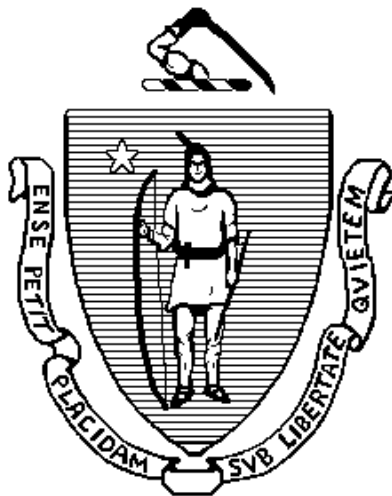


Commonwealth of Massachusetts



Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2010

Martin J. Benison, CGFM
Comptroller of the Commonwealth

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

This Document is available at the Comptroller's website: www.mass.gov/osc

ADVISORY BOARD TO THE COMPTROLLER

Jay Gonzalez
Secretary for Administration and Finance

A. Joseph DeNucci
Auditor

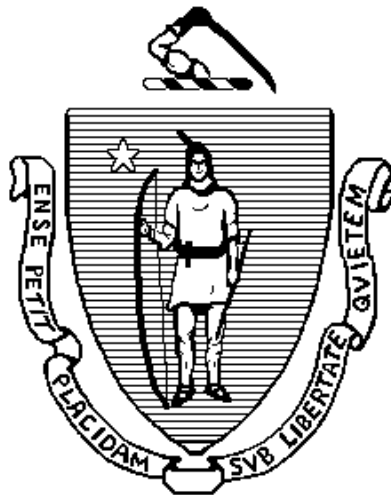
Timothy P. Cahill
Treasurer and Receiver-General

Robert A. Mulligan
Chief Justice for Administration and Management, Trial Court

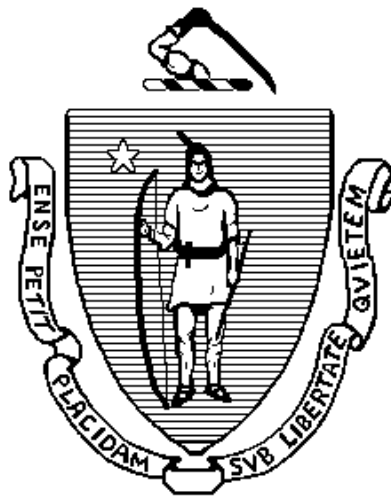
Martha Coakley
Attorney General

Diana Salemy
Gubernatorial Appointee

Financial Section



Independent Accountants' Review Report
Combined Financial Statements – Statutory Basis
Combining and Individual Fund Financial Statements – Statutory Basis



THIS PAGE LEFT INTENTIONALLY BLANK



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

Telephone +1 617 988 1000
Fax +1 617 507 8321
Internet www.us.kpmg.com

Independent Accountants' Review Report

Mr. Martin J. Benison, Comptroller
Commonwealth of Massachusetts

We have reviewed the accompanying combined financial statements – statutory basis of the Commonwealth of Massachusetts as of and for the year ended June 30, 2010, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these combined financial statements – statutory basis is the representation of the management of the Commonwealth of Massachusetts.

A review consists principally of inquiries of the Commonwealth of Massachusetts personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As described in note 1, the combined financial statements – statutory basis were prepared in conformity with the basis of accounting that demonstrates compliance with Section 12 of Chapter 7A Massachusetts General Laws, as amended, and budgetary principles of the Commonwealth of Massachusetts, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Based on our review, we are not aware of any material modifications that should be made to the accompanying combined financial statements – statutory basis in order for them to be in conformity with the basis of accounting described in note 1.

