u>4,800</u>	<u>2,369</u>
Total liabilities and fund balance.....	<u>\$ 5,835</u>	<u>\$ 3,964</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ -	\$ 29,732	\$ 29,732	\$11,686
Federal grants and reimbursements.....	-	37,386	37,386	41,256
Departmental.....	5,294	30	(5,264)	18
Total revenues.....	5,294	67,148	61,854	52,960
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	5,294	67,148	61,854	52,960
EXPENDITURES AND OTHER USES				
Expenditures:				
Comptroller.....	428	428	-	404
Administration and finance.....	2,231	1,747	484	2,245
Health and human services.....	6,260	1,944	4,316	2,607
Elder affairs.....	5	5	-	-
Consumer affairs.....	1	1	-	-
Total expenditures.....	8,925	4,125	4,800	5,256
Other financing uses:				
Fringe benefit cost assessment.....	-	94	(94)	90
Operating transfers out.....	60,498	60,498	-	50,245
Total other financing uses.....	60,498	60,592	(94)	50,335
Total expenditures and other uses.....	69,423	64,717	4,706	55,591
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(64,129)	2,431	66,560	(2,631)
Fund balance at beginning of year.....	2,369	2,369	-	5,000
Fund balance (deficit) at end of year.....	\$(61,760)	\$ 4,800	\$ 66,560	\$ 2,369

Tax Exemption Escrow Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 162,500	\$ -
Total assets.....	<u>\$ 162,500</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved for:		
Tax reduction.....	162,500	-
Total fund balance.....	<u>162,500</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 162,500</u>	<u>\$ -</u>

Tax Exemption Escrow Trust Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1998

(Amounts in thousands)

	1998 <u>Budget</u>	1998 <u>Actual</u>	Variance Favorable (Unfavorable)	1997 <u>Actual</u>
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Transfers for tax reduction.....	-	162,500	162,500	-
Total other financing sources.....	-	162,500	162,500	-
Total revenues and other sources.....	-	162,500	162,500	-
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.....	-	162,500	162,500	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance at end of year.....	\$ -	\$ 162,500	\$ 162,500	\$ -

Collective Bargaining Reserve Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 106,982	\$ 61,091
Total assets.....	<u>\$ 106,982</u>	<u>\$ 61,091</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 287	\$ 391
Accrued payroll.....	1	2
Total liabilities.....	<u>288</u>	<u>393</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	40,627	34,183
Unreserved fund balance:		
Undesignated.....	66,067	26,515
Total fund balance.....	<u>106,694</u>	<u>60,698</u>
Total liabilities and fund balance.....	<u>\$ 106,982</u>	<u>\$ 61,091</u>

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

Fiscal Year Ended June 30, 1998

(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Collective bargaining reserve.....	-	75,068	75,068	50,000
Total other financing sources.....	-	75,068	75,068	50,000
Total revenues and other sources.....	-	75,068	75,068	50,000
EXPENDITURES AND OTHER USES				
Expenditures:				
Judiciary.....	-	-	-	3,478
Treasurer and Receiver - General.....	1,569	1,569	-	38
Ethics Commission.....	-	-	-	28
Disabled Persons Protection Commission.....	-	-	-	32
Comptroller.....	-	-	-	222
Administration and finance.....	45,526	962	44,564	5,937
Environmental affairs.....	5,174	5,174	-	584
Communities and development.....	14	14	-	117
Health and human services.....	16,078	16,078	-	5,963
Transportation & Construction.....	1,020	1,020	-	778
Education.....	135	135	-	131
Higher education.....	2,553	2,467	86	8,702
Public safety.....	1,571	1,571	-	16,145
Economic development.....	11	11	-	15
Elder affairs.....	-	-	-	20
Consumer affairs.....	-	-	-	314
Labor.....	71	71	-	32
Total expenditures.....	73,722	29,072	44,650	42,536
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	73,722	29,072	44,650	42,536
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(73,722)	45,996	119,718	7,464
Fund balance at beginning of year.....	60,698	60,698	-	53,234
Fund balance (deficit) at end of year.....	\$ (13,024)	\$ 106,694	\$ 119,718	\$ 60,698

Commonwealth Fiscal Recovery Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash with fiscal agent.....	\$ -	\$ 746
Total assets.....	<u>\$ -</u>	<u>\$ 746</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
Unreserved fund balance:		
Undesignated.....	<u>-</u>	<u>(20,068)</u>
Total fund balance.....	<u>-</u>	<u>746</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 746</u>

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

Fiscal Year Ended June 30, 1998

(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 106,900	\$130,340	\$ 23,440	\$ 267,289
Departmental.....	1,800	-	(1,800)	-
Miscellaneous.....	-	1,178	1,178	6,365
Total revenues.....	<u>108,700</u>	<u>131,518</u>	<u>22,818</u>	<u>273,654</u>
Other financing sources:				
Proceeds of refunding bonds.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>108,700</u>	<u>131,518</u>	<u>22,818</u>	<u>273,654</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Debt service:				
Principal retirement.....	129,900	129,900	-	253,065
Interest and fiscal charges.....	2,364	2,364	-	20,500
Total expenditures.....	<u>132,264</u>	<u>132,264</u>	<u>-</u>	<u>273,565</u>
Other financing uses:				
Payments to refunded bond escrow agents.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	<u>132,264</u>	<u>132,264</u>	<u>-</u>	<u>273,565</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(23,564)	(746)	22,818	89
Fund balance at beginning of year.....	746	746	-	657
Fund balance (deficit) at end of year.....	<u>\$ (22,818)</u>	<u>\$ -</u>	<u>\$ 22,818</u>	<u>\$ 746</u>

Natural Heritage And Endangered Species Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1996</u>
ASSETS		
Cash and short-term investments.....	\$ 91	\$ 87
Total assets.....	<u>\$ 91</u>	<u>\$ 87</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	91	87
Total fund balance.....	91	87
Total liabilities and fund balance.....	<u>\$ 91</u>	<u>\$ 87</u>

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

Fiscal Year Ended June 30, 1998

(Amounts in thousands)

	1998 <u>Budget</u>	1998 <u>Actual</u>	Variance Favorable (Unfavorable)	1997 <u>Actual</u>
REVENUES AND OTHER SOURCES				
Revenues:				
Federal grants and reimbursements.....	\$ -	\$ 47	\$ 47	\$ 80
Departmental.....	338	5	(333)	13
Miscellaneous.....	-	197	197	197
Total revenues.....	<u>338</u>	<u>249</u>	<u>(89)</u>	<u>290</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>338</u>	<u>249</u>	<u>(89)</u>	<u>290</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	208	204	4	198
Total expenditures.....	<u>208</u>	<u>204</u>	<u>4</u>	<u>198</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	41	(41)	39
Total other financing uses.....	-	41	(41)	39
Total expenditures and other uses.....	<u>208</u>	<u>245</u>	<u>(37)</u>	<u>237</u>
Excess of revenues and other sources over expenditures and other uses.....	130	4	(126)	53
Fund balance at beginning of year.....	87	87	-	34
Fund balance at end of year.....	<u>\$ 217</u>	<u>\$ 91</u>	<u>\$ (126)</u>	<u>\$ 87</u>

Mosquito And Greenhead Fly Control Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 1,182	\$ 638
Accounts payable.....	101	94
Accrued payroll.....	18	10
Total liabilities.....	<u>1,301</u>	<u>742</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	163	50
Unreserved fund balance (deficit):		
Undesignated.....	(1,464)	(792)
Total fund balance (deficit).....	<u>(1,301)</u>	<u>(742)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998

(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Assessments.....	\$ -	\$ 4,276	\$ 4,276	\$ 3,970
Departmental.....	4,748	-	(4,748)	-
Miscellaneous.....	-	435	435	427
Total revenues.....	<u>4,748</u>	<u>4,711</u>	<u>(37)</u>	<u>4,397</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>4,748</u>	<u>4,711</u>	<u>(37)</u>	<u>4,397</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	4,757	4,541	216	4,425
Total expenditures.....	<u>4,757</u>	<u>4,541</u>	<u>216</u>	<u>4,425</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	723	(723)	734
Operating transfers out.....	6	6	-	8
Total other financing uses.....	<u>6</u>	<u>729</u>	<u>(723)</u>	<u>742</u>
Total expenditures and other uses.....	<u>4,763</u>	<u>5,270</u>	<u>(507)</u>	<u>5,167</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(15)	(559)	(544)	(770)
Fund balance (deficit) at beginning of year.....	(742)	(742)	-	28
Fund balance (deficit) at end of year.....	<u>\$ (757)</u>	<u>\$ (1,301)</u>	<u>\$ (544)</u>	<u>\$ (742)</u>

Inland Fisheries And Game Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 2,845	\$ 1,398
Total assets.....	<u>\$ 2,845</u>	<u>\$ 1,398</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 513	\$ 566
Accrued payroll.....	42	19
Total liabilities.....	<u>555</u>	<u>585</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	2,290	813
Total fund balance.....	2,290	813
Total liabilities and fund balance.....	<u>\$ 2,845</u>	<u>\$ 1,398</u>

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

Fiscal Year Ended June 30, 1998

(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 900	\$ 821	\$ (79)	\$ 804
Federal grants and reimbursements.....	2,845	2,911	66	2,727
Departmental.....	7,034	7,592	558	7,391
Miscellaneous.....	-	233	233	293
Total revenues.....	<u>10,779</u>	<u>11,557</u>	<u>778</u>	<u>11,215</u>
Other financing sources:				
Operating transfers in.....	100	104	4	107
Total other financing sources.....	<u>100</u>	<u>104</u>	<u>4</u>	<u>107</u>
Total revenues and other sources.....	<u>10,879</u>	<u>11,661</u>	<u>782</u>	<u>11,322</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Attorney General.....	15	6	9	-
Environmental affairs.....	9,132	8,745	387	9,995
Pension.....	1,046	1,046	-	1,011
Total expenditures.....	<u>10,193</u>	<u>9,797</u>	<u>396</u>	<u>11,006</u>
Other financing uses				
Fringe benefit cost assessment.....	-	374	(374)	619
Operating transfers out.....	13	13	-	15
Total other financing uses.....	<u>13</u>	<u>387</u>	<u>(374)</u>	<u>634</u>
Total expenditures and other uses.....	<u>10,206</u>	<u>10,184</u>	<u>22</u>	<u>11,640</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	673	1,477	804	(318)
Fund balance at beginning of year.....	813	813	-	1,131
Fund balance at end of year.....	<u>\$ 1,486</u>	<u>\$ 2,290</u>	<u>\$ 804</u>	<u>\$ 813</u>

Environmental Challenge Fund

Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 4,574	\$ 2,398
Accounts payable.....	18	58
Accrued payroll.....	2	1
Total liabilities.....	<u>4,594</u>	<u>2,457</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(4,594)</u>	<u>(2,457)</u>
Total fund balance (deficit).....	<u>(4,594)</u>	<u>(2,457)</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, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 6,790	\$ 4,845	\$ (1,945)	\$ 4,373
Total revenues.....	6,790	4,845	(1,945)	4,373
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	6,790	4,845	(1,945)	4,373
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	5,727	5,645	82	5,483
Total expenditures.....	5,727	5,645	82	5,483
Other financing uses:				
Fringe benefit cost assessment.....	-	1,337	(1,337)	1,251
Total other financing uses.....	-	1,337	(1,337)	1,251
Total expenditures and other uses.....	5,727	6,982	(1,255)	6,734
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	1,063	(2,137)	(3,200)	(2,361)
Fund balance (deficit) at beginning of year.....	(2,457)	(2,457)	-	(96)
Fund balance (deficit) at end of year.....	<u>\$ (1,394)</u>	<u>\$ (4,594)</u>	<u>\$ (3,200)</u>	<u>\$ (2,457)</u>

Toxics Use Reduction Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 1,260	\$ 1,385
Accounts payable.....	551	398
Accrued payroll.....	39	\$ 24
Total liabilities.....	<u>1,850</u>	<u>1,807</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(1,850)	(1,807)
Total fund balance (deficit).....	<u>(1,850)</u>	<u>(1,807)</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, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 4,791	\$ 5,308	\$ 517	\$ 4,342
Total revenues.....	4,791	5,308	517	4,342
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	4,791	5,308	517	4,342
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	2,854	2,740	114	2,709
Higher education.....	1,886	1,811	75	1,827
Total expenditures.....	4,740	4,551	189	4,536
Other financing uses:				
Fringe benefit cost assessment.....	-	792	(792)	758
Operating transfers out.....	8	8	-	9
Total other financing uses.....	8	800	(792)	767
Total expenditures and other uses.....	4,748	5,351	(603)	5,303
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	43	(43)	(86)	(961)
Fund balance (deficit) at beginning of year.....	(1,807)	(1,807)	-	(846)
Fund balance (deficit) at end of year.....	<u>\$ (1,764)</u>	<u>\$ (1,850)</u>	<u>\$ (86)</u>	<u>\$ (1,807)</u>

Clean Environment Fund
Balance Sheet - Statutory Basis

June 30, 1998

(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 6,310	\$ 5,217
Total assets.....	<u>\$ 6,310</u>	<u>\$ 5,217</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,599	\$ 1,434
Accrued payroll.....	101	45
Total liabilities.....	<u>1,700</u>	<u>1,479</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	130	328
Unreserved fund balance:		
Undesignated.....	4,480	3,410
Total fund balance.....	<u>4,610</u>	<u>3,738</u>
Total liabilities and fund balance.....	<u>\$ 6,310</u>	<u>\$ 5,217</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 17,363	\$ -	\$ (17,363)	\$ -
Miscellaneous.....	-	19,818	19,818	17,213
Total revenues.....	<u>17,363</u>	<u>19,818</u>	<u>2,455</u>	<u>17,213</u>
Other financing sources:				
Other sources.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>17,363</u>	<u>19,818</u>	<u>2,455</u>	<u>17,213</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	157	173	(16)	131
Environmental affairs.....	16,911	16,413	498	13,689
Total expenditures.....	<u>17,068</u>	<u>16,586</u>	<u>482</u>	<u>13,820</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	2,327	(2,327)	2,409
Operating transfers out.....	33	33	-	37
Total other financing uses.....	<u>33</u>	<u>2,360</u>	<u>(2,327)</u>	<u>2,446</u>
Total expenditures and other uses.....	<u>17,101</u>	<u>18,946</u>	<u>(1,845)</u>	<u>16,266</u>
Excess of revenues and other sources over expenditures and other uses.....	262	872	610	947
Fund balance at beginning of year.....	3,738	3,738	-	2,791
Fund balance at end of year.....	<u>\$ 4,000</u>	<u>\$ 4,610</u>	<u>\$ 610</u>	<u>\$ 3,738</u>

Environmental Permitting And Compliance Assurance Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 21,691	\$ 17,312
Accounts payable.....	9	11
Accrued payroll.....	-	3
Total liabilities.....	<u>21,700</u>	<u>17,326</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(21,700)</u>	<u>(17,326)</u>
Total fund balance (deficit).....	<u>(21,700)</u>	<u>(17,326)</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, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Assessments.....	\$ -	\$ -	\$ -	\$ 2,265
Departmental.....	8,355	6,025	(2,330)	5,432
Miscellaneous.....	-	266	266	194
Total revenues.....	8,355	6,291	(2,064)	7,891
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	8,355	6,291	(2,064)	7,891
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	8,711	8,674	37	9,284
Total expenditures.....	8,711	8,674	37	9,284
Other financing uses:				
Fringe benefit cost assessment.....	-	1,991	(1,991)	2,127
Operating transfers out.....	-	-	-	3
Total other financing uses.....	-	1,991	(1,991)	2,130
Total expenditures and other uses.....	8,711	10,665	(1,954)	11,414
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(356)	(4,374)	(4,018)	(3,523)
Fund balance (deficit) at beginning of year.....	(17,326)	(17,326)	-	(13,803)
Fund balance (deficit) at end of year.....	\$ (17,682)	\$ (21,700)	\$ (4,018)	\$ (17,326)

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

June 30, 1998

(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 17,041	\$ 19,064
Total assets.....	<u>\$ 17,041</u>	<u>\$ 19,064</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 8,565	\$ 6,544
Accrued payroll.....	4	3
Total liabilities.....	<u>8,569</u>	<u>6,547</u>
Fund equity:		
Unreserved fund balance:		
Undesignated.....	8,472	12,517
Total fund balance.....	<u>8,472</u>	<u>12,517</u>
Total liabilities and fund balance.....	<u>\$ 17,041</u>	<u>\$ 19,064</u>

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

Fiscal Year Ended June 30, 1998

(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 16,437	\$ 16,890	\$ 453	\$ 16,951
Miscellaneous.....	-	2,480	2,480	2,269
Total revenues.....	16,437	19,370	2,933	19,220
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	16,437	19,370	2,933	19,220
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	23,112	22,317	795	-
Environmental affairs.....	642	636	6	617
Public safety.....	132	127	5	15,157
Total expenditures.....	23,886	23,080	806	15,774
Other financing uses:				
Fringe benefit cost assessment.....	-	333	(333)	343
Operating transfers out.....	2	2	-	2
Total other financing uses.....	2	335	(333)	345
Total expenditures and other uses.....	23,888	23,415	473	16,119
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(7,451)	(4,045)	3,406	3,101
Fund balance at beginning of year.....	12,517	12,517	-	9,416
Fund balance at end of year.....	\$ 5,066	\$ 8,472	\$ 3,406	\$ 12,517

Environmental Law Enforcement Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency cash and short-term investments.....	\$ 983	\$ 430
Accounts payable.....	273	440
Accrued payroll.....	55	26
Total liabilities.....	<u>1,311</u>	<u>896</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(1,311)	(896)
Total fund balance (deficit)	<u>(1,311)</u>	<u>(896)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 1,800	\$ 1,641	\$ (159)	\$ 1,608
Departmental.....	3,473	3,389	(84)	2,920
Total revenues.....	5,273	5,030	(243)	4,528
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	5,273	5,030	(243)	4,528
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	4,589	4,499	90	4,360
Total expenditures.....	4,589	4,499	90	4,360
Other financing uses:				
Fringe benefit cost assessment.....	-	929	(929)	908
Operating transfers out.....	17	17	-	20
Total other financing uses.....	17	946	(929)	928
Total expenditures and other uses.....	4,606	5,445	(839)	5,288
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	667	(415)	(1,082)	(760)
Fund balance (deficit) at beginning of year.....	(896)	(896)	-	(136)
Fund balance (deficit) at end of year.....	\$ (229)	\$ (1,311)	\$ (1,082)	\$ (896)

Public Access Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 10	\$ 727
Total assets.....	<u>\$ 10</u>	<u>\$ 727</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 51	\$ 124
Accrued payroll.....	<u>3</u>	<u>2</u>
Total liabilities.....	<u>54</u>	<u>126</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	50	260
Unreserved fund balance (deficit):		
Undesignated.....	<u>(94)</u>	<u>341</u>
Total fund balance (deficit).....	<u>(44)</u>	<u>601</u>
Total liabilities and fund balance.....	<u>\$ 10</u>	<u>\$ 727</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 900	\$ 821	\$ (79)	\$ 804
Federal grants and reimbursements.....	236	-	(236)	241
Departmental.....	-	1	1	1
Total revenues.....	<u>1,136</u>	<u>822</u>	<u>(314)</u>	<u>1,046</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>1,136</u>	<u>822</u>	<u>(314)</u>	<u>1,046</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	1,385	1,318	67	1,006
Total expenditures.....	<u>1,385</u>	<u>1,318</u>	<u>67</u>	<u>1,006</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	148	(148)	130
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	149	(148)	131
Total expenditures and other uses.....	<u>1,386</u>	<u>1,467</u>	<u>(81)</u>	<u>1,137</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(250)	(645)	(395)	(91)
Fund balance at beginning of year.....	601	601	-	692
Fund balance (deficit) at end of year.....	<u>\$ 351</u>	<u>\$ (44)</u>	<u>\$ (395)</u>	<u>\$ 601</u>

Harbors And Inland Waters Maintenance Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 1,504	\$ 2,083
Total assets.....	<u>\$ 1,504</u>	<u>\$ 2,083</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,229	\$ 468
Accrued payroll.....	<u>5</u>	<u>2</u>
Total liabilities.....	<u>1,234</u>	<u>470</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	6,923	7,971
Unreserved fund balance (deficit):		
Undesignated.....	<u>(6,653)</u>	<u>(6,358)</u>
Total fund balance	<u>270</u>	<u>1,613</u>
Total liabilities and fund balance.....	<u>\$ 1,504</u>	<u>\$ 2,083</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 3,000	\$ 2,735	\$ (265)	\$ 2,679
Miscellaneous.....	-	23	23	23
Total revenues.....	<u>3,000</u>	<u>2,758</u>	<u>(242)</u>	<u>2,702</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>3,000</u>	<u>2,758</u>	<u>(242)</u>	<u>2,702</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	10,842	3,920	6,922	711
Total expenditures.....	<u>10,842</u>	<u>3,920</u>	<u>6,922</u>	<u>711</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	179	(179)	183
Operating transfers out.....	2	2	-	2
Total other financing uses.....	<u>2</u>	<u>181</u>	<u>(179)</u>	<u>185</u>
Total expenditures and other uses.....	<u>10,844</u>	<u>4,101</u>	<u>6,743</u>	<u>896</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(7,844)	(1,343)	6,501	1,806
Fund balance (deficit) at beginning of year.....	1,613	1,613	-	(193)
Fund balance (deficit) at end of year.....	<u>\$ (6,231)</u>	<u>\$ 270</u>	<u>\$ 6,501</u>	<u>\$ 1,613</u>