Our review of the combined financial statements – statutory basis was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the accompanying combined financial statements – statutory basis in order for them to be in conformity with the basis of accounting described in note 1. The introductory section, combining and individual fund financial statements – statutory basis, supplemental information, and statistical section listed in the foregoing table of contents are presented only for purposes of additional analysis and are not a required part of the combined financial statements – statutory basis of the Commonwealth of Massachusetts. The combining and individual fund financial statements – statutory basis and supplemental information have been subjected to the inquiry and analytical procedures applied in the review of the combined financial statements – statutory basis, and we are not aware of any material modifications that should be made to such information. The introductory and statistical sections have not been subjected to the inquiry and analytical procedures applied in the review of the combined financial statements – statutory basis, but was compiled from information that is the representation of management, without audit or review and, accordingly, we do not express an opinion or any other form of assurance on such information.



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

KPMG LLP

October 31, 2010

Combined Financial Statements - Statutory Basis

Budgeted Funds
Combined Balance Sheet - Statutory Basis

June 30, 2010
(Amounts in thousands)

	Totals (Memorandum only)	
	2010	2009
ASSETS		
Cash and short-term investments.....	\$ 735,177	\$ 942,373
Cash with fiscal agent.....	10,847	-
Investments.....	254,681	348,482
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	586,379	458,361
Other receivables.....	25,299	15,834
Due from cities and towns.....	3,391	10,305
Total assets.....	<u>\$ 1,615,774</u>	<u>\$ 1,775,355</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ 596,670	\$ 653,619
Accrued payroll.....	116,036	105,100
Total liabilities.....	<u>712,706</u>	<u>758,719</u>
Fund equity:		
Combined fund balance:		
Reserved for:		
Continuing appropriations.....	111,112	68,856
Commonwealth Stabilization.....	669,803	841,344
Debt service.....	10,847	-
Unreserved:		
Undesignated.....	111,306	106,436
Total fund equity.....	<u>903,068</u>	<u>1,016,636</u>
Total liabilities fund equity.....	<u>\$ 1,615,774</u>	<u>\$ 1,775,355</u>

See accompanying notes to financial statements and accountants' review report

Budgeted Funds

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

Fiscal Year Ended June 30, 2010
(Amounts in thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ 17,524,619	\$ 17,171,378	\$ (353,241)
Assessments.....	-	417,335	417,335
Federal grants and reimbursements.....	8,278,000	8,548,836	270,836
Departmental.....	2,629,800	2,179,794	(450,006)
Miscellaneous.....	15,000	443,040	428,040
Total revenues.....	<u>28,447,419</u>	<u>28,760,383</u>	<u>312,964</u>
Other financing sources:			
Fringe benefit cost recovery.....	-	281,807	281,807
Lottery reimbursements.....	99,632	88,938	(10,694)
Lottery distributions.....	863,369	893,806	30,437
Operating transfers in.....	602,399	299,342	(303,057)
Stabilization transfer.....	214,000	217,843	3,843
Tobacco settlement transfer.....	292,000	263,678	(28,322)
Commonwealth transportation transfer.....	-	275,000	275,000
Total other financing sources.....	<u>2,071,400</u>	<u>2,320,414</u>	<u>249,014</u>
Total revenues and other financing sources.....	<u>30,518,819</u>	<u>31,080,797</u>	<u>561,978</u>
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Legislature.....	69,920	59,453	10,467
Judiciary.....	787,453	767,178	20,275
Inspector General.....	2,735	2,734	1
Governor and Lieutenant Governor.....	5,498	5,245	253
Secretary of the Commonwealth.....	48,044	47,819	225
Treasurer and Receiver-General.....	191,522	175,894	15,628
Auditor of the Commonwealth.....	16,709	16,708	1
Attorney General.....	40,851	40,558	293
Ethics Commission.....	1,731	1,574	157
District Attorney.....	93,052	92,792	260
Office of Campaign & Political Finance.....	1,222	1,175	47
Sheriff's Departments.....	404,363	370,254	34,109
Disabled Persons Protection Commission.....	2,223	2,150	73
Board of Library Commissioners.....	24,680	24,672	8
Comptroller.....	11,353	11,080	273
Administration and finance.....	1,757,816	1,683,109	74,707
Energy and environmental affairs.....	216,603	202,602	14,001
Health and human services.....	4,784,977	4,689,785	95,192
Transportation and public works.....	189,941	66,701	123,240
Massachusetts department of transportation.....	435,702	435,702	-
Executive office of education.....	1,737,951	1,717,211	20,740
Public safety and homeland security.....	1,114,817	1,075,883	38,934
Housing and economic development.....	371,017	359,078	11,939
Labor and workforce development.....	82,396	42,237	40,159
Direct local aid.....	4,837,441	4,837,371	70
Medicaid.....	9,291,193	9,286,565	4,628
Post employment benefits.....	1,748,619	1,748,619	-
Debt service:			
Principal retirement.....	1,067,274	1,048,610	18,664
Interest and fiscal charges.....	843,703	811,030	32,673
Total expenditures.....	<u>30,180,806</u>	<u>29,623,789</u>	<u>557,017</u>
Other financing uses:			
Fringe benefit cost assessment.....	62,000	8,013	53,987
Operating transfers out.....	55,994	124,740	(68,746)
Commonwealth care transfer.....	592,000	631,685	(39,685)
Medical assistance transfer.....	399,000	313,295	85,705
Commonwealth transportation transfer.....	275,000	275,000	-
Stabilization transfer.....	214,000	217,843	(3,843)
Total other financing uses.....	<u>1,597,994</u>	<u>1,570,576</u>	<u>27,418</u>
Total expenditures and other financing uses.....	<u>31,778,800</u>	<u>31,194,365</u>	<u>584,435</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(1,259,981)	(113,568)	1,146,413
Fund balance at beginning of year.....	1,016,636	1,016,636	-
Fund balance at end of year.....	<u>\$ (243,345)</u>	<u>\$ 903,068</u>	<u>\$ 1,146,413</u>