Marine Fisheries Fund
Balance Sheet- Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 2,198	\$ 1,292
Accounts payable.....	515	198
Accrued payroll.....	26	13
Total liabilities.....	<u>2,739</u>	<u>1,503</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	60	100
Unreserved fund balance (deficit):		
Undesignated.....	<u>(2,799)</u>	<u>(1,603)</u>
Total fund balance (deficit).....	<u>(2,739)</u>	<u>(1,503)</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, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 1,800	\$ 1,641	\$ (159)	\$ 1,607
Federal grants and reimbursements.....	1,270	273	(997)	758
Departmental.....	2,035	2,542	507	2,012
Miscellaneous.....	-	4	4	2
Total revenues.....	<u>5,105</u>	<u>4,460</u>	<u>(645)</u>	<u>4,379</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>5,105</u>	<u>4,460</u>	<u>(645)</u>	<u>4,379</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	5,052	4,702	350	4,318
Total expenditures.....	<u>5,052</u>	<u>4,702</u>	<u>350</u>	<u>4,318</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	985	(985)	925
Operating transfers out.....	9	9	-	10
Total other financing uses.....	9	994	(985)	935
Total expenditures and other uses.....	<u>5,061</u>	<u>5,696</u>	<u>(635)</u>	<u>5,253</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	44	(1,236)	(1,280)	(874)
Fund balance (deficit) at beginning of year.....	(1,503)	(1,503)	-	(629)
Fund balance (deficit) at end of year.....	<u>\$ (1,459)</u>	<u>\$ (2,739)</u>	<u>\$ (1,280)</u>	<u>\$ (1,503)</u>

Watershed Management Fund
Balance Sheet - Statutory Basis

June 30, 1998

(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Receivables, net of allowance for uncollectibles:		
Other receivables.....	\$ 10,551	\$ 9,647
Total assets.....	<u>\$ 10,551</u>	<u>\$ 9,647</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 5,307	\$ 8,444
Accounts payable.....	789	969
Accrued payroll.....	57	28
Due to other funds.....	4,120	-
Total liabilities.....	<u>10,273</u>	<u>9,441</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	278	206
Total fund balance.....	<u>278</u>	<u>206</u>
Total liabilities and fund balance.....	<u>\$ 10,551</u>	<u>\$ 9,647</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Assessments.....	\$ -	\$ 10,517	\$ 10,517	\$ 9,647
Departmental.....	11,134	7,725	(3,409)	1,256
Miscellaneous.....	-	399	399	208
Total revenues.....	<u>11,134</u>	<u>18,641</u>	<u>7,507</u>	<u>11,111</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>11,134</u>	<u>18,641</u>	<u>7,507</u>	<u>11,111</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	10,862	10,013	849	9,414
Total expenditures.....	<u>10,862</u>	<u>10,013</u>	<u>849</u>	<u>9,414</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	1,818	(1,818)	1,703
Operating transfers out.....	6,738	6,738	-	20
Total other financing uses.....	<u>6,738</u>	<u>8,556</u>	<u>(1,818)</u>	<u>1,723</u>
Total expenditures and other uses.....	<u>17,600</u>	<u>18,569</u>	<u>(969)</u>	<u>11,137</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(6,466)	72	6,538	(26)
Fund balance at beginning of year.....	206	206	-	232
Fund balance (deficit) at end of year.....	<u>\$ (6,260)</u>	<u>\$ 278</u>	<u>\$ 6,538</u>	<u>\$ 206</u>

Low Level Radioactive Waste Management Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 210	\$ 158
Accounts payable.....	9	19
Accrued payroll.....	2	1
Total liabilities.....	<u>221</u>	<u>178</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(221)</u>	<u>(178)</u>
Total fund balance (deficit).....	<u>(221)</u>	<u>(178)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Assessments.....	\$ -	\$ 330	\$ 330	\$ 272
Departmental.....	451	1	(450)	-
Total revenues.....	451	331	(120)	272
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	451	331	(120)	272
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	312	300	12	353
Total expenditures.....	312	300	12	353
Other financing uses:				
Fringe benefit cost assessment.....	-	73	(73)	72
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	74	(73)	73
Total expenditures and other uses.....	313	374	(61)	426
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	138	(43)	(181)	(154)
Fund balance (deficit) at beginning of year.....	(178)	(178)	-	(24)
Fund balance (deficit) at end of year.....	\$ (40)	\$ (221)	\$ (181)	\$ (178)

Asbestos Cost Recovery Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 2,061	\$ 7,661
Total assets.....	<u>\$ 2,061</u>	<u>\$ 7,661</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 184	\$ 1,074
Total liabilities.....	<u>184</u>	<u>1,074</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	1,207	2,663
Unreserved fund balance:		
Undesignated.....	670	3,924
Total fund balance.....	<u>1,877</u>	<u>6,587</u>
Total liabilities and fund balance.....	<u>\$ 2,061</u>	<u>\$ 7,661</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 991	\$ -	\$ (991)	\$ -
Miscellaneous.....	-	1,546	1,546	2,113
Total revenues.....	991	1,546	555	2,113
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	991	1,546	555	2,113
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	7,463	6,256	1,207	4,587
Total expenditures.....	7,463	6,256	1,207	4,587
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	7,463	6,256	1,207	4,587
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(6,472)	(4,710)	1,762	(2,474)
Fund balance at beginning of year.....	6,587	6,587	-	9,061
Fund balance at end of year.....	\$ 115	\$ 1,877	\$ 1,762	\$ 6,587

Clean Air Act Compliance Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 601	\$ 378
Accounts payable.....	94	143
Accrued payroll.....	14	6
Total liabilities.....	<u>709</u>	<u>527</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(709)</u>	<u>(527)</u>
Total fund balance (deficit).....	<u>(709)</u>	<u>(527)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 1,358	\$ 1,919	\$ 561	\$ 1,892
Total revenues.....	<u>1,358</u>	<u>1,919</u>	<u>561</u>	<u>1,892</u>
Other financing sources:				
Operating transfers in.....	-	501	501	-
Total other financing sources.....	<u>-</u>	<u>501</u>	<u>501</u>	<u>-</u>
Total revenues and other sources.....	<u>1,358</u>	<u>2,420</u>	<u>1,062</u>	<u>1,892</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	2,192	2,097	95	2,049
Total expenditures.....	<u>2,192</u>	<u>2,097</u>	<u>95</u>	<u>2,049</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	500	(500)	471
Operating transfers out.....	5	5	-	5
Total other financing uses.....	<u>5</u>	<u>505</u>	<u>(500)</u>	<u>476</u>
Total expenditures and other uses.....	<u>2,197</u>	<u>2,602</u>	<u>(405)</u>	<u>2,525</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(839)	(182)	657	(633)
Fund balance (deficit) at beginning of year.....	(527)	(527)	-	106
Fund balance (deficit) at end of year.....	<u>\$ (1,366)</u>	<u>\$ (709)</u>	<u>\$ 657</u>	<u>\$ (527)</u>

Solid Waste Disposal Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 2	\$ 1
Total assets.....	<u>\$ 2</u>	<u>\$ 1</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance :		
Undesignated.....	<u>2</u>	<u>1</u>
Total fund balance	<u>2</u>	<u>1</u>
Total liabilities and fund balance.....	<u>\$ 2</u>	<u>\$ 1</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 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	-	-
Fund balance at beginning of year.....	1	1	-	1
Fund balance at end of year.....	\$ 1	\$ 2	\$ -	\$ 1

Second Century Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 2,896	\$ 308
Accounts payable.....	401	1,107
Accrued payroll.....	70	67
Total liabilities.....	<u>3,367</u>	<u>1,482</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(3,367)</u>	<u>(1,482)</u>
Total fund balance (deficit).....	<u>(3,367)</u>	<u>(1,482)</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, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 85	\$ 358	\$ 273	\$ 657
Miscellaneous.....	-	69	(69)	-
Total revenues.....	85	427	204	657
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	85	427	204	657
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	2,568	2,311	257	2,137
Total expenditures.....	2,568	2,311	257	2,137
Other financing uses:				
Operating transfers out.....	1	1	-	2
Total other financing uses.....	1	1	-	2
Total expenditures and other uses.....	2,569	2,312	257	2,139
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(2,484)	(1,885)	599	(1,482)
Fund balance (deficit) at beginning of year.....	(1,482)	(1,482)	(1,482)	-
Fund balance (deficit) at end of year.....	\$ (3,966)	\$ (3,367)	\$ (883)	\$ (1,482)

Safe Drinking Water Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 93	\$ -
Total assets.....	<u>\$ 93</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 95	\$ -
Accrued payroll.....	11	-
Total liabilities.....	<u>106</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(13)</u>	<u>-</u>
Total fund balance (deficit).....	<u>(13)</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 93</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Assessments.....	\$ -	\$ 2,153	\$ 2,153	\$ -
Total revenues.....	-	2,153	2,153	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	2,153	2,153	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Attorney General.....	83	83	-	-
Environmental affairs.....	1,750	1,711	39	-
Total expenditures.....	1,833	1,794	39	-
Other financing uses:				
Fringe benefit cost assessment.....	-	369	(369)	-
Operating transfers out.....	3	3	-	-
Total other financing uses.....	3	372	(369)	-
Total expenditures and other uses.....	1,836	2,166	(330)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(1,836)	(13)	1,823	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ (1,836)	\$ (13)	\$ 1,823	\$ -

Brownfields Revitalization Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 45,000	\$ -
Total assets.....	<u>\$ 45,000</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	45,000	-
Total fund balance	<u>45,000</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 45,000</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	-	45,000	45,000	-
Total other financing sources.....	-	45,000	45,000	-
Total revenues and other sources.....	-	45,000	45,000	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Economic development.....	45,000	-	45,000	-
Total expenditures.....	45,000	-	45,000	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	45,000	-	45,000	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(45,000)	45,000	90,000	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	<u>\$ (45,000)</u>	<u>\$ 45,000</u>	<u>\$ 90,000</u>	<u>\$ -</u>

Antitrust Law Enforcement Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 1,771	\$ 1,393
Total liabilities.....	<u>1,771</u>	<u>1,393</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(1,771)	(1,393)
Total fund balance (deficit).....	<u>(1,771)</u>	<u>(1,393)</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, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 106	\$ 38	\$ (68)	\$ 203
Total revenues.....	106	38	(68)	203
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	106	38	(68)	203
EXPENDITURES AND OTHER USES				
Expenditures:				
Attorney General.....	337	337	-	316
Total expenditures.....	337	337	-	316
Other financing uses:				
Fringe benefit cost assessment.....	-	79	(79)	75
Total other financing uses.....	-	79	(79)	75
Total expenditures and other uses.....	337	416	(79)	391
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(231)	(378)	(147)	(188)
Fund balance (deficit) at beginning of year.....	(1,393)	(1,393)	-	(1,205)
Fund balance (deficit) at end of year.....	\$ (1,624)	\$ (1,771)	\$ (147)	\$ (1,393)

Victim and Witness Assistance Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 3,875	\$ 3,100
Accounts payable.....	18	26
Accrued payroll.....	1	1
Total liabilities.....	<u>3,894</u>	<u>3,127</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(3,894)</u>	<u>(3,127)</u>
Total fund balance (deficit).....	<u>(3,894)</u>	<u>(3,127)</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, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 8,968	\$ 8,952	\$ (16)	\$ 9,107
Miscellaneous.....	-	141	141	129
Total revenues.....	<u>8,968</u>	<u>9,093</u>	<u>125</u>	<u>9,236</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>8,968</u>	<u>9,093</u>	<u>125</u>	<u>9,236</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Treasurer and Receiver-General.....	479	479	-	534
Attorney General.....	455	453	2	435
District attorney.....	7,079	7,007	72	6,432
Public safety.....	187	177	10	177
Total expenditures.....	<u>8,200</u>	<u>8,116</u>	<u>84</u>	<u>7,578</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	1,743	(1,743)	1,622
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	1,744	(1,743)	1,623
Total expenditures and other uses.....	<u>8,201</u>	<u>9,860</u>	<u>(1,659)</u>	<u>9,201</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	767	(767)	(1,534)	35
Fund balance (deficit) at beginning of year.....	(3,127)	(3,127)	-	(3,162)
Fund balance (deficit) at end of year.....	<u>\$ (2,360)</u>	<u>\$ (3,894)</u>	<u>\$ (1,534)</u>	<u>\$ (3,127)</u>

Intercity Bus Capital Assistance Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 6,388	\$ 7,055
Total liabilities.....	<u>6,388</u>	<u>7,055</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(6,388)</u>	<u>(7,055)</u>
Total fund balance (deficit).....	<u>(6,388)</u>	<u>(7,055)</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, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 418	\$ 701	\$ 283	\$ 464
Total revenues.....	418	701	283	464
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	418	701	283	464
EXPENDITURES AND OTHER USES				
Expenditures:				
Debt service:				
Principal retirement.....	30	29	1	-
Interest and fiscal charges.....	5	5	-	5
Total expenditures.....	35	34	1	5
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	35	34	1	5
Excess of revenues and other sources over expenditures and other uses.....	383	667	284	459
Fund balance (deficit) at beginning of year.....	(7,055)	(7,055)	-	(7,514)
Fund balance (deficit) at end of year.....	\$ (6,672)	\$ (6,388)	\$ 284	\$ (7,055)

Motorcycle Safety Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 183	\$ 271
Total assets.....	<u>\$ 183</u>	<u>\$ 271</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 37	\$ 9
Total liabilities.....	<u>37</u>	<u>9</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	146	262
Total fund balance.....	<u>146</u>	<u>262</u>
Total liabilities and fund balance.....	<u>\$ 183</u>	<u>\$ 271</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 148	\$ 199	\$ 51	\$ 184
Total revenues.....	148	199	51	184
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	148	199	51	184
EXPENDITURES AND OTHER USES				
Expenditures:				
Public safety.....	286	270	16	269
Total expenditures.....	286	270	16	269
Other financing uses:				
Fringe benefit cost assessment.....	-	45	(45)	45
Total other financing uses.....	-	45	(45)	45
Total expenditures and other uses.....	286	315	(29)	314
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(138)	(116)	22	(130)
Fund balance at beginning of year.....	262	262	-	392
Fund balance at end of year.....	\$ 124	\$ 146	\$ 22	\$ 262

Drug Analysis Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 861	\$ 731
Total assets.....	<u>\$ 861</u>	<u>\$ 731</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	861	731
Total fund balance.....	<u>861</u>	<u>731</u>
Total liabilities and fund balance.....	<u>\$ 861</u>	<u>\$ 731</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 130	130	\$ 136
Total revenues.....	-	130	130	136
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	130	130	136
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.....	-	130	130	136
Fund balance at beginning of year.....	731	731	-	595
Fund balance at end of year.....	\$ 731	\$ 861	130	\$ 731

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

June 30, 1998
(Amounts in thousands)

	1998	1997
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.....	2,539	2,539
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, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 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.....	<u>\$ 2,539</u>	<u>\$ 2,539</u>	<u>\$ -</u>	<u>\$ 2,539</u>

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

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 885	\$ 675
Total assets.....	<u>\$ 885</u>	<u>\$ 675</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 32	\$ 52
Total liabilities.....	<u>32</u>	<u>52</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	853	623
Total fund balance.....	<u>853</u>	<u>623</u>
Total liabilities and fund balance.....	<u>\$ 885</u>	<u>\$ 675</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 222	\$ 339	\$ 117	\$ 218
Miscellaneous.....	-	116	116	-
Total revenues.....	<u>222</u>	<u>455</u>	<u>233</u>	<u>218</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>222</u>	<u>455</u>	<u>233</u>	<u>218</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Health and human services.....	250	225	25	125
Total expenditures.....	<u>250</u>	<u>225</u>	<u>25</u>	<u>125</u>
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	<u>250</u>	<u>225</u>	<u>25</u>	<u>125</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(28)	230	258	93
Fund balance at beginning of year.....	623	623	-	530
Fund balance at end of year.....	<u>\$ 595</u>	<u>\$ 853</u>	<u>\$ 258</u>	<u>\$ 623</u>

Massachusetts Tourism Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 7,880	\$ 4,912
Total assets.....	<u>\$ 7,880</u>	<u>\$ 4,912</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 3,685	\$ 2,141
Accrued payroll.....	12	4
Total liabilities.....	<u>3,697</u>	<u>2,145</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	4,008	2,200
Unreserved fund balance:		
Undesignated.....	175	567
Total fund balance.....	<u>4,183</u>	<u>2,767</u>
Total liabilities and fund balance.....	<u>\$ 7,880</u>	<u>\$ 4,912</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 27,300	\$ 31,087	\$ 3,787	\$ 28,145
Total revenues.....	27,300	31,087	3,787	28,145
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	27,300	31,087	3,787	28,145
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	12,733	11,211	1,522	10,754
Environmental affairs.....	5	5	-	-
Economic development.....	20,767	18,072	2,695	17,337
Total expenditures.....	33,505	29,288	4,217	28,091
Other financing uses:				
Fringe benefit cost assessment.....	-	380	(380)	319
Operating transfers out.....	3	3	-	4
Total other financing uses.....	3	383	(380)	323
Total expenditures and other uses.....	33,508	29,671	3,837	28,414
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(6,208)	1,416	7,624	(269)
Fund balance at beginning of year.....	2,767	2,767	-	3,036
Fund balance (deficit) at end of year.....	\$ (3,441)	\$ 4,183	\$ 7,624	\$ 2,767

Health Care Access Fund

Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 20,995	\$ 7,566
Accounts payable.....	2,053	2,476
Accrued payroll.....	57	1
Total liabilities.....	<u>23,105</u>	<u>10,043</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(23,105)</u>	<u>(10,043)</u>
Total fund balance (deficit).....	<u>(23,105)</u>	<u>(10,043)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
Departmental.....	659	676	17	577
Total revenues.....	<u>15,659</u>	<u>15,676</u>	<u>17</u>	<u>15,577</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>15,659</u>	<u>15,676</u>	<u>17</u>	<u>15,577</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Health and human services.....	29,491	27,954	1,537	26,614
Higher education.....	513	508	5	-
Total expenditures.....	<u>30,004</u>	<u>28,462</u>	<u>1,542</u>	<u>26,614</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	276	(276)	141
Total other financing uses.....	-	276	(276)	141
Total expenditures and other uses.....	<u>30,004</u>	<u>28,738</u>	<u>1,266</u>	<u>26,755</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(14,345)	(13,062)	1,283	(11,178)
Fund balance (deficit) at beginning of year.....	(10,043)	(10,043)	-	1,135
Fund balance (deficit) at end of year.....	<u>\$ (24,388)</u>	<u>\$ (23,105)</u>	<u>\$ 1,283</u>	<u>\$ (10,043)</u>

Ponkapoag Recreational Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 35	\$ 151
Total assets.....	<u>\$ 35</u>	<u>\$ 151</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 61	\$ 142
Accrued payroll.....	4	2
Total liabilities.....	<u>65</u>	<u>144</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(30)	7
Total fund balance (deficit).....	<u>(30)</u>	<u>7</u>
Total liabilities and fund balance.....	<u>\$ 35</u>	<u>\$ 151</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 700	\$ 700	\$ -	\$ 700
Total revenues.....	700	700	-	700
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	700	700	-	700
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	705	672	33	643
Total expenditures.....	705	672	33	643
Other financing uses:				
Fringe benefit cost assessment.....	-	64	(64)	51
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	65	(64)	52
Total expenditures and other uses.....	706	737	(31)	695
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(6)	(37)	(31)	5
Fund balance at beginning of year.....	7	7	-	2
Fund balance (deficit) at end of year.....	\$ 1	\$ (30)	\$ (31)	\$ 7

Leo J. Martin Recreation Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 133	\$ 93
Accounts payable.....	19	38
Accrued payroll.....	4	1
Total liabilities.....	<u>156</u>	<u>132</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(156)</u>	<u>(132)</u>
Total fund balance (deficit).....	<u>(156)</u>	<u>(132)</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, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 450	\$ 448	\$ (2)	\$ 450
Miscellaneous.....	-	2	2	-
Total revenues.....	<u>450</u>	<u>450</u>	<u>-</u>	<u>450</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>450</u>	<u>450</u>	<u>-</u>	<u>450</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Environmental affairs.....	454	425	29	433
Total expenditures.....	<u>454</u>	<u>425</u>	<u>29</u>	<u>433</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	49	(49)	52
Operating transfers out.....	-	-	-	1
Total other financing uses.....	<u>-</u>	<u>49</u>	<u>(49)</u>	<u>53</u>
Total expenditures and other uses.....	<u>454</u>	<u>474</u>	<u>(20)</u>	<u>486</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(4)	(24)	(20)	(36)
Fund balance (deficit) at beginning of year.....	(132)	(132)	-	(96)
Fund balance (deficit) at end of year.....	<u>\$ (136)</u>	<u>\$ (156)</u>	<u>\$ (20)</u>	<u>\$ (132)</u>

Division of Insurance Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 123	\$ 653
Total assets.....	<u>\$ 123</u>	<u>\$ 653</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 332	\$ 414
Accrued payroll.....	<u>8</u>	<u>5</u>
Total liabilities.....	<u>340</u>	<u>419</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(217)</u>	<u>234</u>
Total fund balance (deficit)	<u>(217)</u>	<u>234</u>
Total liabilities and fund balance.....	<u>\$ 123</u>	<u>\$ 653</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 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.....	3,557	3,137	420	2,822
Total expenditures.....	3,557	3,137	420	2,822
Other financing uses:				
Fringe benefits cost assessment.....	-	298	(298)	300
Operating transfers out.....	16	16	-	19
Total other financing uses.....	16	314	(298)	319
Total expenditures and other uses.....	3,573	3,451	122	3,141
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(573)	(451)	122	(141)
Fund balance at beginning of year.....	234	234	-	375
Fund balance (deficit) at end of year.....	\$ (339)	\$ (217)	\$ 122	\$ 234

Health Protection Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 23,529	\$ 17,933
Total assets.....	<u>\$ 23,529</u>	<u>\$ 17,933</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 9,938	\$ 14,217
Accrued payroll.....	3	10
Total liabilities.....	<u>9,941</u>	<u>14,227</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	13,588	3,706
Total fund balance	<u>13,588</u>	<u>3,706</u>
Total liabilities and fund balance.....	<u>\$ 23,529</u>	<u>\$ 17,933</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 100,000	\$ 98,032	\$ (1,968)	\$ 101,294
Departmental.....	159	-	(159)	-
Miscellaneous.....	-	152	152	83
Total revenues.....	<u>100,159</u>	<u>98,184</u>	<u>(1,975)</u>	<u>101,377</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>100,159</u>	<u>98,184</u>	<u>(1,975)</u>	<u>101,377</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Attorney General.....	200	199	1	199
District Attorney.....	14	8	6	8
Sheriff's department.....	21	10	11	-
Health and human services.....	62,868	59,296	3,572	65,203
Education.....	23,504	23,173	331	23,173
Higher education.....	63	39	24	92
Public safety.....	5,222	5,141	81	5,174
Total expenditures.....	<u>91,892</u>	<u>87,866</u>	<u>4,026</u>	<u>93,849</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	433	(433)	663
Operating transfers out.....	3	3	-	1
Total other financing uses.....	<u>3</u>	<u>436</u>	<u>(433)</u>	<u>664</u>
Total expenditures and other uses.....	<u>91,895</u>	<u>88,302</u>	<u>3,593</u>	<u>94,513</u>
Excess of revenues and other sources over expenditures and other uses.....	8,264	9,882	1,618	6,864
Fund balance (deficit) at beginning of year.....	3,706	3,706	-	(3,158)
Fund balance at end of year.....	<u>\$ 11,970</u>	<u>\$ 13,588</u>	<u>\$ 1,618</u>	<u>\$ 3,706</u>

State Building Management Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 8,720	\$ 11,513
Total assets.....	<u>\$ 8,720</u>	<u>\$ 11,513</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 125	\$ 68
Total liabilities.....	<u>125</u>	<u>68</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	8,595	11,445
Total fund balance.....	<u>8,595</u>	<u>11,445</u>
Total liabilities and fund balance.....	<u>\$ 8,720</u>	<u>\$ 11,513</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 17,522	\$ 16,062	\$ (1,460)	\$ 10,184
Total revenues.....	17,522	16,062	(1,460)	10,184
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	17,522	16,062	(1,460)	10,184
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	19,842	18,912	930	17,856
Total expenditures.....	19,842	18,912	930	17,856
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	19,842	18,912	930	17,856
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(2,320)	(2,850)	(530)	(7,672)
Fund balance at beginning of year.....	11,445	11,445	-	19,117
Fund balance at end of year.....	\$ 9,125	\$ 8,595	\$ (530)	\$ 11,445

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

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 161	\$ 135
Total assets.....	<u>\$ 161</u>	<u>\$ 135</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 14	\$ 35
Total liabilities.....	<u>14</u>	<u>35</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	147	100
Total fund balance	<u>147</u>	<u>100</u>
Total liabilities and fund balance.....	<u>\$ 161</u>	<u>\$ 135</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 255	\$ 287	\$ 32	\$ 280
Total revenues.....	255	287	32	280
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	255	287	32	280
EXPENDITURES AND OTHER USES				
Expenditures:				
Higher education.....	247	240	7	180
Total expenditures.....	247	240	7	180
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	247	240	7	180
Excess of revenues and other sources over expenditures and other uses.....	8	47	39	100
Fund balance at beginning of year.....	100	100	-	-
Fund balance at end of year.....	\$ 108	\$ 147	\$ 39	\$ 100

Assisted Living Administration Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 235	\$ 107
Total assets.....	<u>\$ 235</u>	<u>\$ 107</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 12	\$ 9
Accrued payroll.....	<u>1</u>	<u>-</u>
Total liabilities.....	<u>13</u>	<u>9</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>222</u>	<u>98</u>
Total fund balance	<u>222</u>	<u>98</u>
Total liabilities and fund balance.....	<u>\$ 235</u>	<u>\$ 107</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ 319	\$ 302	\$ (17)	\$ 227
Total revenues.....	<u>319</u>	<u>302</u>	<u>(17)</u>	<u>227</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	<u>319</u>	<u>302</u>	<u>(17)</u>	<u>227</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Elder affairs.....	235	144	91	158
Total expenditures.....	<u>235</u>	<u>144</u>	<u>91</u>	<u>158</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	34	(34)	30
Total other financing uses.....	-	34	(34)	30
Total expenditures and other uses.....	<u>235</u>	<u>178</u>	<u>57</u>	<u>188</u>
Excess of revenues and other sources over expenditures and other uses.....	84	124	40	39
Fund balance at beginning of year.....	98	98	-	59
Fund balance at end of year.....	<u>\$ 182</u>	<u>\$ 222</u>	<u>\$ 40</u>	<u>\$ 98</u>

Commonwealth Economic Development Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 355	\$ 6,259
Total assets.....	<u>\$ 355</u>	<u>\$ 6,259</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ 4,598
Accrued payroll.....	-	3
Total liabilities.....	<u>-</u>	<u>4,601</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	355	1,658
Total fund balance	<u>355</u>	<u>1,658</u>
Total liabilities and fund balance.....	<u>\$ 355</u>	<u>\$ 6,259</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	-	215	215	-
Total other financing sources.....	-	215	215	-
Total revenues and other sources.....	-	215	215	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Sheriff's departments.....	1	1	-	-
Education.....	647	631	16	5,545
Public safety.....	-	-	-	18
Economic development.....	161	161	-	7,622
Labor.....	708	703	5	7,828
Total expenditures.....	1,517	1,496	21	21,013
Other financing uses:				
Fringe benefit cost assessment.....	-	22	(22)	269
Operating transfers out.....	-	-	-	3
Total other financing uses.....	-	22	(22)	272
Total expenditures and other uses.....	1,517	1,518	(1)	21,285
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(1,517)	(1,303)	214	(21,285)
Fund balance at beginning of year.....	1,658	1,658	-	22,943
Fund balance at end of year.....	\$ 141	\$ 355	\$ 214	\$ 1,658

Commonwealth Cost Relief Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 21,670	\$ 36,790
Total assets.....	<u>\$ 21,670</u>	<u>\$ 36,790</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.....	21,670	24,190
Total fund balance.....	<u>21,670</u>	<u>36,790</u>
Total liabilities and fund balance.....	<u>\$ 21,670</u>	<u>\$ 36,790</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 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.....	9,565	8,630	935	2,048
Environmental affairs.....	-	-	-	500
Total expenditures.....	9,565	8,630	935	2,548
Other financing uses:				
Sewer rate relief.....	6,490	6,490	-	10,291
Total other financing uses.....	6,490	6,490	-	10,291
Total expenditures and other uses.....	16,055	15,120	935	12,839
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(16,055)	(15,120)	935	(12,839)
Fund balance at beginning of year.....	36,790	36,790	-	49,629
Fund balance at end of year.....	<u>\$ 20,735</u>	<u>\$ 21,670</u>	<u>\$ 935</u>	<u>\$ 36,790</u>

Children's and Seniors' Health Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 131,699	\$ 74,014
Total assets.....	<u>\$ 131,699</u>	<u>\$ 74,014</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 13,991	\$ 895
Accrued payroll.....	10	-
Total liabilities.....	<u>14,001</u>	<u>895</u>
Fund balance:		
Unreserved fund balance :		
Undesignated.....	117,698	73,119
Total fund balance	117,698	73,119
Total liabilities and fund balance.....	<u>\$ 131,699</u>	<u>\$ 74,014</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ 100,000	\$ 100,877	\$ 877	\$ 74,956
Federal grants and reimbursements.....	72,208	86,551	14,343	-
Departmental.....	397	723	326	-
Total revenues.....	<u>172,605</u>	<u>188,151</u>	<u>15,546</u>	<u>74,956</u>
Other financing sources:				
Operating transfers in.....	36,952	36,952	-	2,671
Total other financing sources.....	<u>36,952</u>	<u>36,952</u>	<u>-</u>	<u>2,671</u>
Total revenues and other sources.....	<u>209,557</u>	<u>225,103</u>	<u>15,546</u>	<u>77,627</u>
EXPENDITURES AND OTHER USES				
Expenditures:				
Health and human services.....	15,232	14,926	306	3,343
Elder affairs.....	1,641	1,542	99	973
Medicaid.....	201,724	163,624	38,100	-
Total expenditures.....	<u>218,597</u>	<u>180,092</u>	<u>38,505</u>	<u>4,316</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	431	(431)	192
Operating transfers out.....	1	1	-	-
Total other financing uses.....	<u>1</u>	<u>432</u>	<u>(431)</u>	<u>192</u>
Total expenditures and other uses.....	<u>218,598</u>	<u>180,524</u>	<u>38,074</u>	<u>4,508</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(9,041)	44,579	53,620	73,119
Fund balance at beginning of year.....	73,119	73,119	-	-
Fund balance at end of year.....	<u>\$ 64,078</u>	<u>\$ 117,698</u>	<u>\$ 53,620</u>	<u>\$ 73,119</u>

Diversity Awareness Education Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 2	\$ 1
Total assets.....	<u>\$ 2</u>	<u>\$ 1</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	2	1
Total fund balance	<u>2</u>	<u>1</u>
Total liabilities and fund balance.....	<u>\$ 2</u>	<u>\$ 1</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 1	\$ 1	\$ 1
Total revenues.....	-	1	1	1
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	1	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	1
Fund balance at beginning of year.....	1	1	-	-
Fund balance at end of year.....	\$ 1	\$ 2	\$ 1	\$ 1

Child Care Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 4,632	\$ -
Due from federal government.....	19,196	<u>-</u>
Total assets.....	<u>\$ 23,828</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 22,164	\$ -
Total liabilities.....	<u>22,164</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	1,664	-
Total fund balance	<u>1,664</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 23,828</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Federal grants and reimbursements.....	\$ 168,939	\$ 72,339	\$ (96,600)	\$ -
Total revenues.....	168,939	72,339	(96,600)	-
Other financing sources:				
Operating transfers in.....	-	91,874	91,874	-
Total other financing sources.....	-	91,874	91,874	-
Total revenues and other sources.....	168,939	164,213	(4,726)	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	2,020	-	2,020	-
Health and human services.....	167,467	162,549	4,918	-
Total expenditures.....	169,487	162,549	6,938	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	169,487	162,549	6,938	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(548)	1,664	2,212	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ (548)	\$ 1,664	\$ 2,212	\$ -

Transitional Aid to Needy Families Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	\$ 18,864	\$ -
Total assets.....	<u>\$ 18,864</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 18,899	\$ -
Total liabilities.....	<u>18,899</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(35)</u>	<u>-</u>
Total fund balance (deficit)	<u>(35)</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 18,864</u>	<u>\$ -</u>

Transitional Aid to Needy Families Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Federal grants and reimbursements.....	\$ 321,458	\$ 434,090	\$ 112,632	\$ -
Total revenues.....	321,458	434,090	112,632	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	321,458	434,090	112,632	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Treasurer and Receiver-General.....	554	554	-	-
Administration and finance.....	59	59	-	-
Communities and development.....	4,141	4,053	88	-
Health and human services.....	284,978	282,953	2,025	-
Transportation and construction.....	3	3	-	-
Higher education.....	138	120	18	-
Labor.....	1,337	1,248	89	-
Total expenditures.....	291,210	288,990	2,220	-
Other financing uses:				
Fringe benefit cost assessment.....	-	7,319	(7,319)	-
Operating transfers out.....	137,811	137,811	-	-
Caseload mitigation.....	5	5	-	-
Total other financing uses.....	137,816	145,135	(7,319)	-
Total expenditures and other uses.....	429,026	434,125	(5,099)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(107,568)	(35)	107,533	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ (107,568)	\$ (35)	\$ 107,533	\$ -

Social Services Program Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 480	\$ -
Total liabilities.....	<u>480</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	(480)	-
Total fund balance	<u>(480)</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Federal grants and reimbursements.....	\$ 100,544	\$ 52,976	\$ (47,568)	\$ -
Total revenues.....	100,544	52,976	(47,568)	-
Other financing sources:				
Operating transfers in.....	-	45,937	45,937	-
Total other financing sources.....	-	45,937	45,937	-
Total revenues and other sources.....	100,544	98,913	(1,631)	-
EXPENDITURES AND OTHER USES				
Expenditures:				
District attorney.....	415	381	34	-
Health and human services.....	97,460	96,391	1,069	-
Total expenditures.....	97,875	96,772	1,103	-
Other financing uses:				
Fringe benefit cost assessment.....	-	2,621	(2,621)	-
Total other financing uses.....	-	2,621	(2,621)	-
Total expenditures and other uses.....	97,875	99,393	(1,518)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	2,669	(480)	(3,149)	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ 2,669	\$ (480)	\$ (3,149)	\$ -

Local Consumer Inspection Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 50	\$ -
Total assets.....	<u>\$ 50</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 50	\$ -
Total liabilities.....	<u>50</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 50</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 50	\$ 50	\$ -
Total revenues.....	-	50	50	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	50	50	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Consumer affairs.....	50	50	-	-
Total expenditures.....	50	50	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	50	50	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(50)	-	50	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ (50)	\$ -	\$ 50	\$ -

University of Massachusetts - Lowell
Wannalancit Complex Building Management Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

University of Massachusetts - Lowell
Wannalancit Complex Building Management Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 26	\$ 26	\$ -
Total revenues.....	-	26	26	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	26	26	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Higher education.....	115	26	89	-
Total expenditures.....	115	26	89	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	115	26	89	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(115)	-	115	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ (115)	\$ -	\$ 115	\$ -

Caseload Increase Mitigation Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 128,010	\$ 128,000
Total assets.....	<u>\$ 128,010</u>	<u>\$ 128,000</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	128,010	128,000
Total fund balance	<u>128,010</u>	<u>128,000</u>
Total liabilities and fund balance.....	<u>\$ 128,010</u>	<u>\$ 128,000</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Caseload mitigation.....	-	10	10	128,000
Total other financing sources.....	-	10	10	128,000
Total revenues and other sources.....	-	10	10	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.....	-	10	10	128,000
Fund balance at beginning of year.....	128,000	128,000	-	-
Fund balance at end of year.....	<u>\$ 128,000</u>	<u>\$ 128,010</u>	<u>\$ 10</u>	<u>\$ 128,000</u>

Boston Convention and Exhibition Center Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 8,917	\$ -
Total assets.....	<u>\$ 8,917</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	8,917	-
Total fund balance	<u>8,917</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 8,917</u>	<u>\$ -</u>

Boston Convention and Exhibition Center Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ -	\$ 8,917	\$ 8,917	\$ -
Total revenues.....	-	8,917	8,917	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	8,917	8,917	-
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.....	-	8,917	8,917	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance at end of year.....	\$ -	\$ 8,917	\$ 8,917	\$ -

Voting Equipment Loan Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 2,145	\$ -
Total assets.....	<u>\$ 2,145</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 748	\$ -
Total liabilities.....	<u>748</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	1,397	-
Total fund balance	<u>1,397</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 2,145</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998 Budget	1998 Actual	Variance Favorable (Unfavorable)	1997 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	-	2,145	2,145	-
Total other financing sources.....	-	2,145	2,145	-
Total revenues and other sources.....	-	2,145	2,145	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Secretary of the Commonwealth.....	2,145	748	1,397	-
Total expenditures.....	2,145	748	1,397	-
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	-
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	2,145	748	1,397	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(2,145)	1,397	3,542	-
Fund balance at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ (2,145)	\$ 1,397	\$ 3,542	\$ -

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 FUND:

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.

Department of Telecommunication and Energy Trust Fund: accounts for expenditures by the department of telecommunications and energy commission for activities of the department related to the regulation of electric companies.

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.

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.

Child Care Quality Fund accounts for expenditures by the commissioner of the Office for Children for providing grants for not-for-profit child care organizations for the purpose of improving child care services.

Grant Anticipation Note Trust Fund accounts for proceeds to cover GANS expenditures and pay the related debt service of the proceeds.

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, 1998
(Amounts in thousands)

	Federal Grants	Lotteries	Universal Health Care
ASSETS			
Cash and short-term investments.....	\$ -	\$ 40,599	\$ 185,980
Cash with fiscal agent.....	-	-	-
Receivables, net of allowance for uncollectibles:			
Taxes.....	-	-	-
Due from federal government.....	164,519	-	29,282
Other receivables.....	-	-	29,282
Total assets.....	<u>\$ 164,519</u>	<u>\$ 40,599</u>	<u>\$ 244,544</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Deficiency in cash and short-term investments.....	\$ 26,573	\$ -	\$ -
Accounts payable.....	127,050	40,599	72,028
Accrued payroll.....	1,076	-	8
Due to other funds.....	-	-	-
Total liabilities.....	<u>154,699</u>	<u>40,599</u>	<u>72,036</u>
Fund balances:			
Reserved fund balance:			
Reserved for debt service.....	-	-	-
Unreserved:			
Designated for specific purpose.....	9,820	-	172,508
Total fund balances.....	<u>9,820</u>	<u>-</u>	<u>172,508</u>
Total liabilities and fund balances.....	<u>\$ 164,519</u>	<u>\$ 40,599</u>	<u>\$ 244,544</u>

Other	Totals	
	1998	1997
\$ 336,302	\$ 562,881	\$ 180,050
11,572	11,572	-
732	732	949
94,104	287,905	137,705
-	29,282	2,282
<u>\$ 442,710</u>	<u>\$ 892,372</u>	<u>\$ 320,986</u>
\$ -	\$ 26,573	\$ 19,479
4,244	243,921	145,037
61	1,145	592
103,124	103,124	-
<u>107,429</u>	<u>374,763</u>	<u>165,108</u>
27,240	27,240	-
308,041	490,369	155,878
335,281	517,609	155,878
<u>\$ 442,710</u>	<u>\$ 892,372</u>	<u>\$ 320,986</u>

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	Federal Grants	Lotteries	Universal Health Care
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ -	\$ 2,390	\$ -
Assessments.....	-	-	247,517
Federal grants and reimbursements.....	1,219,978	-	145,069
Departmental.....	-	3,378,165	452,615
Miscellaneous.....	37	17,283	81,735
Total revenues.....	1,220,015	3,397,838	926,936
Other financing sources:			
Proceeds of grant anticipation notes.....	-	-	-
Lottery reimbursements.....	-	32,093	-
Sewer rate relief.....	-	-	-
Operating transfers in.....	-	-	310,755
Total other financing sources.....	-	32,093	310,755
Total revenues and other financing sources.....	1,220,015	3,429,931	1,237,691
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Judiciary.....	365	-	-
Secretary of the Commonwealth.....	725	-	-
Treasurer and Receiver-General.....	764	2,559,241	-
Attorney General.....	4,851	-	-
District Attorney.....	2,036	-	-
Sheriff's Departments.....	108	-	-
Disabled Persons Protection Commission.....	11	-	-
Board of Library Commissioners.....	2,591	-	-
Administration and finance.....	1,648	-	21
Environmental affairs.....	16,093	-	-
Communities and development.....	217,122	-	-
Health and human services.....	258,812	-	847,234
Transportation and construction.....	6,745	-	-
Education.....	435,695	-	-
Higher education.....	4,817	-	16
Public safety.....	31,288	-	-
Economic development.....	5,257	-	-
Elder affairs.....	25,379	-	-
Consumer affairs.....	43	-	-
Labor.....	145,557	-	20,052
Direct local aid.....	-	-	-
Debt service:			
Principal retirement.....	-	-	-
Interest and fiscal charges.....	-	-	-
Total expenditures.....	1,159,907	2,559,241	867,233
Other financing uses:			
Fringe benefit cost assessment.....	32,782	3,078	361
Lottery operating reimbursements.....	-	104,083	-
Lottery distributions.....	-	788,802	-
State share of federal highway construction.....	-	-	-
Operating transfers out.....	28,746	-	292,554
Total other financing uses.....	61,528	895,963	292,915
Total expenditures and other financing uses.....	1,221,435	3,455,204	1,160,238
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,420)	(25,273)	77,453
Fund balances at beginning of year.....	11,240	25,273	95,055
Fund balances at end of year.....	\$ 9,820	\$ -	\$ 172,508

Other	Totals	
	1998	1997
\$ 9,241	\$ 11,631	\$ 9,918
14,133	261,650	330,723
117,662	1,482,709	1,213,554
14,005	3,844,785	3,442,527
11,454	110,509	30,895
166,495	5,711,284	5,027,617
580,557	580,557	-
-	32,093	5,024
50,700	50,700	54,398
28,993	339,748	28,078
660,250	1,003,098	87,500
826,745	6,714,382	5,115,117
-	365	2,121
-	725	780
2	2,560,007	2,583,437
-	4,851	3,071
26	2,062	931
-	108	-
-	11	47
-	2,591	2,495
63,084	64,753	66,361
6,306	22,399	23,381
757	217,879	217,169
859	1,106,905	657,246
-	6,745	12,486
-	435,695	389,569
-	4,833	4,358
5,805	37,093	28,455
2,688	7,945	8,774
-	25,379	25,982
1,340	1,383	1,586
3	165,612	154,856
7,762	7,762	6,514
776	776	2,210
450	450	537
89,858	4,676,329	4,192,366
5,515	41,736	42,617
-	104,083	81,510
-	788,802	685,137
-	-	-
420,401	741,701	77,804
425,916	1,676,322	887,068
515,774	6,352,651	5,079,434
310,971	361,731	35,683
24,310	155,878	120,195
\$ 335,281	\$ 517,609	\$ 155,878