See accompanying notes to financial statements and accountants' review report

Non-Budgeted Special Revenue and Capital Projects Funds
Combined Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2010

(Amounts in thousands)

	Non-Budgeted Special Revenue	Capital Projects	Totals (Memorandum only)	
			2010	2009
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 1,621,109	\$ -	\$ 1,621,109	\$ 1,722,862
Assessments.....	553,248	-	553,248	545,744
Federal grants and reimbursements.....	3,940,562	18,051	3,958,613	3,534,202
Tobacco settlement revenue.....	263,678	-	263,678	315,153
Departmental.....	4,899,050	11,097	4,910,147	4,923,674
Payments from authorities.....	-	-	-	12,400
Miscellaneous.....	117,163	8,116	125,279	375,974
Total revenues.....	11,394,810	37,264	11,432,074	11,430,009
Other financing sources:				
Proceeds of general and special obligation bonds.....	-	1,667,585	1,667,585	2,041,843
Bonds premiums (discounts).....	-	4,098	4,098	98,850
Proceeds of refunding bonds.....	-	538,119	538,119	389,555
Operating transfers in.....	175,511	-	175,511	268,529
Lottery deficit support.....	-	-	-	76,112
Transfer in from Massachusetts department of transportation.....	1,712	-	1,712	-
Health safety net trust transfer.....	-	-	-	127,696
Commonwealth care trust transfer.....	636,685	-	636,685	1,052,459
Medical assistance transfer.....	313,295	-	313,295	374,001
Federal reimbursement transfer in.....	-	610,061	610,061	685,963
State share of federal highway construction.....	-	175,782	175,782	25,832
Total other financing sources.....	1,127,203	2,995,645	4,122,848	5,140,840
Total revenues and other financing sources.....	12,522,013	3,032,909	15,554,922	16,570,849
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary.....	1,238	20,035	21,273	19,098
Inspector General.....	882	65	947	428
Secretary of the Commonwealth.....	4,184	1,542	5,726	5,605
Treasurer and Receiver-General.....	5,300,897	6,227	5,307,124	5,914,728
Auditor of the Commonwealth.....	-	-	-	1,302
Attorney General.....	9,022	3,149	12,171	12,384
District Attorney.....	2,899	-	2,899	3,674
Sheriff's Departments.....	3,908	3,446	7,354	4,834
Disabled Persons Protection Commission.....	251	-	251	236
Board of Library Commissioners.....	2,877	6,141	9,018	14,093
Comptroller.....	1,601	2,914	4,515	2,814
Administration and finance.....	122,733	424,640	547,373	410,084
Energy and environmental affairs.....	163,233	163,378	326,611	309,841
Health and human services.....	2,002,904	34,934	2,037,838	2,879,654
Transportation and public works.....	16,865	425,874	442,739	1,405,926
Massachusetts department of transportation.....	90	1,106,265	1,106,355	-
Executive office of education.....	1,305,581	25,365	1,330,946	886,669
Public safety and homeland security.....	200,602	31,838	232,440	218,825
Housing and economic development.....	677,532	208,452	885,984	760,491
Labor and workforce development.....	351,951	9,084	361,035	265,689
Direct local aid.....	137,460	-	137,460	417,165
Debt service:				
Principal retirement.....	159,912	-	159,912	139,760
Interest and fiscal charges.....	89,875	7,080	96,955	113,587
Total expenditures.....	10,556,497	2,480,429	13,036,926	13,786,887
Other financing uses:				
Payments to refunded bond escrow agent.....	-	538,119	538,119	410,308
Fringe benefit cost assessment.....	88,952	19,302	108,254	91,052
Lottery operating reimbursements.....	88,938	-	88,938	105,656
Lottery distributions.....	893,806	-	893,806	890,489
Federal reimbursement transfer out.....	610,061	-	610,061	685,963
Tobacco settlement transfer.....	263,678	-	263,678	315,153
Equity transfer to Massachusetts department of transportation.....	357,049	110,348	467,397	-
Commonwealth care transfer.....	5,000	-	5,000	64,500
Health safety net trust transfer.....	-	-	-	127,696
State share of federal highway construction.....	-	175,782	175,782	25,832
Operating transfers out.....	189,505	-	189,505	319,427
Total other financing uses.....	2,496,989	843,551	3,340,540	3,036,076
Total expenditures and other financing uses.....	13,053,486	3,323,980	16,377,466	16,822,963
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(531,473)	(291,071)	(822,544)	(252,114)
Fund balance at beginning of year.....	1,418,118	34,211	1,452,329	1,704,443
Fund balance at end of year.....	\$ 886,645	\$ (256,860)	\$ 629,785	\$ 1,452,329

See accompanying notes to financial statements and accountants' review report

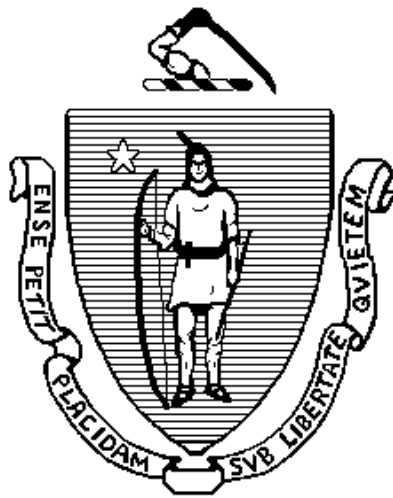
Massachusetts Department of Transportation
Combined Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2010

(Amounts in thousands)