Federal Grants Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	\$ 164,519	\$ 137,621
Total assets.....	<u>\$ 164,519</u>	<u>\$ 137,621</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 26,573	\$ 19,479
Accounts payable.....	127,050	106,351
Accrued payroll.....	1,076	551
Total liabilities.....	<u>154,699</u>	<u>126,381</u>
Fund equity:		
Unreserved fund balance:		
Designated for specific purpose.....	9,820	11,240
Total fund balance.....	<u>9,820</u>	<u>11,240</u>
Total liabilities and fund balance.....	<u>\$ 164,519</u>	<u>\$ 137,621</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 1,219,978	\$ 1,185,046
Miscellaneous.....	37	41
Total revenues	<u>1,220,015</u>	<u>1,185,087</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	<u>1,220,015</u>	<u>1,185,087</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Judiciary.....	365	266
Secretary of the Commonwealth.....	725	780
Treasurer and Receiver-General.....	764	1,460
Attorney General.....	4,851	3,071
District Attorney.....	2,036	684
Sheriff's Departments.....	108	-
Disabled persons protection commission.....	11	47
Board of Library Commissioners.....	2,591	2,495
Administration and finance.....	1,648	1,933
Environmental affairs.....	16,093	17,602
Communities and development.....	217,122	216,193
Health and human services.....	258,812	284,635
Transportation and construction.....	6,745	12,486
Education.....	435,695	389,569
Higher education.....	4,817	4,338
Public safety.....	31,288	23,704
Economic development.....	5,257	6,275
Elder affairs.....	25,379	25,982
Consumer affairs.....	43	70
Labor.....	145,557	135,864
Total expenditures.....	<u>1,159,907</u>	<u>1,127,454</u>
Other financing uses:		
Fringe benefit cost assessment.....	32,782	33,121
Operating transfers out.....	28,746	27,293
Total other financing uses.....	<u>61,528</u>	<u>60,414</u>
Total expenditures and other uses.....	<u>1,221,435</u>	<u>1,187,868</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(1,420)	(2,781)
Fund balance at beginning of year.....	11,240	14,021
Fund balance at end of year.....	<u>\$ 9,820</u>	<u>\$ 11,240</u>

State Lottery Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 23,443	\$ 47,619
Receivables, net of allowance for uncollectibles:		
Other receivables.....	-	1,952
Total assets.....	<u>\$ 23,443</u>	<u>\$ 49,571</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 23,443	\$ 24,298
Total liabilities.....	<u>23,443</u>	<u>24,298</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	-	25,273
Total fund balance.....	-	25,273
Total liabilities and fund balance.....	<u>\$ 23,443</u>	<u>\$ 49,571</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
REVENUES AND OTHER SOURCES		
Revenues:		
Taxes.....	\$ 2,390	\$ 2,558
Departmental.....	3,092,139	3,034,169
Miscellaneous.....	14,723	14,384
Total revenues.....	<u>3,109,252</u>	<u>3,051,111</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	<u>3,109,252</u>	<u>3,051,111</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Treasurer and Receiver-General.....	2,328,664	2,345,339
Total expenditures.....	<u>2,328,664</u>	<u>2,345,339</u>
Other financing uses:		
Fringe benefit cost assessment.....	2,943	3,317
Lottery operating reimbursements	92,730	70,659
Lottery distributions.....	710,188	606,523
Total other financing uses.....	<u>805,861</u>	<u>680,499</u>
Total expenditures and other uses.....	<u>3,134,525</u>	<u>3,025,838</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(25,273)	25,273
Fund balance at beginning of year.....	25,273	-
Fund balance at end of year.....	<u>\$ -</u>	<u>\$ 25,273</u>

Arts Lottery Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 17,156	\$ 8,524
Receivables, net of allowance for uncollectibles:		
Other receivables.....	-	330
Total assets.....	<u>\$ 17,156</u>	<u>\$ 8,854</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 17,156	\$ 8,854
Total liabilities.....	<u>17,156</u>	<u>8,854</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	-	-
Total fund balance.....	-	-
Total liabilities and fund balance.....	<u>\$ 17,156</u>	<u>\$ 8,854</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 286,026	\$ 318,830
Miscellaneous.....	2,560	2,445
Total revenues.....	288,586	321,275
Other financing sources:		
Lottery reimbursements.....	32,093	5,024
Total other financing sources.....	32,093	5,024
Total revenues and other sources.....	320,679	326,299
EXPENDITURES AND OTHER USES		
Expenditures:		
Treasurer and Receiver-General.....	230,577	236,637
Total expenditures.....	230,577	236,637
Other financing uses:		
Fringe benefit cost assessment.....	135	197
Lottery operating reimbursements	11,353	10,851
Lottery distributions.....	78,614	78,614
Total other financing uses.....	90,102	89,662
Total expenditures and other uses.....	320,679	326,299
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, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 101,856	\$ 41,402
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	29,282	-
Other receivables.....	29,282	-
Total assets.....	<u>\$ 160,420</u>	<u>\$ 41,402</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 71,989	\$ 2,799
Total liabilities.....	<u>71,989</u>	<u>2,799</u>
Fund balance:		
Unreserved fund balance		
Designated for specific purpose.....	88,431	38,603
Total fund balance.....	88,431	38,603
Total liabilities and fund balance.....	<u>\$ 160,420</u>	<u>\$ 41,402</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Assessments.....	\$ 247,511	\$ 316,108
Federal grants and reimbursements.....	145,069	15,000
Departmental.....	407,820	32,768
Miscellaneous.....	78,362	2,840
Total revenues.....	<u>878,762</u>	<u>366,716</u>
Other financing sources:		
Operating transfers in.....	310,755	28,078
Total other financing sources.....	<u>310,755</u>	<u>28,078</u>
Total revenues and other sources.....	<u>1,189,517</u>	<u>394,794</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Health and human services.....	847,234	371,412
Total expenditures.....	<u>847,234</u>	<u>371,412</u>
Other financing uses:		
Operating transfers out.....	292,455	28,078
Total other financing uses.....	<u>292,455</u>	<u>28,078</u>
Total expenditures and other uses.....	<u>1,139,689</u>	<u>399,490</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	49,828	(4,696)
Fund balance at beginning of year.....	38,603	43,299
Fund balance at end of year.....	<u>\$ 88,431</u>	<u>\$ 38,603</u>

Labor Shortage Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 2,210	\$ 2,210
Total assets.....	<u>\$ 2,210</u>	<u>\$ 2,210</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ 84
Total liabilities.....	<u>-</u>	<u>84</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	2,210	2,126
Total fund balance.....	<u>2,210</u>	<u>2,126</u>
Total liabilities and fund balance.....	<u>\$ 2,210</u>	<u>\$ 2,210</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Assessments.....	\$ 6	\$ 90
Miscellaneous.....	108	115
Total revenues.....	114	205
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	114	205
EXPENDITURES AND OTHER USES		
Expenditures:		
Health and human services.....	-	526
Higher education.....	16	20
Total expenditures.....	16	546
Other financing uses:		
Fringe benefit cost assessment.....	11	14
Operating transfers out.....	3	6
Total other financing uses.....	14	20
Total expenditures and other uses.....	30	566
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	84	(361)
Fund balance at beginning of year.....	2,126	2,487
Fund balance at end of year.....	\$ 2,210	\$ 2,126

Medical Security Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 81,914	\$ 54,333
Total assets.....	<u>\$ 81,914</u>	<u>\$ 54,333</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 39	\$ 1
Accrued payroll.....	<u>8</u>	<u>6</u>
Total liabilities.....	<u>47</u>	<u>7</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	<u>81,867</u>	<u>54,326</u>
Total fund balance.....	<u>81,867</u>	<u>54,326</u>
Total liabilities and fund balance.....	<u>\$ 81,914</u>	<u>\$ 54,333</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 44,795	\$ 41,859
Miscellaneous.....	3,265	2,257
Total revenues.....	<u>48,060</u>	<u>44,116</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	<u>48,060</u>	<u>44,116</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	21	61
Labor.....	20,052	18,905
Total expenditures.....	<u>20,073</u>	<u>18,966</u>
Other financing uses:		
Fringe benefit cost assessment.....	350	395
Operating transfers out.....	96	2,677
Total other financing uses.....	<u>446</u>	<u>3,072</u>
Total expenditures and other uses.....	<u>20,519</u>	<u>22,038</u>
Excess of revenues and other sources over expenditures and other uses.....	27,541	22,078
Fund balance at beginning of year.....	54,326	32,248
Fund balance at end of year.....	<u>\$ 81,867</u>	<u>\$ 54,326</u>

Department of Telecommunication and Energy Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 859	\$ -
Total assets.....	<u>\$ 859</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	859	-
Total fund balance.....	<u>859</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 859</u>	<u>\$ -</u>

Department of Telecommunication and Energy Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Operating transfers in.....	859	-
Total other financing sources.....	859	-
Total revenues and other sources.....	859	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Consumer 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.....	859	-
Fund balance at beginning of year.....	-	-
Fund balance at end of year.....	\$ 859	\$ -

Freight Rail Fund **Balance Sheet - Statutory Basis**

June 30, 1998
 (Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 2,918	\$ 2,799
Total assets.....	<u>\$ 2,918</u>	<u>\$ 2,799</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	2,918	2,799
Total fund balance.....	<u>2,918</u>	<u>2,799</u>
Total liabilities and fund balance.....	<u>\$ 2,918</u>	<u>\$ 2,799</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 119	\$ 114
Total revenues.....	119	114
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	119	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.....	119	114
Fund balance at beginning of year.....	2,799	2,685
Fund balance at end of year.....	\$ 2,918	\$ 2,799

Passenger Rail Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 3,486	\$ 3,458
Total assets.....	<u>\$ 3,486</u>	<u>\$ 3,458</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	3,486	3,458
Total fund balance.....	<u>3,486</u>	<u>3,458</u>
Total liabilities and fund balance.....	<u>\$ 3,486</u>	<u>\$ 3,458</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 28	\$ 26
Total revenues.....	28	26
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	28	26
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.....	28	26
Fund balance at beginning of year.....	3,458	3,432
Fund balance at end of year.....	\$ 3,486	\$ 3,458

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

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ 3,287
Total assets.....	<u>\$ -</u>	<u>\$ 3,287</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
Total fund balance.....	<u>-</u>	<u>3,287</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 3,287</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 19	\$ 17
Total revenues.....	19	17
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	19	17
EXPENDITURES AND OTHER USES		
Expenditures:		
Legislature.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Operating transfers out.....	3,306	-
Total other financing uses.....	3,306	-
Total expenditures and other uses.....	3,306	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(3,287)	17
Fund balance at beginning of year.....	3,287	3,270
Fund balance at end of year.....	\$ -	\$ 3,287

Government Land Bank Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 34,496	\$ 33,798
Total liabilities.....	<u>34,496</u>	<u>33,798</u>
Fund balance:		
Unreserved fund balance (deficit):		
Designated for specific purpose.....	(34,496)	(33,798)
Total fund balance (deficit).....	<u>(34,496)</u>	<u>(33,798)</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, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 393	\$ -
Total revenues.....	<u>393</u>	<u>-</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other sources.....	<u>393</u>	<u>-</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Debt service:		
Principal retirement.....	679	2,119
Interest and fiscal charges.....	412	493
Total expenditures.....	<u>1,091</u>	<u>2,612</u>
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other uses.....	<u>1,091</u>	<u>2,612</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(698)	(2,612)
Fund balance (deficit) at beginning of year.....	(33,798)	(31,186)
Fund balance (deficit) at end of year.....	<u>\$ (34,496)</u>	<u>\$ (33,798)</u>

Federally-Assisted Housing Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	-	-
Total fund balance.....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 135	\$ 135
Total revenues.....	135	135
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	135	135
EXPENDITURES AND OTHER USES		
Expenditures:		
Debt service:		
Principal retirement.....	97	91
Interest and fiscal charges.....	38	44
Total expenditures.....	135	135
Other financing uses:		
Operating transfers out.....	-	108
Total other financing uses.....	-	108
Total expenditures and other uses.....	135	243
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	-	(108)
Fund balance at beginning of year.....	-	108
Fund balance at end of year.....	\$ -	\$ -

Environmental Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 4,849	\$ 4,155
Total assets.....	<u>\$ 4,849</u>	<u>\$ 4,155</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 177	\$ 176
Total liabilities.....	<u>177</u>	<u>176</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	4,672	3,979
Total fund balance.....	<u>4,672</u>	<u>3,979</u>
Total liabilities and fund balance.....	<u>\$ 4,849</u>	<u>\$ 4,155</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 1,350	\$ 1,688
Miscellaneous.....	221	167
Total revenues.....	<u>1,571</u>	<u>1,855</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	<u>1,571</u>	<u>1,855</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Environmental affairs.....	802	755
Public safety.....	49	79
Total expenditures.....	<u>851</u>	<u>834</u>
Other financing uses:		
Operating transfers out.....	27	-
Total other financing uses.....	27	-
Total expenditures and other uses.....	<u>878</u>	<u>834</u>
Excess of revenues and other sources over expenditures and other uses.....	693	1,021
Fund balance at beginning of year.....	3,979	2,958
Fund balance at end of year.....	<u>\$ 4,672</u>	<u>\$ 3,979</u>

Children's Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 564	\$ 600
Total assets.....	<u>\$ 564</u>	<u>\$ 600</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 121	\$ 13
Total liabilities.....	<u>121</u>	<u>13</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	443	587
Total fund balance.....	<u>443</u>	<u>587</u>
Total liabilities and fund balance.....	<u>\$ 564</u>	<u>\$ 600</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 33	\$ 31
Total revenues.....	33	31
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	33	31
EXPENDITURES AND OTHER USES		
Expenditures:		
Health and human services.....	166	13
Total expenditures.....	166	13
Other financing uses:		
Operating transfers out.....	11	-
Total other financing uses.....	11	-
Total expenditures and other uses.....	177	13
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(144)	18
Fund balance at beginning of year.....	587	569
Fund balance at end of year.....	\$ 443	\$ 587

Child Support Enforcement Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 1,599	\$ 1,220
Due from federal government.....	<u>312</u>	<u>84</u>
Total assets.....	<u>\$ 1,911</u>	<u>\$ 1,304</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,493	\$ 1,327
Accrued payroll.....	<u>16</u>	<u>14</u>
Total liabilities.....	<u>1,509</u>	<u>1,341</u>
Fund balance:		
Unreserved fund balance (deficit):		
Designated for specific purpose.....	<u>402</u>	<u>(37)</u>
Total fund balance (deficit).....	<u>402</u>	<u>(37)</u>
Total liabilities and fund balance.....	<u>\$ 1,911</u>	<u>\$ 1,304</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 14,533	\$ 13,508
Departmental.....	23	818
Miscellaneous.....	76	245
Total revenues.....	14,632	14,571
Other financing sources:		
Other sources.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	14,632	14,571
EXPENDITURES AND OTHER USES		
Expenditures:		
Judiciary.....	-	1,855
Treasurer and Receiver-General.....	2	1
District Attorney.....	26	247
Administration and finance.....	13,716	18,287
Health and human services.....	-	183
Labor.....	3	87
Total expenditures.....	13,747	20,660
Other financing uses:		
Fringe benefit cost assessment.....	161	326
Operating transfers out.....	285	16
Total other financing uses.....	446	342
Total expenditures and other uses.....	14,193	21,002
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	439	(6,431)
Fund balance (deficit) at beginning of year.....	(37)	6,394
Fund balance (deficit) at end of year.....	\$ 402	\$ (37)

Department of Industrial Accidents Special Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 10,917	\$ 11,835
Total assets.....	<u>\$ 10,917</u>	<u>\$ 11,835</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1	\$ 2
Total liabilities.....	<u>1</u>	<u>2</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	10,916	11,833
Total fund balance.....	<u>10,916</u>	<u>11,833</u>
Total liabilities and fund balance.....	<u>\$ 10,917</u>	<u>\$ 11,835</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Assessments.....	\$ 14,133	\$ 14,525
Departmental.....	4,561	4,767
Miscellaneous.....	935	945
Total revenues.....	<u>19,629</u>	<u>20,237</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other sources.....	<u>19,629</u>	<u>20,237</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Labor.....	-	-
Total expenditures.....	<u>-</u>	<u>-</u>
Other financing uses:		
Fringe benefit cost assessment.....	3,595	3,661
Operating transfers out.....	16,951	18,739
Total other financing uses.....	<u>20,546</u>	<u>22,400</u>
Total expenditures and other uses.....	<u>20,546</u>	<u>22,400</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(917)	(2,163)
Fund balance at beginning of year.....	11,833	13,996
Fund balance at end of year.....	<u>\$ 10,916</u>	<u>\$ 11,833</u>

County Correction Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 4,345	\$ 2,199
Receivables, net of allowance for uncollectibles:		
Taxes.....	<u>732</u>	<u>949</u>
Total assets.....	<u>\$ 5,077</u>	<u>\$ 3,148</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	<u>\$ 450</u>	<u>\$ -</u>
Total liabilities.....	<u>450</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	<u>4,627</u>	<u>3,148</u>
Total fund balance.....	<u>4,627</u>	<u>3,148</u>
Total liabilities and fund balance.....	<u>\$ 5,077</u>	<u>\$ 3,148</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Taxes.....	\$ 9,241	\$ 7,360
Total revenues.....	9,241	7,360
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	9,241	7,360
EXPENDITURES AND OTHER USES		
Expenditures:		
Direct local aid.....	7,762	6,514
Total expenditures.....	7,762	6,514
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	7,762	6,514
Excess of revenues and other sources over expenditures and other uses.....	1,479	846
Fund balance at beginning of year.....	3,148	2,302
Fund balance at end of year.....	\$ 4,627	\$ 3,148

Massachusetts AIDS Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 755	\$ 824
Total assets.....	<u>\$ 755</u>	<u>\$ 824</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 289	\$ 172
Total liabilities.....	<u>289</u>	<u>172</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	466	652
Total fund balance.....	<u>466</u>	<u>652</u>
Total liabilities and fund balance.....	<u>\$ 755</u>	<u>\$ 824</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 507	\$ 555
Total revenues.....	507	555
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	507	555
EXPENDITURES AND OTHER USES		
Expenditures:		
Health and human services.....	693	477
Total expenditures.....	693	477
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	693	477
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(186)	78
Fund balance at beginning of year.....	652	574
Fund balance at end of year.....	\$ 466	\$ 652

Board Of Registration In Medicine Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts In Thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 127	\$ 105
Total assets.....	<u>\$ 127</u>	<u>\$ 105</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 122	\$ 103
Accrued payroll.....	5	2
Total liabilities.....	<u>127</u>	<u>105</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	-	-
Total fund balance.....	-	-
Total liabilities and fund balance.....	<u>\$ 127</u>	<u>\$ 105</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 1,639	\$ 1,814
Total revenues.....	1,639	1,814
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	1,639	1,814
EXPENDITURES AND OTHER USES		
Expenditures:		
Consumer affairs.....	1,340	1,516
Total expenditures.....	1,340	1,516
Other financing uses:		
Fringe benefit cost assessment.....	185	77
Operating transfers out.....	114	657
Total other financing uses.....	299	734
Total expenditures and other uses.....	1,639	2,250
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	-	(436)
Fund balance at beginning of year.....	-	436
Fund balance at end of year.....	\$ -	\$ -

Water Pollution Abatement Projects Administration Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 314	\$ 171
Total assets.....	<u>\$ 314</u>	<u>\$ 171</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 186	\$ 95
Accrued payroll.....	27	14
Total liabilities.....	<u>213</u>	<u>109</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	101	62
Total fund balance.....	<u>101</u>	<u>62</u>
Total liabilities and fund balance.....	<u>\$ 314</u>	<u>\$ 171</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 5,719	\$ 5,195
Total revenues.....	5,719	5,195
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	5,719	5,195
EXPENDITURES AND OTHER USES		
Expenditures:		
Environmental affairs.....	4,325	4,152
Total expenditures.....	4,325	4,152
Other financing uses:		
Fringe benefit cost assessment.....	1,064	1,076
Operating transfers out.....	291	226
Total other financing uses.....	1,355	1,302
Total expenditures and other uses.....	5,680	5,454
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	39	(259)
Fund balance at beginning of year.....	62	321
Fund balance at end of year.....	\$ 101	\$ 62

Commonwealth Sewer Rate Relief Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 13,071	\$ 11,406
Total assets.....	<u>\$ 13,071</u>	<u>\$ 11,406</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	13,071	11,406
Total fund balance.....	<u>13,071</u>	<u>11,406</u>
Total liabilities and fund balance.....	<u>\$ 13,071</u>	<u>\$ 11,406</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Sewer rate relief.....	50,700	54,398
Total other financing sources.....	50,700	54,398
Total revenues and other sources.....	50,700	54,398
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	49,035	46,080
Total expenditures.....	49,035	46,080
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	49,035	46,080
Excess of revenues and other sources over expenditures and other uses.....	1,665	8,318
Fund balance at beginning of year.....	11,406	3,088
Fund balance at end of year.....	\$ 13,071	\$ 11,406

Motor Vehicle Emissions Inspection Compliance Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	\$ -	\$ -
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 2,636
Accounts payable.....	-	16
Accrued payroll	-	2
Total liabilities.....	-	2,654
Fund balance:		
Unreserved fund balance (deficit):		
Designated for specific purpose.....	-	(2,654)
Total fund balance (deficit).....	-	(2,654)
Total liabilities and fund balance.....	\$ -	\$ -

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Operating transfers in.....	3,134	-
Total other financing sources.....	3,134	-
Total revenues and other sources.....	3,134	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Environmental affairs.....	370	786
Total expenditures.....	370	786
Other financing uses:		
Fringe benefit cost assessment.....	86	170
Operating transfers out.....	24	2
Total other financing uses.....	110	172
Total expenditures and other uses.....	480	958
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	2,654	(958)
Fund balance (deficit) at beginning of year.....	(2,654)	(1,696)
Fund balance (deficit) at end of year.....	\$ -	\$ (2,654)

Motor Vehicle Safety Inspection Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 5,036	\$ 6,615
Total assets.....	<u>\$ 5,036</u>	<u>\$ 6,615</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 999	\$ 267
Accrued payroll.....	10	2
Total liabilities.....	<u>1,009</u>	<u>269</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	4,027	6,346
Total fund balance.....	<u>4,027</u>	<u>6,346</u>
Total liabilities and fund balance.....	<u>\$ 5,036</u>	<u>\$ 6,615</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 5,889	\$ 5,679
Total revenues.....	5,889	5,679
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	5,889	5,679
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	333	-
Environmental affairs.....	785	-
Public safety.....	5,667	4,672
Total expenditures.....	6,785	4,672
Other financing uses:		
Fringe benefit cost assessment.....	292	138
Operating transfers out.....	1,131	1
Total other financing uses.....	1,423	139
Total expenditures and other uses.....	8,208	4,811
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(2,319)	868
Fund balance at beginning of year.....	6,346	5,478
Fund balance at end of year.....	\$ 4,027	\$ 6,346

Energy Technology Development Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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:		
Designated for specific purpose.....	-	-
Total fund balance.....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	-	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Economic development.....	-	84
Total expenditures.....	-	84
Other financing uses:		
Fringe benefit cost assessment.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	-	84
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	-	(84)
Fund balance at beginning of year.....	-	84
Fund balance at end of year.....	\$ -	\$ -

Child Care Quality Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 15	\$ -
Total assets.....	<u>\$ 15</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	15	-
Total fund balance.....	<u>15</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 15</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ 15	\$ -
Total revenues.....	15	-
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	15	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Economic development.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Fringe benefit cost assessment.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	-	-
Excess of revenues and other sources over expenditures and other uses.....	15	-
Fund balance at beginning of year.....	-	-
Fund balance at end of year.....	\$ 15	\$ -

Grant Anticipation Note Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 310,433	\$ -
Cash with fiscal agent.....	11,572	-
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	<u>93,792</u>	<u>-</u>
Total assets.....	<u>\$ 415,797</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to other funds.....	<u>\$ 103,124</u>	<u>\$ -</u>
Total liabilities.....	<u>103,124</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	27,240	-
Unreserved fund balance:		
Designated for specific purpose.....	<u>285,433</u>	<u>-</u>
Total fund balance.....	<u>312,673</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 415,797</u>	<u>\$ -</u>

Grant Anticipation Note Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 103,124	\$ -
Miscellaneous.....	2,240	-
Total revenues.....	105,364	-
Other financing sources:		
Proceeds of grant anticipation notes.....	580,557	-
Operating transfers in.....	25,000	-
Total other financing sources.....	605,557	-
Total revenues and other sources.....	710,921	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Debt service:		
Principal retirement.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Operating transfers out.....	398,248	-
Total other financing uses.....	398,248	-
Total expenditures and other uses.....	398,248	-
Excess of revenues and other sources over expenditures and other uses.....	312,673	-
Fund balance at beginning of year.....	-	-
Fund balance at end of year.....	\$ 312,673	\$ -

Oil Overcharge Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 11,510	\$ 13,722
Total assets.....	<u>\$ 11,510</u>	<u>\$ 13,722</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 406	\$ 479
Accrued payroll.....	<u>3</u>	<u>1</u>
Total liabilities.....	<u>409</u>	<u>480</u>
Fund balance:		
Unreserved fund balance:		
Designated for specific purpose.....	<u>11,101</u>	<u>13,242</u>
Total fund balance.....	<u>11,101</u>	<u>13,242</u>
Total liabilities and fund balance.....	<u>\$ 11,510</u>	<u>\$ 13,722</u>

Oil Overcharge Fund

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 5	\$ -
Miscellaneous.....	1,557	1,518
Total revenues.....	1,562	1,518
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	1,562	1,518
EXPENDITURES AND OTHER USES		
Expenditures:		
Environmental affairs.....	24	86
Communities and development.....	757	976
Public safety.....	89	-
Economic development.....	2,688	2,415
Total expenditures.....	3,558	3,477
Other financing uses:		
Fringe benefit cost assessment.....	132	125
Operating transfers out.....	13	1
Total other financing uses.....	145	126
Total expenditures and other uses.....	3,703	3,603
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(2,141)	(2,085)
Fund balance at beginning of year.....	13,242	15,327
Fund balance at end of year.....	\$ 11,101	\$ 13,242



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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.

BOSTON CONVENTION AND EXHIBITION CENTER CAPITAL FUND:

To account for proceeds of bonds to finance the construction of a convention center in Boston.

CAPITAL IMPROVEMENT AND INVESTMENT TRUST FUND:

To account for the commonwealth to reimburse cities and towns for expenses incurred for projects for construction and reconstruction of town and county ways.

CAPITAL EXPENDITURE RESERVE FUND:

To account for amounts paid by the Massachusetts Turnpike Authority as payment towards 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. Fiscal year 1997 activity was reported in the Non Budgeted Special Revenue Other Fund Type.

This activity is reported in Capital Project Funds to conform to the 1998 presentation.

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 PROGRAM 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.

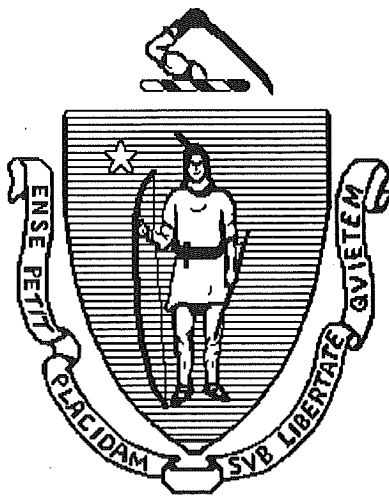
State Recreation Areas Capital Projects Fund accounts for proceeds of bonds and other monies received by DEM pertaining to state parks, reservations and recreation areas outside the metropolitan parks district; used for purposes of state parks, reservations and recreation areas outside the metropolitan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



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Capital Projects Funds
Combining Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	General	Capital Investment Trust	Boston Convention and Exhibition Center	Capital Improvements and Investment Trust
ASSETS				
Cash and short-term investments.....	\$ 88,089	\$ 153,519	\$ -	\$ 139,235
Receivables, net of allowance for uncollectibles:				
Due from federal government.....	4,475	-	-	-
Due from other funds.....	-	-	-	-
Total assets.....	<u>\$ 92,564</u>	<u>\$ 153,519</u>	<u>\$ -</u>	<u>\$ 139,235</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deficiency in cash and short-term investments.....	\$ -	\$ -	\$ 19,000	\$ -
Accounts payable.....	79,693	23,292	-	-
Accrued payroll.....	64	1	-	-
Total liabilities.....	<u>79,757</u>	<u>23,293</u>	<u>19,000</u>	<u>-</u>
Fund balance (deficits):				
Reserved fund balance:				
Reserved for capital projects.....	-	130,226	-	139,235
Unreserved:				
Undesignated.....	12,807	-	(19,000)	-
Total fund balance (deficits).....	<u>12,807</u>	<u>130,226</u>	<u>(19,000)</u>	<u>139,235</u>
Total liabilities and fund balances.....	<u>\$ 92,564</u>	<u>\$ 153,519</u>	<u>\$ -</u>	<u>\$ 139,235</u>

Capital Expenditure Reserve	Highway	Federal Highway Construction	Local Aid	Other	Totals	
					1998	1997
\$ 2	\$ -	\$ 39,372	\$ -	\$ -	\$ 420,217	\$ 249,818
-	-	-	-	-	4,475	165,528
-	-	102,786	-	-	102,786	-
<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 142,158</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 527,478</u>	<u>\$ 415,346</u>
\$ -	\$ 497,490	\$ -	\$ 25,546	\$ 2,867	\$ 544,903	\$ 215,644
-	61,962	142,098	11,991	12,065	331,101	331,239
-	335	94	16	-	510	240
-	<u>559,787</u>	<u>142,192</u>	<u>37,553</u>	<u>14,932</u>	<u>876,514</u>	<u>547,123</u>
2	-	-	14	1	269,478	229,800
-	<u>(559,787)</u>	<u>(34)</u>	<u>(37,567)</u>	<u>(14,933)</u>	<u>(618,514)</u>	<u>(361,577)</u>
2	<u>(559,787)</u>	<u>(34)</u>	<u>(37,553)</u>	<u>(14,932)</u>	<u>(349,036)</u>	<u>(131,777)</u>
<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 142,158</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 527,478</u>	<u>\$ 415,346</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	General	Capital Investment Trust	Boston Convention and Exhibition Center	Capital Improvements and Investment Trust
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Federal grants and reimbursements.....	\$ 12,744	\$ -	\$ -	\$ -
Departmental.....	-	-	-	-
Payments from authorities.....	-	-	-	-
Miscellaneous.....	-	-	-	-
Total revenues.....	12,744	-	-	-
Other financing sources:				
Proceeds of general obligation bonds.....	489,860	-	-	-
Proceeds of special obligation bonds.....	-	-	-	-
Proceeds of refunding bonds.....	318,953	-	-	-
Surplus transfer for capital projects.....	77,921	-	-	-
Transfer for capital projects funds.....	-	-	-	189,235
Operating transfers in.....	-	-	-	-
State share of federal highway construction.....	-	-	-	-
Total other financing sources.....	886,734	-	-	189,235
Total revenues and other financing sources.....	899,478	-	-	189,235
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Legislature.....	214	-	-	-
Judiciary.....	6,748	169	-	-
Inspector General.....	6	-	-	-
Secretary of the Commonwealth.....	1,973	2,735	-	-
Treasurer and Receiver-General.....	2,813	-	-	-
Auditor of the Commonwealth.....	2,015	-	-	-
Attorney General.....	2,814	-	-	-
Ethics Commission.....	25	-	-	-
District Attorney.....	871	-	-	-
Disabled Persons Protection Commission.....	51	-	-	-
Board of Library Commissioners.....	-	1,760	-	-
Comptroller.....	2,979	-	-	-
Administration and finance.....	201,510	14,482	19,000	-
Environmental affairs.....	68,709	44,115	-	-
Communities and development.....	68,383	9,855	-	-
Health and human services.....	30,264	2,211	-	-
Transportation and construction.....	16,020	-	-	50,000
Education.....	2,486	3,379	-	-
Higher education.....	6,123	20,452	-	-
Public safety.....	6,551	334	-	-
Economic development.....	361	-	-	-
Elder affairs.....	124	-	-	-
Consumer affairs.....	1,281	-	-	-
Labor.....	94	57	-	-
Total expenditures.....	422,415	99,549	19,000	50,000
Other financing uses:				
Payments to refunded bond escrow agent.....	318,953	-	-	-
Fringe benefit cost assessment.....	3,081	25	-	-
State share of federal highway construction.....	-	-	-	-
Operating transfers out.....	9,542	-	-	-
Total other financing uses.....	331,576	25	-	-
Total expenditures and other financing uses.....	753,991	99,574	19,000	50,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	145,487	(99,574)	(19,000)	139,235
Fund balances (deficits) at beginning of year.....	(132,680)	229,800	-	-
Fund balances (deficits) at end of year.....	\$ 12,807	\$ 130,226	\$ (19,000)	\$ 139,235

Capital Expenditure Reserve	Highway	Federal Highway Construction	Local Aid	Other	Totals	
					1998	1997
\$ -	\$ -	\$ 772,497	\$ -	\$ -	\$ 785,241	\$ 1,035,630
-	-	243	-	-	243	353
112,515	-	-	-	-	112,515	-
-	491	98	-	-	589	3,576
112,515	491	772,838	-	-	898,588	1,039,559
-	136,922	-	137,504	2,667	766,953	899,471
-	100,059	-	-	-	100,059	-
-	436,522	-	106,318	-	861,793	722,621
-	33,650	-	-	-	111,571	89,503
-	-	-	-	-	189,235	229,800
-	404,628	102,787	-	-	507,415	-
-	-	550,672	-	-	550,672	175,958
-	1,111,781	653,459	243,822	2,667	3,087,698	2,117,353
112,515	1,112,272	1,426,297	243,822	2,667	3,986,286	3,156,912
-	-	-	-	-	214	1,643
-	-	-	2,775	-	9,692	9,176
288	226	-	-	-	520	728
-	-	-	1,008	-	5,716	1,352
-	-	-	2,088	-	4,901	21,337
-	261	-	-	-	2,276	600
-	477	1,052	43	-	4,386	1,694
-	-	-	-	-	25	-
-	-	-	-	-	871	31
-	-	-	-	-	51	-
-	-	-	11,688	-	13,448	14,395
-	-	-	-	-	2,979	1,756
-	197	-	65,311	12,578	313,078	235,607
-	15,860	3,578	12,689	1,577	146,528	107,020
-	-	-	1,776	-	80,014	69,251
-	719	-	132	-	33,326	39,150
12,114	491,466	1,416,666	688	2,011	1,988,965	1,657,581
-	-	-	-	-	5,865	19,494
-	8	-	-	-	26,583	6,767
-	8,619	506	5,344	-	21,354	23,724
-	-	616	-	-	977	1,806
-	-	-	-	-	124	93
-	48	-	-	-	1,329	43
-	-	46	-	-	197	-
12,402	517,881	1,422,464	103,542	16,166	2,663,419	2,213,248
-	436,522	-	106,318	-	861,793	722,621
82	10,324	3,834	538	15	17,899	16,990
-	550,672	-	-	-	550,672	116,205
100,029	98	33	11	49	109,762	59,964
100,111	997,616	3,867	106,867	64	1,540,126	915,780
112,513	1,515,497	1,426,331	210,409	16,230	4,203,545	3,129,028
2	(403,225)	(34)	33,413	(13,563)	(217,259)	27,884
-	(156,562)	-	(70,966)	(1,369)	(131,777)	(159,661)
\$ 2	\$ (559,787)	\$ (34)	\$ (37,553)	\$ (14,932)	\$ (349,036)	\$ (131,777)

General Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 88,089	\$ -
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	4,475	4,101
Total assets.....	<u>\$ 92,564</u>	<u>\$ 4,101</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 62,568
Accounts payable.....	79,693	74,168
Accrued payroll.....	64	45
Total liabilities.....	<u>79,757</u>	<u>136,781</u>
Fund equity:		
Unreserved fund balance (deficit):		
Undesignated.....	12,807	(132,680)
Total fund equity (deficit).....	<u>12,807</u>	<u>(132,680)</u>
Total liabilities and fund equity.....	<u>\$ 92,564</u>	<u>\$ 4,101</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 12,744	\$ 19,465
Miscellaneous.....	-	9
Total revenues.....	12,744	19,474
Other financing sources:		
Proceeds of general obligation bonds.....	489,860	271,882
Proceeds of refunding bonds.....	318,953	301,333
Surplus transfer for capital projects.....	77,921	9,503
Total other financing sources.....	886,734	582,718
Total revenues and other sources.....	899,478	602,192
EXPENDITURES AND OTHER USES		
Expenditures:		
Legislature.....	214	1,643
Judiciary.....	6,748	7,722
Inspector General.....	6	168
Secretary of the Commonwealth.....	1,973	664
Treasurer and Receiver-General.....	2,813	3,288
Auditor of the Commonwealth.....	2,015	410
Attorney General.....	2,814	678
Ethics Commission.....	25	-
District Attorney.....	871	31
Disabled Persons Protection Commission.....	51	-
Board of Library Commissioners.....	-	784
Comptroller.....	2,979	1,723
Administration and finance.....	201,510	127,553
Environmental affairs.....	68,709	68,925
Communities and development.....	68,383	58,799
Health and human services.....	30,264	36,163
Transportation and construction.....	16,020	10,304
Education.....	2,486	19,494
Higher education.....	6,123	6,637
Public safety.....	6,551	4,675
Economic development.....	361	1,108
Elder affairs.....	124	93
Consumer affairs.....	1,281	43
Labor.....	94	-
Total expenditures.....	422,415	350,905
Other financing uses:		
Payments to refunded bond escrow agent.....	318,953	301,333
Fringe benefit cost assessment.....	3,081	3,415
Operating transfers out.....	9,542	59
Total other financing uses.....	331,576	304,807
Total expenditures and other uses.....	753,991	655,712
Excess (deficiency) of revenues and other sources over expenditures and other uses	145,487	(53,520)
Fund balance (deficit) at beginning of year.....	(132,680)	(79,160)
Fund balance (deficit) at end of year.....	\$ 12,807	\$ (132,680)

Capital Investment Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 153,519	\$ 229,800
Total assets.....	<u>\$ 153,519</u>	<u>\$ 229,800</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 23,292	\$ -
Accrued payroll.....	<u>1</u>	<u>-</u>
Total liabilities.....	<u>23,293</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for capital projects.....	<u>130,226</u>	<u>229,800</u>
Total fund balance	<u>130,226</u>	<u>229,800</u>
Total liabilities and fund balance.....	<u>\$ 153,519</u>	<u>\$ 229,800</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Transfer for capital projects funds.....	-	229,800
Total other financing sources.....	-	229,800
Total revenues and other sources.....	-	229,800
EXPENDITURES AND OTHER USES		
Expenditures:		
Judiciary.....	169	-
Secretary of the Commonwealth.....	2,735	-
Board of Library Commissioners.....	1,760	-
Administration and finance.....	14,482	-
Environmental affairs.....	44,115	-
Communities and development.....	9,855	-
Health and human services.....	2,211	-
Education.....	3,379	-
Higher education.....	20,452	-
Public safety.....	334	-
Labor.....	57	-
Total expenditures.....	99,549	-
Other financing uses:		
Fringe benefit cost assessment.....	25	-
Total other financing uses.....	25	-
Total expenditures and other uses.....	99,574	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(99,574)	229,800
Fund balance at beginning of year.....	229,800	-
Fund balance at end of year.....	\$ 130,226	\$ 229,800

Boston Convention and Exhibition Center Capital Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 19,000	\$ -
Total liabilities.....	<u>19,000</u>	<u>-</u>
Fund equity:		
Unreserved fund balance (deficit):		
Undesignated.....	(19,000)	-
Total fund balance (deficit).....	<u>(19,000)</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Boston Convention and Exhibition Center Capital Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
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.....	19,000	-
Total expenditures.....	19,000	-
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	19,000	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(19,000)	-
Fund balance at beginning of year.....	-	-
Fund balance (deficit) at end of year.....	\$ (19,000)	\$ -

Capital Improvements and Investment Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 139,235	\$ -
Total assets.....	<u>\$ 139,235</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.....	139,235	-
Total fund balance	<u>139,235</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 139,235</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Transfer for capital projects funds.....	189,235	-
Total other financing sources.....	189,235	-
Total revenues and other sources.....	189,235	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Transportation and construction.....	50,000	-
Total expenditures.....	50,000	-
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	50,000	-
Excess of revenues and other sources over expenditures and other uses.....	139,235	-
Fund balance at beginning of year.....	-	-
Fund balance at end of year.....	\$ 139,235	\$ -

Capital Expenditure Reserve Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 2	\$ -
Total assets.....	<u>\$ 2</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.....	2	-
Total fund balance.....	<u>2</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 2</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Payments from authorities.....	\$ 112,515	\$ -
Miscellaneous.....	-	1,840
Total revenues.....	112,515	1,840
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other sources.....	112,515	1,840
EXPENDITURES AND OTHER USES		
Expenditures:		
Inspector General.....	288	-
Transportation and construction.....	12,114	-
Total expenditures.....	12,402	-
Other financing uses:		
Fringe benefit cost assessment.....	82	-
Operating transfers out.....	100,029	59,753
Total other financing uses.....	100,111	59,753
Total expenditures and other uses.....	112,513	59,753
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	2	(57,913)
Fund balance at beginning of year.....	-	57,913
Fund balance at end of year.....	\$ 2	\$ -

Highway Capital Projects Fund **Balance Sheet - Statutory Basis**

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 497,490	\$ 102,921
Accounts payable.....	61,962	53,458
Accrued payroll.....	335	183
Total liabilities.....	<u>559,787</u>	<u>156,562</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(559,787)</u>	<u>(156,562)</u>
Total fund balance (deficit).....	<u>(559,787)</u>	<u>(156,562)</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, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 491	\$ 5
Total revenues.....	491	5
Other financing sources:		
Proceeds of general obligation bonds.....	136,922	474,788
Proceeds of special obligation bonds.....	100,059	-
Proceeds of refunding bonds.....	436,522	337,464
Surplus transfer for capital projects.....	33,650	80,000
Operating transfers in.....	404,628	-
Total other financing sources.....	1,111,781	892,252
Total revenues and other sources.....	1,112,272	892,257
EXPENDITURES AND OTHER USES		
Expenditures:		
Inspector General.....	226	560
Auditor of the Commonwealth.....	261	190
Attorney General.....	477	186
Comptroller.....	-	33
Administration and finance.....	197	1,612
Environmental affairs.....	15,860	12,893
Health and human services.....	719	390
Transportation and construction.....	491,466	456,162
Higher education.....	8	130
Public safety.....	8,619	10,892
Consumer affairs.....	48	-
Total expenditures.....	517,881	483,048
Other financing uses:		
Payments to refunded bond escrow agent.....	436,522	337,464
Fringe benefit cost assessment.....	10,324	9,472
State share of Federal Highway	550,672	116,205
Operating transfers out.....	98	103
Total other financing uses.....	997,616	463,244
Total expenditures and other uses.....	1,515,497	946,292
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(403,225)	(54,035)
Fund balance (deficit) at beginning of year.....	(156,562)	(102,527)
Fund balance (deficit) at end of year.....	\$ (559,787)	\$ (156,562)

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

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 39,372	\$ 20,018
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	-	161,427
Due from other funds.....	102,786	-
Total assets.....	<u>\$ 142,158</u>	<u>\$ 181,445</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 142,098	\$ 181,443
Accrued payroll.....	94	2
Total liabilities.....	<u>142,192</u>	<u>181,445</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(34)	-
Total fund balance (deficit).....	(34)	-
Total liabilities and fund balance.....	<u>\$ 142,158</u>	<u>\$ 181,445</u>

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 772,497	\$ 1,016,165
Departmental.....	243	353
Miscellaneous.....	98	1,722
Total revenues.....	<u>772,838</u>	<u>1,018,240</u>
Other financing sources:		
State share of federal highway construction.....	550,672	175,958
Operating transfers in.....	102,787	-
Total other financing sources.....	<u>653,459</u>	<u>175,958</u>
Total revenues and other sources.....	<u>1,426,297</u>	<u>1,194,198</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Attorney General.....	1,052	790
Environmental affairs.....	3,578	2,956
Transportation and construction.....	1,416,666	1,185,780
Public safety.....	506	83
Economic development.....	616	698
Labor.....	46	-
Total expenditures.....	<u>1,422,464</u>	<u>1,190,307</u>
Other financing uses:		
Fringe benefit cost assessment.....	3,834	3,851
Operating transfers out.....	33	40
Total other financing uses.....	<u>3,867</u>	<u>3,891</u>
Total expenditures and other uses.....	<u>1,426,331</u>	<u>1,194,198</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(34)	-
Fund balance at beginning of year.....	-	-
Fund balance (deficit) at end of year.....	<u>\$ (34)</u>	<u>\$ -</u>

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

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	\$ -	\$ -
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 25,371	\$ 49,754
Accounts payable.....	11,433	17,708
Accrued payroll.....	16	10
Total liabilities.....	36,820	67,472
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(36,820)	(67,472)
Total fund balance (deficit).....	(36,820)	(67,472)
Total liabilities and fund balance.....	\$ -	\$ -

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	133,302	138,278
Proceeds of refunding bonds.....	106,318	83,824
Total other financing sources.....	239,620	222,102
Total revenues and other sources.....	239,620	222,102
EXPENDITURES AND OTHER USES		
Expenditures:		
Judiciary.....	2,775	1,454
Secretary of Commonwealth.....	1,008	688
Treasurer and Receiver-General.....	2,088	18,049
Attorney general.....	43	40
Board of Library Commissioners.....	11,688	13,611
Administration and finance.....	64,597	105,798
Environmental affairs.....	12,031	17,400
Communities and development.....	1,776	10,452
Health and human services.....	132	247
Transportation and construction.....	688	5,312
Public safety.....	5,279	7,627
Total expenditures.....	102,105	180,678
Other financing uses:		
Payments to refunded bond escrow agent.....	106,318	83,824
Fringe benefit cost assessment.....	537	252
Operating transfers out.....	8	7
Total other financing uses.....	106,863	84,083
Total expenditures and other uses.....	208,968	264,761
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	30,652	(42,659)
Fund balance (deficit) at beginning of year.....	(67,472)	(24,813)
Fund balance (deficit) at end of year.....	\$ (36,820)	\$ (67,472)

Lockup Facilities Improvements Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 14	\$ 16
Total assets.....	<u>\$ 14</u>	<u>\$ 16</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ 2
Total liabilities.....	<u>-</u>	<u>2</u>
Fund balance:		
Reserved fund balance:		
Reserved for capital projects.....	14	14
Total fund balance.....	<u>14</u>	<u>14</u>
Total liabilities and fund balance.....	<u>\$ 14</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, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
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
Total expenditures.....	-	2
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	-	2
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	-	(2)
Fund balance at beginning of year.....	14	16
Fund balance at end of year.....	<u>\$ 14</u>	<u>\$ 14</u>

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

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 18	\$ -
Total liabilities.....	<u>18</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(18)</u>	<u>-</u>
Total fund balance (deficit).....	<u>(18)</u>	<u>-</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, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	61	160
Total other financing sources.....	61	160
Total revenues and other sources.....	61	160
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	79	10
Total expenditures.....	79	10
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	79	10
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(18)	150
Fund balance (deficit) at beginning of year.....	-	(150)
Fund balance (deficit) at end of year.....	\$ (18)	\$ -

County Correctional Facilities Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 78	\$ 31
Accounts payable.....	<u>-</u>	<u>16</u>
Total liabilities.....	<u>78</u>	<u>47</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(78)</u>	<u>(47)</u>
Total fund balance (deficit).....	<u>(78)</u>	<u>(47)</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, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Taxes.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	670	1,591
Total other financing sources.....	670	1,591
Total revenues and other sources.....	670	1,591
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	635	330
Public safety.....	65	447
Total expenditures.....	700	777
Other financing uses:		
Fringe benefit cost assessment.....	1	-
Total other financing uses.....	1	-
Total expenditures and other uses.....	701	777
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(31)	814
Fund balance (deficit) at beginning of year.....	(47)	(861)
Fund balance (deficit) at end of year.....	\$ (78)	\$ (47)

Local Infrastructure Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ 2,350
Total liabilities.....	<u>-</u>	<u>2,350</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	-	(2,350)
Total fund (deficit).....	<u>-</u>	<u>(2,350)</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, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	2,350	-
Total other financing sources.....	2,350	-
Total revenues and other sources.....	2,350	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Health and human services.....	-	2,350
Total expenditures.....	-	2,350
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	-	2,350
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	2,350	(2,350)
Fund balance (deficit) at beginning of year.....	(2,350)	-
Fund balance (deficit) at end of year.....	\$ -	\$ (2,350)

Water Pollution Control Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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	\$ -
Accounts payable.....	<u>558</u>	<u>1,111</u>
Total liabilities.....	<u>651</u>	<u>1,111</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(651)</u>	<u>(1,111)</u>
Total fund balance (deficit).....	<u>(651)</u>	<u>(1,111)</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, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	<u>-</u>	<u>-</u>
Other financing sources:		
Proceeds of general obligation bonds.....	1,121	9,369
Total other financing sources.....	<u>1,121</u>	<u>9,369</u>
Total revenues and other sources.....	<u>1,121</u>	<u>9,369</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Environmental affairs.....	658	1,092
Total expenditures.....	<u>658</u>	<u>1,092</u>
Other financing uses:		
Operating transfers out.....	3	-
Total other financing uses.....	<u>3</u>	<u>-</u>
Total expenditures and other uses.....	<u>661</u>	<u>1,092</u>
Excess of revenues and other sources over expenditures and other uses.....	460	8,277
Fund balance (deficit) at beginning of year.....	(1,111)	(9,388)
Fund balance (deficit) at end of year.....	<u>\$ (651)</u>	<u>\$ (1,111)</u>

State Recreation Areas Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 4	\$ 3
Accounts payable.....	<u>13</u>	<u>40</u>
Total liabilities.....	<u>17</u>	<u>43</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(17)</u>	<u>(43)</u>
Total fund balance (deficit).....	<u>(17)</u>	<u>(43)</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, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	46	510
Total other financing sources.....	46	510
Total revenues and other sources.....	46	510
EXPENDITURES AND OTHER USES		
Expenditures:		
Environmental affairs.....	20	74
Total expenditures.....	20	74
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other uses.....	20	74
Excess of revenues and other sources over expenditures and other uses.....	26	436
Fund balance (deficit) at beginning of year.....	(43)	(479)
Fund balance (deficit) at end of year.....	\$ (17)	\$ (43)

Metropolitan Parks Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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.....	\$ 2,864	\$ 416
Accounts payable.....	<u>252</u>	<u>940</u>
Total liabilities.....	<u>3,116</u>	<u>1,356</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(3,116)</u>	<u>(1,356)</u>
Total fund balance (deficit).....	<u>(3,116)</u>	<u>(1,356)</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, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	591	2,877
Total other financing sources.....	591	2,877
Total revenues and other sources.....	591	2,877
EXPENDITURES AND OTHER USES		
Expenditures:		
Administration and finance.....	778	302
Environmental affairs.....	1,557	3,680
Total expenditures.....	2,335	3,982
Other financing uses:		
Fringe benefit cost assessment.....	15	-
Operating transfers out.....	1	2
Total other financing uses.....	16	2
Total expenditures and other uses.....	2,351	3,984
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(1,760)	(1,107)
Fund balance (deficit) at beginning of year.....	(1,356)	(249)
Fund balance (deficit) at end of year.....	\$ (3,116)	\$ (1,356)

Federally-Assisted Housing Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short- term investments.....	\$ -	\$ 48
Total assets.....	<u>\$ -</u>	<u>\$ 48</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>-</u>	<u>48</u>
Total fund balance	<u>-</u>	<u>48</u>
Total liabilities and fund balance.....	<u>\$ -</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, 1998
(Amounts in thousands)

	1998	1997
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.....	48	-
Total other financing uses.....	48	-
Total expenditures and other uses.....	48	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(48)	-
Fund balance at beginning of year.....	48	48
Fund balance at end of year.....	\$ -	\$ 48

Government Land Bank Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 11,800	\$ -
Total liabilities.....	<u>11,800</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(11,800)	-
Total fund balance (deficit).....	<u>(11,800)</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, 1998
(Amounts in thousands)

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.....

Total expenditures.....

Other financing uses:

Operating transfers out.....

Total other financing uses.....

Total expenditures and other uses.....

Excess (deficiency) of revenues and other
sources over expenditures and other uses.....

Fund balance at beginning of year.....

Fund balance (deficit) at end of year.....

1998

1997

\$ -

\$ -

-

-

-

-

-

-

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11,800

11,800

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11,800

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Intercity Bus Capital Assistance Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

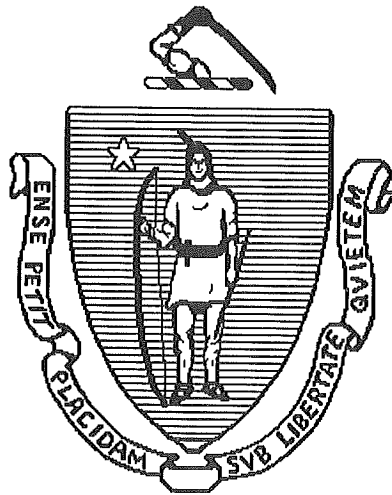
	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 1	
Total assets.....	<u>\$ 1</u>	<u>\$ -</u>
		<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 15
Accounts payable.....	-	3
Total liabilities.....	<u>-</u>	<u>18</u>
Fund balance:		
Reserved fund balance:		
Reserved for capital projects.....	1	-
Unreserved fund balance (deficit):		
Undesignated.....	-	(18)
Total fund balance (deficit).....	<u>1</u>	<u>(18)</u>
Total liabilities and fund balance.....	<u>\$ 1</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, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:	\$ -	\$ -
Departmental.....	-	-
Total revenues.....	-	-
Other financing sources:	2,030	16
Proceeds of general obligation bonds.....	2,030	16
Total other financing sources.....	2,030	16
Total revenues and other sources.....	2,030	16
EXPENDITURES AND OTHER USES		
Expenditures:	2,011	23
Transportation and construction.....	2,011	23
Total expenditures.....	2,011	23
Other financing uses:	-	-
Fringe benefit cost assessment.....	-	-
Total other financing uses.....	2,011	23
Total expenditures and other uses.....	2,011	23
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	19	(7)
Fund equity (deficit) at beginning of year.....	(18)	(11)
Fund balance (deficit) at end of year.....	\$ 1	\$ (18)



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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.

Teacher Quality Endowment Fund: accounts for funds to be paid in an incoming teacher signing bonus program to be administered by the department of education for the purpose of encouraging the best and brightest candidates to teach in public schools.

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, 1998
(Amounts in thousands)

	Expendable Trust Funds	Nonexpendable Trust Funds	Pension Trust Funds
ASSETS			
Cash and short-term investments.....	\$ 220,168	\$ 5,835	\$ 992,738
Cash on deposit with U.S. Treasury.....	1,699,693	-	-
Investments.....	-	-	22,656,891
Assets held in trust.....	-	-	-
Other receivables, net of allowance for uncollectibles.....	-	-	482,658
Total assets.....	<u>\$ 1,919,861</u>	<u>\$ 5,835</u>	<u>\$ 24,132,287</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable.....	\$ 13,444	\$ -	\$ 909,307
Accrued payroll.....	79	-	-
Agency liabilities.....	4,430	-	-
Due to cities and towns.....	-	-	-
Due to other funds.....	-	-	1,672
Total liabilities.....	<u>17,953</u>	<u>-</u>	<u>910,979</u>
Fund balances:			
Reserved for:			
Employees' pension benefits.....	-	-	23,221,308
Unemployment benefits.....	1,699,693	-	-
Unreserved:			
Designated for specific purpose.....	202,215	5,835	-
Total fund balances.....	<u>1,901,908</u>	<u>5,835</u>	<u>23,221,308</u>
Total liabilities and fund balances.....	<u>\$ 1,919,861</u>	<u>\$ 5,835</u>	<u>\$ 24,132,287</u>

Agency Funds	Totals	
	1998	1997
\$ 262,155	\$ 1,480,896	\$ 1,229,252
-	1,699,693	1,222,725
738,709	23,395,600	19,528,772
1,866,078	1,866,078	1,708,422
-	482,658	218,393
<u>\$ 2,866,942</u>	<u>\$ 28,924,925</u>	<u>\$ 23,907,564</u>

\$ 10,981	\$ 933,732	\$ 520,792
-	79	34
2,833,288	2,837,718	2,469,062
22,673	22,673	20,142
-	1,672	3,657
<u>2,866,942</u>	<u>3,795,874</u>	<u>3,013,687</u>

-	23,221,308	19,560,061
-	1,699,693	1,222,725
-	208,050	111,091
-	25,129,051	20,893,877
<u>\$ 2,866,942</u>	<u>\$ 28,924,925</u>	<u>\$ 23,907,564</u>

Expendable Trust Funds
Combining Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

		Totals		
	Expendable Trusts	Unemployment Compensation Trust	1998	1997
ASSETS				
Cash and short-term investments.....	\$ 220,168	\$ -	\$ 220,168	\$ 132,788
Cash on deposit with U.S. Treasury.....	-	1,699,693	1,699,693	1,222,725
Total assets.....	<u>\$ 220,168</u>	<u>\$ 1,699,693</u>	<u>\$ 1,919,861</u>	<u>\$ 1,355,513</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable.....	13,444	-	13,444	18,288
Accrued payroll.....	79	-	79	34
Agency liabilities.....	4,430	-	4,430	9,210
Total liabilities.....	<u>17,953</u>	<u>-</u>	<u>17,953</u>	<u>27,532</u>
Fund balances:				
Reserved for:				
Unemployment benefits.....	-	1,699,693	1,699,693	1,222,725
Unreserved:				
Designated for specific purpose.....	202,215	-	202,215	105,256
Total fund balances.....	<u>202,215</u>	<u>1,699,693</u>	<u>1,901,908</u>	<u>1,327,981</u>
Total liabilities and fund balances.....	<u>\$ 220,168</u>	<u>\$ 1,699,693</u>	<u>\$ 1,919,861</u>	<u>\$ 1,355,513</u>

Expendable Trust Funds

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	Expendable Trusts	Unemployment Compensation Trust	Totals	
			1998	1997
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ -	\$ 1,092,698	\$1,092,698	\$ 1,174,332
Assessments.....	2,306	-	2,306	1,686
Federal grants and reimbursements.....	11,464	17,466	28,930	29,701
Departmental.....	8,377	7,112	15,489	6,724
Miscellaneous.....	188,147	97,498	285,645	214,808
Total revenues.....	210,294	1,214,774	1,425,068	1,427,251
Other financing sources:				
Operating transfers in.....	78,796	-	78,796	6,971
Other sources.....	3,079	-	3,079	2,073
Total other financing sources.....	81,875	-	81,875	9,044
Total revenues and other financing sources.....	292,169	1,214,774	1,506,943	1,436,295
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary.....	226	-	226	229
Secretary of the Commonwealth.....	5	-	5	5
Treasurer and Receiver-General.....	1,380	-	1,380	7,033
Auditor of the Commonwealth.....	170	-	170	285
Attorney General.....	3,404	-	3,404	1,724
District Attorney.....	3,152	-	3,152	3,215
Administration and finance.....	9,529	-	9,529	5,320
Environmental affairs.....	7,137	-	7,137	7,613
Communities and development.....	606	-	606	1,036
Health and human services.....	17,934	-	17,934	18,299
Transportation and construction.....	526	-	526	2,609
Education.....	6,117	-	6,117	1,140
Higher education.....	117	-	117	103
Public safety.....	2,645	-	2,645	2,967
Economic development.....	754	-	754	1,696
Elder affairs.....	36	-	36	50
Consumer affairs.....	6,402	-	6,402	7,098
Labor.....	52,365	737,806	790,171	837,727
Total expenditures.....	112,505	737,806	850,311	898,149
Other financing uses:				
Fringe benefit cost assessment.....	3,086	-	3,086	2,365
Operating transfers out.....	79,619	-	79,619	66,900
Total other financing uses.....	82,705	-	82,705	69,265
Total expenditures and other financing uses.....	195,210	737,806	933,016	967,414
Excess and other financing sources over expenditures and other financing uses.....	96,959	476,968	573,927	468,881
Fund balances at beginning of year.....	105,256	1,222,725	1,327,981	859,100
Fund balances at end of year.....	\$ 202,215	\$ 1,699,693	\$1,901,908	\$ 1,327,981

Expendable Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 154,106	\$ 129,773
Total assets.....	<u>\$ 154,106</u>	<u>\$ 129,773</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ 13,444	\$ 18,288
Accrued payroll.....	79	34
Agency liabilities.....	4,430	9,210
Total liabilities.....	<u>17,953</u>	<u>27,532</u>
Fund balances:		
Unreserved:		
Designated for specific purpose.....	136,153	102,241
Total fund balances.....	<u>136,153</u>	<u>102,241</u>
Total liabilities and fund balances.....	<u>\$ 154,106</u>	<u>\$ 129,773</u>

Expendable Trust Fund

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

June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		\$ 158
Taxes.....	2,306	1,686
Assessments.....	11,464	12,481
Federal grants and reimbursements.....	8,377	6,724
Departmental.....	188,055	151,741
Miscellaneous.....	210,202	172,790
Total revenues.....	18,796	6,971
Other financing sources:	85	66
Operating transfers in.....	18,881	7,037
Other sources.....	229,083	179,827
Total other financing sources.....		
Total revenues and other financing sources.....		
EXPENDITURES AND OTHER USES		
Expenditures:	226	229
Judiciary.....	5	5
Secretary of the Commonwealth.....	1,380	7,033
Treasurer and Receiver-General.....	170	285
Auditor of the Commonwealth.....	3,404	1,724
Attorney General.....	3,152	3,215
District Attorney.....	9,529	5,320
Administration and finance.....	7,137	7,613
Environmental affairs.....	575	480
Communities and development.....	17,926	18,289
Health and human services.....	526	2,609
Transportation and construction.....	6,117	1,140
Education.....	117	103
Higher education.....	2,645	2,967
Public safety.....	754	1,696
Economic development.....	36	50
Elder affairs.....	6,402	7,098
Consumer affairs.....	52,365	44,089
Labor.....	112,466	103,945
Total expenditures.....	3,086	2,365
Other financing uses:	79,619	66,900
Fringe benefit cost assessment.....	82,705	69,265
Operating transfers out.....	195,171	173,210
Total other financing uses.....		
Total expenditures and other financing uses.....		
Excess of revenues and other sources over expenditures and other uses.....	33,912	6,617
Fund balances at beginning of year.....	102,241	95,624
Fund balances at end of year.....	\$ 136,153	\$ 102,241

Revolving Loan Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 6,062	\$ 3,015
Total assets.....	<u>\$ 6,062</u>	<u>\$ 3,015</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balances:		
Unreserved:		
Designated for specific purpose.....	6,062	3,015
Total fund balances.....	<u>6,062</u>	<u>3,015</u>
Total liabilities and fund balances.....	<u>\$ 6,062</u>	<u>\$ 3,015</u>

Revolving Loan Fund

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

June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 92	\$ 85
Total revenues.....	92	85
Other financing sources:		
Other sources.....	2,994	2,007
Total other financing sources.....	2,994	2,007
Total revenues and other financing sources.....	3,086	2,092
EXPENDITURES AND OTHER USES		
Expenditures:		
Communities and development.....	31	556
Health and human services.....	8	10
Total expenditures.....	39	566
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	39	566
Excess of revenues and other sources over expenditures and other uses.....	3,047	1,526
Fund balances at beginning of year.....	3,015	1,489
Fund balances at end of year.....	\$ 6,062	\$ 3,015

Teacher Quality Endowment Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 60,000	\$ -
Total assets.....	<u>\$ 60,000</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balances:		
Unreserved:		
Designated for specific purpose.....	60,000	-
Total fund balances.....	<u>60,000</u>	<u>-</u>
Total liabilities and fund balances.....	<u>\$ 60,000</u>	<u>\$ -</u>

Teacher Quality Endowment Fund **Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis**

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
REVENUES AND OTHER SOURCES		
Revenues:	\$ -	\$ -
Miscellaneous.....	-	-
Total revenues.....	-	-
Other financing sources:	60,000	-
Operating transfers in.....	60,000	-
Total other financing sources.....	60,000	-
Total revenues and other financing sources.....	60,000	-
EXPENDITURES AND OTHER USES		
Expenditures:	-	-
Education.....	-	-
Total expenditures.....	-	-
Other financing uses:	-	-
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	-	-
Excess of revenues and other sources over expenditures and other uses.....	60,000	-
Fund balances at beginning of year.....	-	-
Fund balances at end of year.....	\$ 60,000	\$ -

Unemployment Compensation Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash on deposit with U.S. Treasury.....	\$ 1,699,693	\$ 1,222,725
Total assets.....	<u>\$ 1,699,693</u>	<u>\$ 1,222,725</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balances:		
Reserved for:		
Unemployment benefits.....	1,699,693	1,222,725
Total fund balances.....	<u>1,699,693</u>	<u>1,222,725</u>
Total liabilities and fund balances.....	<u>\$ 1,699,693</u>	<u>\$ 1,222,725</u>

Unemployment Compensation Fund

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

June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:	\$ 1,092,698	\$ 1,174,174
Taxes.....	17,466	17,220
Federal grants and reimbursements.....	7,112	-
Departmental.....	97,498	62,982
Miscellaneous.....	1,214,774	1,254,376
Total revenues.....		
Other financing sources:	-	-
Operating transfers in.....	-	-
Total other financing sources.....	1,214,774	1,254,376
Total revenues and other financing sources.....		
EXPENDITURES AND OTHER USES		
Expenditures:	737,806	793,638
Labor.....	737,806	793,638
Total expenditures.....		
Other financing uses:	-	-
Operating transfers out.....	-	-
Total other financing uses.....	737,806	793,638
Total expenditures and other financing uses.....		
Excess of revenues and other sources over expenditures and other uses.....	476,968	460,738
Fund balances at beginning of year.....	1,222,725	761,987
Fund balances at end of year.....	\$ 1,699,693	\$ 1,222,725

Nonexpendable Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</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**

June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES		
Revenues:		
Investment earnings.....	\$ -	\$ -
Total revenues.....	-	-
EXPENSES		
Expenses:		
Treasurer and Receiver-General.....	-	-
Total expenses.....	-	-
Excess of revenues over expenses.....	5,835	5,835
Fund balances at beginning of year.....	\$ 5,835	\$ 5,835
Fund balances at end of year.....		

Pension Trust Funds
Combining Statement of Net Assets Available for Pension Benefits - Statutory Basis

June 30, 1998
(Amounts in thousands)

			Totals	
	State Employees' PERS	Teachers' PERS	1998	1997
ASSETS				
Cash and short-term investments.....	\$ 483,441	\$ 509,297	\$ 992,738	\$ 869,492
Investments at fair value.....	11,179,161	11,477,730	22,656,891	18,969,346
Other receivables, net of allowance for uncollectibles.....	221,557	261,101	482,658	218,393
Total assets.....	<u>\$ 11,884,159</u>	<u>\$ 12,248,128</u>	<u>\$ 24,132,287</u>	<u>\$ 20,057,231</u>
LIABILITIES				
Accounts payable.....	\$ 447,093	\$ 462,214	\$ 909,307	\$ 493,513
Due to other funds.....	-	1,672	1,672	3,657
Total liabilities.....	<u>447,093</u>	<u>463,886</u>	<u>910,979</u>	<u>497,170</u>
Net assets available for pension benefits (fund balances reserved for employees' pension benefits).....	<u>\$ 11,437,066</u>	<u>\$ 11,784,242</u>	<u>\$ 23,221,308</u>	<u>\$ 19,560,061</u>

Pension Trust Funds

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

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

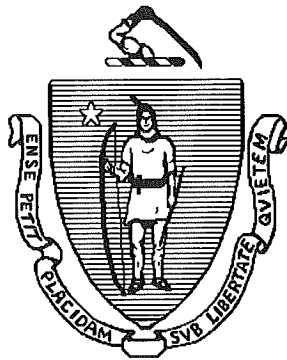
	State Employees' PERS	Teachers' PERS	1998	1997
Additions:				
Commonwealth contributions.....	\$ 488,780	\$ 450,309	\$ 939,089	\$ 899,048
Employees contributions.....	264,247	266,514	530,761	457,530
Total contributions.....	<u>753,027</u>	<u>716,823</u>	<u>1,469,850</u>	<u>1,356,578</u>
Net investment income:				
Net appreciation in fair value of investments.....	1,390,788	1,397,745	2,788,533	2,823,841
Interest.....	175,779	176,724	352,503	368,654
Dividends.....	127,895	128,535	256,430	158,922
Real estate operating income, net.....	35,822	36,002	71,824	54,525
Alternative investments.....	2,596	2,609	5,205	27,457
Other.....	1,873	1,882	3,755	156
Total investment income.....	<u>1,734,753</u>	<u>1,743,497</u>	<u>3,478,250</u>	<u>3,433,555</u>
Less: investment expense.....	<u>21,381</u>	<u>21,488</u>	<u>42,869</u>	<u>60,703</u>
Net investment income.....	<u>1,713,372</u>	<u>1,722,009</u>	<u>3,435,381</u>	<u>3,372,852</u>
Total additions.....	<u>2,466,399</u>	<u>2,438,832</u>	<u>4,905,231</u>	<u>4,729,430</u>
Deductions:				
Administration.....	24,213	11,760	35,973	3,688
Retirement benefits and refunds.....	649,651	558,360	1,208,011	1,121,952
Total deductions.....	<u>673,864</u>	<u>570,120</u>	<u>1,243,984</u>	<u>1,125,640</u>
Net increase	1,792,535	1,868,712	3,661,247	3,603,790
Net assets available for pension benefits at beginning of year (fund balances reserved for employees' pension benefits).....	<u>9,644,531</u>	<u>9,915,530</u>	<u>19,560,061</u>	<u>15,956,271</u>
Net assets available for pension benefits at end of year (fund balances reserved for employees' pension benefits).....	<u>\$ 11,437,066</u>	<u>\$ 11,784,242</u>	<u>\$ 23,221,308</u>	<u>\$ 19,560,061</u>

Agency Funds
Statement Of Changes In Assets And Liabilities - Statutory Basis

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	Balance June 30, 1997	Additions	Deductions	Balance June 30, 1998
ASSETS				
Cash and short-term investments.....	\$ 221,137	\$ 3,484,001	\$ 3,442,983	\$ 262,155
Investments.....	559,426	211,033	31,750	738,709
Assets held in trust.....	1,708,422	189,453	31,797	1,866,078
Total assets.....	<u>\$ 2,488,985</u>	<u>\$ 3,884,487</u>	<u>\$ 3,506,530</u>	<u>\$ 2,866,942</u>
LIABILITIES				
Accounts payable.....	\$ 8,991	\$ 1,275,268	\$ 1,273,278	\$ 10,981
Due to cities and towns.....	20,142	219,125	216,594	22,673
Due to federal government.....	-	22	22	-
Agency liabilities.....	2,459,852	2,305,275	1,931,839	2,833,288
Total liabilities.....	<u>\$ 2,488,985</u>	<u>\$ 3,799,690</u>	<u>\$ 3,421,733</u>	<u>\$ 2,866,942</u>

Supplementary Information



Calculation of Transfers - Stabilization and Tax Reduction Funds

Calculation Of Transfers: Stabilization Fund

June 30, 1998
(Amounts in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Law Chapter 29, Section 5c most recently amended by Ch: 88 of Acts of 1997 and Ch. 175 of the Acts of 1998. 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.....	\$ 2,054,630
Highway Fund.....	207,413
Local Aid Fund.....	(1,912,926)

Consolidated Net Surplus.....	349,117
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Available to carry forward to subsequent fiscal year (per Schedule A).....	70,189
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Consolidated net surplus before transfer to Capital Projects Fund.....	278,928
--	---------

Part 2: Calculation of transfers to Capital Projects Fund:

Transfer from General Fund to Capital Project Fund (per Schedule B):	111,571
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Net Consolidated surplus available for Stabilization Fund.....	\$ 167,357
--	------------

Part 3: Calculation of transfers to Stabilization Fund:

From the General Fund, @ 60%.....	\$ 100,414
From the Local Aid Fund, @ 40%.....	66,943

Total Transfers.....	\$ 167,357
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Part 4: Status of Consolidated Net Surplus after Stabilization Fund transfers:

Undesignated Fund Balance (Deficit) in the Operating Funds:

General Fund.....	\$ 1,842,645
Highway Fund.....	207,413
Local Aid Fund.....	(1,979,869)

Consolidated Net Surplus.....	\$ 70,189
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Part 5: Status of Stabilization Fund after transfers:

Reserved for Stabilization - Accumulated Balances.....	\$ 842,231
Amount Appropriated at the close of fiscal year 1998	150,000
FY98 Calculated Transfers to Stabilization Fund.....	167,357

Reserved for Stabilization.....	\$ 1,159,588
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Calculation Of Transfers: Tax Reduction Fund

June 30, 1998

(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 7.5% of Budgeted Revenues and Other Financial Resources:

Undesignated Fund Balance in the Stabilization Fund.....	\$ 1,159,588
Allowable Stabilization Balance (per Schedule C).....	1,484,988
Stabilization Fund Excess, if any, transferrable to Tax Reduction Fund.....	\$ -

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund Balance.....	\$ 1,159,588
Transfer to Tax Reduction Fund.....	-
Stabilization Fund Balance after transfer to Tax Reduction Fund.....	\$ 1,159,588

Part 3: Status of Tax Reduction Fund after transfers:

Tax Reduction Fund Balance.....	\$ 205,163
Transfers from Stabilization Fund.....	-
Tax Reduction Fund Balance after transfers.....	\$ 205,163

The second computation is as follows:

Part 1: Comparison of State Tax Revenues to Allowable Tax Revenues:

FY97 Allowable State Tax Revenues (Schedule E).....	\$ 14,157,614
Multiplied by Growth Factor (Schedule F).....	1.0742
Computed FY98 State Tax Revenue Base.....	15,208,109
Plus: Local Aid Adjustment (Schedule G).....	64,774
FY98 Computed Maximum and Allowable State Tax Revenues.....	\$ 15,272,883
 FY98 State Tax Revenues (Schedule A)	 \$ 14,037,887
State Tax Revenue Excess, if any, transferrable to Tax Reduction Fund.....	\$ -

Schedule A
FY98 Tax Revenues By Revenue Class and
Calculation of Allowable Net Surplus

June 30, 1998
(Amounts in thousands)

Alcoholic Beverages.....	\$ 60,162
Banks: Commercial.....	157,307
Banks: Savings.....	(1,249)
Cigarette.....	300,812
Corporations.....	1,066,865
Deeds.....	88,891
Estate and Inheritance.....	191,336
Income.....	8,031,943
Insurance.....	302,765
Motor and Special Fuels.....	621,291
Public Utilities.....	131,976
Room Occupancy.....	96,156
Sales and Use.....	2,962,535
Club Alcoholic Beverages.....	687
Motor Vehicle Excise.....	152
Convention Center Surcharges.....	1,954
State Racing.....	9,193
Beano	5,974
Raffles and Bazaars.....	1,039
Boxing.....	22
Insurance: Excess and Surplus Lines.....	8,076
FY 98 State Tax Revenue.....	\$ 14,037,887
0.5% of Total Tax Revenue.....	\$ 70,189
Allowable Consolidated Net Surplus	<u>\$ 70,189</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 accordance with Chapter 62F, as established by Chapter 555 of the Acts of 1986.

Schedule B
Calculation of Capital Project Fund Transfer

June 30, 1998
(Amounts in thousands)

Maximum Allowable Transfer Amount:

A: Consolidated Net Surplus available for transfer.....	\$	278,928
	X	40%
B: Maximum based on 40% of Consolidated Net Surplus.....	\$	<u>111,571</u>
C: Fund Deficits - Capital Project Funds.....	\$	<u>742,892</u>
Lower of the 40% of the Consolidated Net Surplus or sum of fund deficits in the Capital Project Funds at year end.....	\$	<u>111,571</u>
Amount Transferred by the Comptroller.....	\$	<u>111,571</u>

Schedule C **Calculation of Cap on Stabilization Fund**

June 30, 1998
(Amounts in thousands)

Total Budgeted Revenues and Other Financing Sources pertaining to the Budgeted funds.....	\$ 21,404,624
Elimination of budgetary interfund activity (per Schedule D).....	<u>(1,604,785)</u>
Budgeted Revenues and Other Financing Sources pertaining to the Budgeted funds.....	<u>\$ 19,799,839</u>
Allowable Stabilization Fund - Balance, 7.5% of Budgeted Revenue.....	<u>\$ 1,484,988</u>

Calculation of Stabilization Fund Transfers as defined by Mass General Law Ch. 29 section 5c and as recently amended by Ch. 88 of Acts of 1997 and Ch. 175 of the Acts of 1998.

Schedule D **Detail of Eliminations of Budgetary Fund Activity**

June 30, 1998
(Amounts in thousands)

Adjustments to Revenues:

Municipal Transit Assessments.....	\$	(155,610)
Transfers to Intragovernmental Services Fund.....		(84,958)

Adjustments to Other Financing Sources and Uses:

MBTA Subsidy Transfer from Highway and Local Aid Funds to the General Fund (Authorities Deficiency).....	(129,176)
Stabilization Transfer.....	(317,357)
Fringe Assessed to Budgeted Funds.....	(93,082)
Transfer from Intragovernmental Services fund to General Fund.....	(2,861)
Transfer from Revenue Maximization Fund to General fund.....	(60,498)
RMV License Plates.....	(3,169)
Transfer to Tax Exemption Escrow Trust Fund.....	(162,500)
Transfer to Brownfields Revitalization Fund.....	(45,000)
Transfer to Collective Bargaining Reserve Fund.....	(75,068)
Transfer to Tax Reduction Fund.....	(200,000)
Transfer from Tax Reduction Fund.....	(91,764)
Voting Equipment Loan Fund Transfer	(2,145)
Transfer to Children's and Senior's Health Fund	(36,952)
MWRA Debt Service Reimbursement	(6,720)
Transfer to Child Care Fund	(91,874)
Transfer to Social Services Program Fund	(45,937)
Transfer to Inland Fisheries and Game Fund	(104)
Transfer to Caseload Increase Mitigation Fund.....	(10)

Eliminations of Budgetary Activity	\$	<u>(1,604,785)</u>
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Schedule E
Cumulative Calculation Of Allowable State Tax Revenues

June 30, 1998
(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:

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
FY97.....	\$ 14,157,614

Schedule F **Allowable State Revenue Growth Factor**

June 30, 1998
(Amounts in thousands)

Total Massachusetts Wages & Salaries:

Calendar Year:		\$	93,436,091
1994.....		\$	99,453,633
1995.....		\$	106,000,303
1996.....		\$	114,238,904
1997.....			

Calculation of FY98 Growth Factor:

$$\frac{(\$114,238,904 / \$93,436,091) - 1}{3} = \underline{\underline{0.0742}}$$

Source:

U.S Department of Commerce, Bureau of Economic Analysis, Regional Economic Measurement
Division, Washington, D.C.
As revised and released September 1998.

Schedule G

Local Aid Adjustment Factor

June 30, 1998
(Amounts in thousands)

Calculation of Percentage Increase Factor:

Local Aid to Cities, Towns and Regional School Districts :

Fiscal Year Ended June 30:

1997.....	\$	3,482,455
1998.....	\$	3,805,727

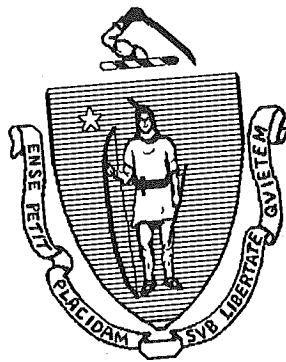
Percentage Change in Local Aid.....	9.28%
Less: Allowable State Revenue Growth Factor (Schedule F).....	7.42%
Local Aid Percentage Growth in Excess of Growth Factor.....	1.86%

Calculation of Local Aid Adjustment :

Previous Year's Local Aid.....	\$	3,482,455
Percentage Increase Factor.....		1.86%
Local Aid Adjustment.....	\$	64,774

Source: Massachusetts Department of Revenue, Division of Local Services Municipal Data Bank - FY 99
Cherry Sheet Booklet, September 1998.

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, 1998
(Amounts in millions)

	1998	% Total	1997	% Total	1996	% Total	1995	% Total
Taxes.....	\$ 14,038	43.7	\$ 12,874	46.8	\$ 12,058	46.8	\$ 11,172	45.4
Federal reimbursements.....	4,409	13.7	4,084	14.9	3,957	15.4	3,955	16.1
Federal grants.....	1,220	3.8	1,185	4.3	1,188	4.6	1,195	4.9
Lotteries.....	3,430	10.7	3,377	12.3	3,195	12.4	2,957	12.0
Assessments.....	517	1.6	557	2.0	557	2.2	566	2.3
Motor vehicle licenses and registrations.....	295	0.9	295	1.1	263	1.0	307	1.2
Fees, investment earnings, etc.....	1,647	5.1	1,085	3.9	1,291	5.0	1,388	5.6
Proceeds of dedicated income tax bonds.....	-	-	-	-	-	-	-	-
Proceeds of general obligation bonds.....	1,347	4.2	899	3.3	940	3.6	810	3.3
Proceeds of special obligation bonds.....	100	0.3	-	-	147	0.6	-	-
Proceeds of refunding bonds.....	862	2.7	723	2.6	-	0.0	514	2.1
Other interfund transfers.....	4,240	13.2	2,416	8.8	2,150	8.4	1,708	6.9
Other financing sources.....	-	-	-	-	-	-	49	0.2
Total revenues and other financing sources.....	<u>\$ 32,105</u>	<u>100.0</u>	<u>\$ 27,495</u>	<u>100.0</u>	<u>\$ 25,746</u>	<u>100.0</u>	<u>\$ 24,621</u>	<u>100.0</u>

1994	% Total	1993	% Total	1992	% Total	1991	% Total	1990	% Total	1989	% Total
\$ 10,615	45.5	\$ 9,935	44.3	\$ 9,491	47.3	\$ 9,250	42.8	\$ 9,022	51.0	\$ 8,859	53.6
3,882	16.6	3,430	15.3	2,989	14.9	3,053	14.1	2,158	12.2	1,774	10.7
1,184	5.1	1,132	5.0	1,093	5.4	962	4.4	902	5.1	892	5.4
2,600	11.1	2,148	9.6	1,835	9.1	1,701	7.9	1,668	9.4	1,464	8.9
546	2.3	614	2.7	774	3.9	1,548	7.2	281	1.6	233	1.4
284	1.2	332	1.5	300	1.5	290	1.3	306	1.7	237	1.4
1,214	5.2	1,270	5.7	965	4.8	980	4.5	830	4.7	693	4.2
-	-	-	-	-	-	1,363	6.3	-	-	-	-
392	1.7	368	1.6	721	3.6	1,030	4.8	1,431	8.1	1,374	8.3
298	1.3	-	-	100	0.5	-	-	-	-	226	1.4
836	3.6	1,891	8.4	574	2.9	-	-	-	-	757	4.6
1,465	6.3	1,282	5.7	1,176	5.9	1,416	6.5	1,069	6.0	24	0.1
35	0.1	42	0.2	47	0.2	37	0.2	38	0.2	-	-
<u>\$ 23,351</u>	<u>100.0</u>	<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>

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

June 30, 1998
(Amounts in millions)

	1998	% Total	1997	% Total	1996	% Total	1995	% Total
Income.....	\$ 8,032	57.2	\$ 7,182	55.8	\$ 6,707	55.6	\$ 5,974	53.5
Sales and use.....	2,963	21.1	2,876	22.3	2,610	21.6	2,481	22.2
Corporations.....	1,067	7.6	964	7.5	876	7.3	911	8.2
Motor fuels.....	621	4.4	603	4.7	599	5.0	578	5.2
Cigarette.....	301	2.1	282	2.2	233	1.9	234	2.1
Insurance.....	303	2.2	289	2.2	285	2.4	284	2.5
Estate and inheritance.....	191	1.4	203	1.6	188	1.6	209	1.9
Banks.....	156	1.1	140	1.1	219	1.8	206	1.8
Alcoholic beverages.....	61	0.4	60	0.5	60	0.5	61	0.5
Other.....	343	2.4	275	2.1	281	2.3	234	2.1
Total taxes.....	<u>\$ 14,038</u>	<u>100.0</u>	<u>\$ 12,874</u>	<u>100.0</u>	<u>\$ 12,058</u>	<u>100.0</u>	<u>\$ 11,172</u>	<u>100.0</u>

1994	% Total	1993	% Total	1992	% Total	1991	% Total	1990	% Total	1989	% Total
\$ 5,690	53.6	\$ 5,375	54.1	\$ 5,337	56.2	\$ 5,292	57.3	\$ 4,962	55.0	\$ 4,287	48.4
2,302	21.7	2,124	21.4	1,979	20.9	1,909	20.6	1,957	21.7	2,082	23.5
782	7.4	737	7.4	644	6.8	612	6.6	698	7.7	921	10.4
563	5.3	557	5.6	541	5.7	464	5.0	302	3.3	307	3.5
237	2.2	190	1.9	140	1.5	144	1.6	151	1.7	159	1.8
282	2.7	281	2.8	285	3.0	268	2.9	273	3.0	302	3.4
277	2.6	267	2.7	260	2.7	250	2.7	276	3.1	259	2.9
200	1.9	153	1.5	60	0.6	48	0.5	111	1.2	223	2.5
61	0.6	62	0.6	63	0.7	66	0.7	71	0.8	76	0.9
221	2.0	189	2.0	182	1.9	197	2.1	221	2.5	243	2.7
<u>\$ 10,615</u>	<u>100.0</u>	<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>

Ten-Year Schedule Of Expenditures And Other Financing Uses By Secretariat
All Governmental Fund Types - Statutory Basis

June 30, 1998
(Amounts in millions)

	1998	% Total	1997	% Total	1996	% Total	1995	% Total
Legislature.....	\$ 51	0.2	\$ 52	0.2	\$ 49	0.2	\$ 48	0.2
Judiciary.....	476	1.5	438	1.6	405	1.6	356	1.5
Inspector General.....	2	-	2	-	2	-	2	-
Governor and Lieutenant Governor.....	5	-	5	-	5	-	5	-
Secretary of the Commonwealth.....	29	0.1	18	0.1	17	0.1	17	0.1
Treasurer and Receiver-General.....	3,780	12.1	3,694	13.6	3,518	14.0	3,245	13.2
Auditor of the Commonwealth.....	15	0.1	13	0.1	12	-	12	-
Attorney General.....	35	0.1	28	0.1	26	0.1	24	0.1
Ethics Commission.....	1	-	1	-	1	-	1	-
District Attorney.....	69	0.2	61	0.2	56	0.2	56	0.2
Office of Campaign and Political Finance.....	1	-	1	-	1	-	1	-
Sheriff's Departments.....	41	0.1	-	-	-	-	-	-
Disabled Persons Protection Commission.....	2	-	1	-	1	-	1	-
Board of Library Commissioners.....	45	0.1	42	0.2	35	0.2	30	0.1
Comptroller.....	10	-	8	-	9	-	11	-
Administration and finance.....	1,487	4.8	1,328	4.9	1,173	4.7	1,165	4.8
Environmental affairs.....	367	1.2	309	1.1	327	1.3	296	1.2
Communities and development.....	437	1.4	419	1.5	418	1.7	399	1.6
Health and human services.....	8,478	27.2	7,730	28.4	7,743	30.9	7,892	32.2
Transportation and construction.....	2,835	9.1	2,507	9.2	2,274	9.1	2,205	9.0
Education.....	3,314	10.6	2,963	10.9	2,656	10.6	2,403	9.8
Educational affairs.....	-	-	-	-	14	0.1	7	-
Higher education.....	893	2.9	818	3.0	764	3.0	727	3.0
Public safety.....	966	3.1	979	3.6	956	3.8	851	3.5
Economic development.....	38	0.1	42	0.2	113	0.5	206	0.8
Elder affairs.....	188	0.6	167	0.6	162	0.6	162	0.7
Consumer affairs.....	40	0.1	37	0.1	35	0.2	34	0.1
Labor.....	214	0.7	193	0.7	118	0.5	25	0.1
Pension.....	1,070	3.4	1,069	3.9	1,005	4.0	969	4.0
Debt service.....	1,215	3.9	1,278	4.7	1,192	4.8	1,234	5.0
Payments to refunded bond escrow agent.....	862	2.8	723	2.7	-	-	514	2.1
Pension funding transfers.....	-	-	-	-	-	-	-	-
Fund deficit support.....	-	-	-	-	-	-	-	-
Other interfund transfers.....	4,199	13.5	2,284	8.4	1,970	7.9	1,626	6.7
Other financing uses.....	-	-	-	-	-	-	-	-
Total expenditures and other financing uses.....	\$ 31,163	100.0	\$ 27,210	100.0	\$ 25,057	100.0	\$ 24,524	100.0

1994	% Total	1993	% Total	1992	% Total	1991	% Total	1990	% Total	1989	% Total
\$ 43	0.2	\$ 41	0.2	\$ 43	0.2	\$ 39	0.2	\$ 44	0.2	\$ 50	0.3
342	1.5	309	1.4	308	1.6	297	1.5	311	1.7	308	1.8
1	-	1	-	1	-	1	-	1	-	1	-
4	-	4	-	4	-	4	-	4	-	6	-
12	0.1	14	0.1	12	0.1	13	0.1	12	0.1	16	0.1
2,940	12.6	2,485	11.0	2,167	11.1	2,311	11.4	2,289	12.6	2,139	12.6
11	-	10	-	10	0.1	10	-	11	0.1	13	0.1
24	0.1	22	0.1	18	0.1	17	0.1	17	0.1	21	0.1
1	-	1	-	1	-	1	-	1	-	1	-
47	0.2	44	0.2	39	0.2	42	0.2	47	0.3	48	0.3
1	-	1	-	1	-	1	-	1	-	1	-
-	-	-	-	-	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-	-	-	-	-
26	0.1	35	0.2	24	0.1	29	0.1	20	0.1	24	0.1
11	-	8	-	6	-	5	-	5	-	-	-
1,118	4.8	1,056	4.7	1,348	6.9	1,398	6.9	1,373	7.6	1,187	7.0
285	1.2	283	1.2	230	1.2	371	1.8	441	2.4	495	2.9
396	1.7	398	1.8	426	2.2	486	2.4	562	3.1	605	3.6
7,611	32.6	7,274	32.2	6,824	34.9	7,789	38.3	6,344	34.9	5,367	31.7
2,134	9.1	1,816	8.0	1,320	6.8	983	4.8	854	4.7	904	5.4
2,167	9.3	2,032	9.0	1,791	9.2	1,832	9.1	2,064	11.4	2,053	12.1
3	-	10	-	3	-	-	-	-	-	-	-
692	3.0	565	2.5	546	2.8	638	3.1	728	4.0	785	4.7
782	3.3	716	3.2	650	3.3	145	0.7	150	0.8	154	0.9
213	0.9	214	0.9	195	1.0	171	0.8	163	0.9	194	1.2
156	0.7	149	0.7	141	0.7	146	0.7	152	0.8	170	1.0
33	0.1	30	0.1	27	0.1	33	0.2	35	0.2	49	0.3
24	0.1	24	0.1	20	0.1	20	0.1	23	0.1	24	0.1
909	3.9	868	3.8	752	3.8	704	3.5	670	3.7	636	3.9
1,151	4.9	1,143	5.0	901	4.6	1,407	6.9	775	4.3	653	3.9
836	3.6	1,891	8.3	574	2.9	-	-	-	-	226	1.3
-	-	-	-	-	-	-	-	-	-	24	0.1
-	-	-	-	-	-	-	-	2	-	-	-
-	-	-	-	-	-	235	1.2	1	-	-	-
1,395	6.0	1,208	5.3	1,175	6.0	1,189	5.9	1,076	5.9	758	4.5
-	-	-	-	-	-	-	-	-	-	-	-
\$ 23,369	100.0	\$ 22,652	100.0	\$ 19,557	100.0	\$ 20,317	100.0	\$ 18,176	100.0	\$ 16,912	100.0

Ten-Year Schedule Of Budgeted Funds Expenditures By Major Program Category

Fiscal Year Ended June 30, 1998

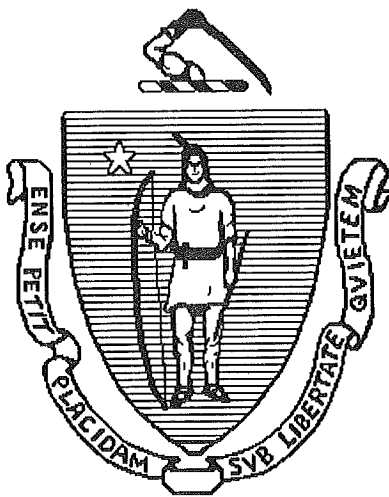
(Amounts in millions)

	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Direct local aid..... \$	3,949	\$ 3,558	\$ 3,246	\$ 2,976	\$ 2,727	\$ 2,547	\$ 2,359	\$ 2,608	\$ 2,937	\$ 2,961
Medicaid.....	3,666	3,456	3,416	3,398	3,313	3,151	2,818	2,765	2,121	1,834
Public assistance.....	1,023	1,090	1,089	1,095	1,100	1,075	1,065	1,092	1,001	924
Higher education.....	862	806	744	703	673	545	534	609	702	743
MBTA and regional transit authorities....	530	520	518	516	522	499	450	406	354	309
Pension.....	1,070	1,069	1,005	969	909	868	752	704	672	660
Group health insurance.....	550	522	519	510	496	491	466	446	433	341
Debt service.....	1,213	1,276	1,184	1,231	1,149	1,140	898	942	771	650
Major programs.....	12,863	12,297	11,721	11,398	10,889	10,316	9,342	9,572	8,991	8,422
Other program expenditures.....	5,900	5,502	5,357	5,043	4,822	4,627	4,262	4,093	4,346	4,310
Interfund transfers and other uses.....	1,844	1,201	847	352	241	250	310	399	138	249
Budgeted expenditures and other uses..... \$	20,607	\$ 19,000	\$ 17,925	\$ 16,793	\$ 15,952	\$ 15,193	\$ 13,914	\$ 14,064	\$ 13,475	\$ 12,981

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

Fiscal Year Ended June 30, 1998
(Amounts in millions)

	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
General obligation bonds.....	\$ 9,873	\$ 9,620	\$ 9,148	\$ 8,615	\$ 8,184	\$ 8,082	\$ 7,916	\$ 7,164	\$ 6,605	\$ 5,532
Grant anticipation notes.....	600	-	-	-	-	-	-	-	-	-
Dedicated income tax bonds.....	-	130	383	619	840	1,045	1,244	1,416	-	-
Special obligation bonds.....	606	521	535	395	404	104	104	-	-	-
Commonwealth long-term bonds....	\$ 11,079	\$ 10,271	\$ 10,066	\$ 9,629	\$ 9,428	\$ 9,231	\$ 9,264	\$8,580	\$ 6,605	\$ 5,532



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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, 1998
(Amounts in thousands)

	University of Massachusetts	State Colleges	Community Colleges	TOTALS	
				1998	1997
Revenues and other financing sources					
Federal grants and reimbursements.....	\$ 164,313	\$ 19,109	\$ 37,250	\$ 220,672	\$ 204,615
Departmental revenues.....	726,405	137,440	116,422	980,267	1,063,445
Miscellaneous revenues.....	213,558	74,461	39,820	327,839	252,044
Total revenues and other financing sources.....	1,104,276	231,010	193,492	1,528,778	1,520,104
Expenditures and other financing uses (by MMARS subsidiary):					
AA Regular employee compensation.....	363,423	26,006	25,126	414,555	383,550
BB Regular employee related expenses.....	6,977	3,425	2,843	13,245	21,992
CC Special employees and contracted services.....	82,972	27,116	46,449	156,537	137,449
DD Pension and insurance.....	87,321	8,239	5,637	101,197	110,019
EE Administrative expenditures.....	59,984	34,063	19,293	113,340	118,325
FF Facility operational supplies.....	108,945	7,740	14,956	131,641	138,644
GG Energy costs and space rental.....	23,716	8,193	3,330	35,239	32,053
HH Consultant services.....	56,421	7,675	5,572	69,668	72,423
JJ Operational services.....	36,102	22,458	10,068	68,628	69,735
KK Equipment purchase.....	31,397	9,915	7,697	49,009	50,799
LL Equipment leases, maintenance and repair.....	23,982	6,089	7,265	37,336	40,402
MM Purchased client services and programs.....	8,990	1,102	1,226	11,318	24,326
NN Construction and improvements.....	25,626	4,788	1,212	31,626	35,921
PP Aid to local governments.....	-	-	249	249	1,575
RR Benefit programs.....	88,825	20,720	33,562	143,107	201,995
SS Debt payment.....	-	3,143	(243)	2,900	5,778
TT Loans and special payments.....	21,584	29,542	1,224	52,350	48,603
Total expenditures and other uses.....	1,026,265	220,214	185,466	1,431,945	1,493,589
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	78,011	10,796	8,026	96,833	26,515
Fund balance at beginning of year.....	322,006	43,087	47,301	412,394	385,879
Fund balance at end of year.....	\$ 400,017	\$ 53,883	\$ 55,327	\$ 509,227	\$ 412,394

University Of Massachusetts
Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	<u>1998</u>	<u>1997</u>
Revenues and other financing sources		
Federal grants and reimbursements.....	\$ 164,313	\$ 153,614
Departmental revenues.....	726,405	828,195
Miscellaneous revenues.....	<u>213,558</u>	<u>153,038</u>
Total revenues and other financing sources.....	<u>1,104,276</u>	<u>1,134,847</u>
Expenditures and other financing uses (by MMARS subsidiary):		
AA Regular employee compensation.....	363,423	333,985
BB Regular employee related expenses.....	6,977	16,590
CC Special employees and contracted services.....	82,972	72,706
DD Pension and insurance.....	87,321	94,754
EE Administrative expenditures.....	59,984	68,939
FF Facility operational supplies.....	108,945	113,692
GG Energy costs and space rental.....	23,716	19,116
HH Consultant services.....	56,421	61,788
JJ Operational services.....	36,102	42,205
KK Equipment purchase.....	31,397	35,208
LL Equipment leases, maintenance and repair.....	23,982	28,940
MM Purchased client services and programs.....	8,990	22,703
NN Construction and improvements.....	25,626	28,297
PP Aid to local governments.....	-	428
RR Benefit programs.....	88,825	154,822
SS Debt payment.....	-	254
TT Loans and special payments.....	<u>21,584</u>	<u>18,237</u>
Total expenditures and other uses.....	<u>1,026,265</u>	<u>1,112,664</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	78,011	22,183
Fund balance at beginning of year.....	<u>322,006</u>	<u>299,823</u>
Fund balance at end of year.....	<u>\$ 400,017</u>	<u>\$ 322,006</u>

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

Fiscal Year Ended June 30, 1998
(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.....	\$ 3,390	\$ 1,236	\$ 2,646	\$ 820
Departmental revenues.....	25,783	13,805	22,778	7,926
Miscellaneous revenues.....	20,226	12,280	5,723	671
Total revenues and other financing sources.....	49,399	27,321	31,147	9,417
Expenditures and other financing uses (by MMARS subsidiary):				
AA Regular employee compensation.....	9,105	1,987	3,785	812
BB Regular employee related expenses.....	825	179	330	240
CC Special employees and contracted services.....	6,503	1,929	2,981	1,636
DD Pension and insurance.....	2,989	872	507	340
EE Administrative expenditures.....	12,266	8,393	3,143	880
FF Facility operational supplies.....	1,519	686	810	694
GG Energy costs and space rental.....	578	1,210	909	1,550
HH Consultant services.....	1,268	998	1,064	471
JJ Operational services.....	4,050	4,409	1,293	909
KK Equipment purchase.....	1,962	388	1,752	490
LL Equipment leases, maintenance and repair.....	1,273	484	848	438
MM Purchased client services and programs.....	436	321	138	-
NN Construction and improvements.....	853	86	1,435	1
PP Aid to local governments.....	-	-	-	-
RR Benefit programs.....	4,482	1,208	1,833	943
SS Debt payment.....	-	-	-	155
TT Loans and special payments.....	2,593	1,199	2,645	-
Total expenditures and other uses.....	50,702	24,349	23,473	9,559
Excess (deficiency) of revenues and other sources over expenditures other uses.....	(1,303)	2,972	7,674	(142)
Fund balance at beginning of year.....	3,286	8,582	7,854	2,713
Fund balance at end of year.....	\$ 1,983	\$ 11,554	\$ 15,528	\$ 2,571

Massachusetts Maritime Academy	Massachusetts College of Liberal Arts	Salem State College	Worcester State College	Westfield State College	TOTALS	
					1998	1997
\$ 1,995	\$ 1,055	\$ 4,025	\$ 1,578	\$ 2,364	\$ 19,109	\$ 14,327
-	6,357	30,755	10,410	19,626	137,440	135,658
6,989	4,767	19,748	930	3,127	74,461	51,922
8,984	12,179	54,528	12,918	25,117	231,010	201,907
1,467	2,737	2,103	383	3,627	26,006	27,901
218	188	621	542	282	3,425	3,154
952	1,159	6,125	2,718	3,113	27,116	24,043
207	718	1,458	128	1,020	8,239	8,628
718	838	3,766	2,668	1,391	34,063	21,422
243	276	1,821	772	919	7,740	9,106
163	249	1,979	361	1,194	8,193	8,924
392	471	1,901	731	379	7,675	5,694
2,700	2,068	5,445	501	1,083	22,458	18,031
491	207	3,081	472	1,072	9,915	8,496
152	410	1,459	485	540	6,089	5,017
-	-	129	-	78	1,102	719
206	98	503	523	1,083	4,788	6,797
-	-	-	-	-	-	1,147
2,346	1,620	5,040	2,145	1,103	20,720	18,131
-	(1)	-	875	2,114	3,143	5,091
766	798	15,187	-	6,354	29,542	28,878
11,021	11,836	50,618	13,304	25,352	220,214	201,179
(2,037)	343	3,910	(386)	(235)	10,796	728
3,559	548	4,098	7,806	4,641	43,087	42,359
\$ 1,522	\$ 891	\$ 8,008	\$ 7,420	\$ 4,406	\$ 53,883	\$ 43,087

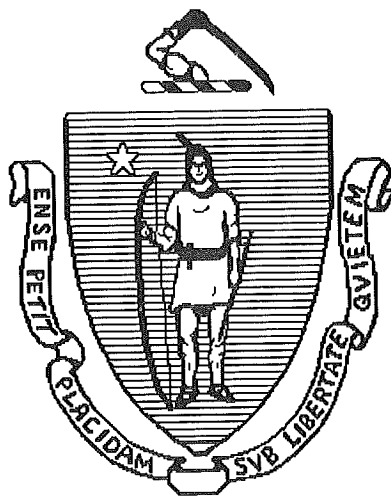
Community College System
Combining Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 1998

(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.....	\$ 957	\$ 2,695	\$ 4,961	\$ 1,582	\$ 1,620	\$ 3,190	\$ 2,097
Departmental revenues.....	5,227	6,407	7,562	3,202	4,581	9,892	7,647
Miscellaneous revenues.....	1,096	6,156	4,366	3,500	1,058	280	4,504
Total revenues and other financing sources.....	7,280	15,258	16,889	8,284	7,259	13,362	14,248
Expenditures and other financing uses (by MMARS subsidiary):							
AA Regular employee compensation.....	460	4,459	2,909	1,395	978	1,312	484
BB Regular employee related expenses.....	130	185	188	119	164	183	179
CC Special employees and contracted services.....	1,191	3,024	3,707	2,870	1,257	1,957	2,807
DD Pension and insurance.....	345	118	902	443	320	388	243
EE Administrative expenditures.....	868	936	999	728	403	1,142	3,432
FF Facility operational supplies.....	1,100	967	562	255	661	1,496	664
GG Energy costs and space rental.....	24	449	61	65	15	387	126
HH Consultant services.....	392	293	989	151	156	99	222
JJ Operational services.....	439	643	652	195	253	1,434	1,687
KK Equipment purchase.....	349	447	759	435	293	74	694
LL Equipment leases, maintenance and repair.....	332	673	315	262	239	672	695
MM Purchased client services and programs.....	45	310	258	-	2	109	-
NN Construction and improvements.....	84	186	91	18	8	8	48
PP Aid to local governments.....	113	-	-	-	-	-	-
RR Benefit programs.....	1,778	2,779	2,477	1,305	1,813	3,080	1,843
SS Debt payment.....	(831)	-	-	-	-	-	-
TT Loans and special payments.....	156	-	63	8	43	-	936
Total expenditures and other uses.....	6,975	15,469	14,932	8,249	6,605	12,341	14,060
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	305	(211)	1,957	35	654	1,021	188
Fund balance (deficit) at beginning of year.....	2,005	3,629	3,732	1,639	1,485	6,421	4,845
Fund balance (deficit) at end of year.....	\$ 2,310	\$ 3,418	\$ 5,689	\$ 1,674	\$ 2,139	\$ 7,442	\$ 5,033

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	
								1998	1997
\$ 1,174	\$ 2,942	\$ 2,509	\$ 3,337	\$ 4,722	\$ 1,985	\$ 12	\$ 3,467	\$ 37,250	\$ 36,674
7,806	9,454	7,483	10,672	8,089	13,224	114	15,062	116,422	99,592
1,804	4,507	1,397	1,211	4,210	1,570	2,619	1,542	39,820	47,084
10,784	16,903	11,389	15,220	17,021	16,779	2,745	20,071	193,492	183,350
1,525	3,237	1,085	867	4,338	288	416	1,373	25,126	21,664
191	393	340	213	167	138	16	237	2,843	2,248
2,188	6,216	2,809	5,158	2,690	6,672	65	3,838	46,449	40,700
397	1,063	287	238	160	76	142	515	5,637	6,637
1,071	1,145	902	2,469	1,296	1,396	1,046	1,460	19,293	27,964
1,061	737	557	556	1,713	2,312	119	2,196	14,956	15,846
232	338	439	214	232	200	235	313	3,330	4,013
322	886	446	241	266	244	192	673	5,572	4,941
590	1,606	268	776	905	158	191	271	10,068	9,499
589	857	803	508	325	432	13	1,119	7,697	7,095
528	298	634	182	692	648	84	1,011	7,265	6,445
15	-	73	-	24	-	-	390	1,226	904
-	19	228	-	-	324	-	198	1,212	827
-	-	136	-	-	-	-	-	249	-
1,204	2,042	2,011	3,529	3,085	1,903	-	4,713	33,562	29,042
-	-	-	-	588	-	-	-	(243)	433
4	-	4	-	-	-	-	10	1,224	1,488
9,917	18,837	11,022	14,951	16,481	14,791	2,519	18,317	185,466	179,746
867	(1,934)	367	269	540	1,988	226	1,754	8,026	3,604
1,845	4,612	476	2,298	7,270	(1,831)	657	8,218	47,301	43,697
\$ 2,712	\$ 2,678	\$ 843	\$ 2,567	\$ 7,810	\$ 157	\$ 883	\$ 9,972	\$ 55,327	\$ 47,301



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