	Non-Budgeted Other	Capital Projects	Total
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Assessments.....	\$ 19,337	\$ -	\$ 19,337
Federal grants and reimbursements.....	-	-	-
Departmental.....	258,873	4,400	263,273
Other governmental revenue.....	-	-	-
Miscellaneous.....	67,546	52	67,598
Total revenues.....	<u>345,756</u>	<u>4,452</u>	<u>350,208</u>
Other financing sources:			
Proceeds of general and special obligation bonds.....	-	-	-
Proceeds of refunding bonds.....	-	2,005,985	2,005,985
Operating transfers in.....	279,578	1,192,146	1,471,724
Federal reimbursement transfer in.....	-	-	-
State share of federal highway construction.....	-	-	-
Total other financing sources.....	<u>279,578</u>	<u>3,198,131</u>	<u>3,477,709</u>
Total revenues and other financing sources.....	<u>625,334</u>	<u>3,202,583</u>	<u>3,827,917</u>
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Legislature.....	-	-	-
Judiciary.....	-	-	-
Inspector General.....	-	-	-
Governor and Lieutenant Governor.....	-	-	-
Secretary of the Commonwealth.....	-	-	-
Treasurer and Receiver-General.....	-	-	-
Auditor of the Commonwealth.....	-	-	-
Attorney General.....	-	-	-
Ethics Commission.....	-	-	-
District Attorney.....	-	-	-
Office of Campaign & Political Finance.....	-	-	-
Sheriff's Departments.....	-	-	-
Disabled Persons Protection Commission.....	-	-	-
Board of Library Commissioners.....	-	-	-
Comptroller.....	-	-	-
Administration and finance.....	-	-	-
Energy and environmental affairs.....	-	-	-
Health and human services.....	-	-	-
Transportation and public works.....	-	-	-
Massachusetts department of transportation.....	533,706	1,137,479	1,671,185
Executive office of education.....	-	-	-
Public safety and homeland security.....	-	-	-
Housing and economic development.....	-	-	-
Labor and workforce development.....	-	-	-
Debt service:			
Principal retirement.....	-	-	-
Interest and fiscal charges.....	-	-	-
Total expenditures.....	<u>533,706</u>	<u>1,137,479</u>	<u>1,671,185</u>
Other financing uses:			
Payments to refunded bond escrow agent.....	-	2,081,203	2,081,203
Fringe benefit cost assessment.....	16,022	19,949	35,971
Operating transfers out.....	120,869	-	120,869
Total other financing uses.....	<u>136,891</u>	<u>2,101,152</u>	<u>2,238,043</u>
Total expenditures and other financing uses.....	<u>670,597</u>	<u>3,238,631</u>	<u>3,909,228</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(45,263)	(36,048)	(81,311)
Fund balance at beginning of year.....	971,850	110,348	1,082,198
Fund balance at end of year.....	<u>\$ 926,587</u>	<u>\$ 74,300</u>	<u>\$ 1,000,887</u>

See accompanying notes to financial statements and accountants' review report



THIS PAGE LEFT INTENTIONALLY BLANK

1. FINANCIAL STATEMENT PRESENTATION.....32

A. Introduction32

B. Statutory Basis32

C. Governmental Fund Types32

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....33

A. Statutory Basis of Accounting.....33

B. Cash, Short-term Investments and Investments33

C. Dedicated Revenue and Pledges.....33

D. Interfund / Intrafund Transactions.....35

E. Current Employee Benefits35

F. Fringe Benefit Cost Recovery.....35

G. Lottery Revenue and Prizes35

H. Receivables.....35

I. Due from Cities and Towns36

J. Risk Management36

K. Encumbrances36

L. Fund Balances.....36

M. Total Column – Memorandum Only.....36

N. Estimates37

O. Reclassification37

3. BUDGETARY CONTROL37

4. MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT)39

5. INDIVIDUAL FUND DEFICITS.....39

6. MEDICAID COSTS.....40

1. FINANCIAL STATEMENT PRESENTATION

A. Introduction

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

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

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

B. Statutory Basis

The Commonwealth reports its statutory basis financial position and results of operations in funds. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets and liabilities for Budgeted Funds and fund balances, revenues and expenditures for non-budgeted, special revenue and capital projects funds. Transactions between funds within a fund type, if any, have not been eliminated.

C. Governmental Fund Types

The Fund types are organized as follows:

Governmental Fund Types account for the general governmental activities of the Commonwealth.

Budgeted Funds – are the primary operating funds of the Commonwealth. They account for all budgeted governmental transactions. Major budgeted funds include the General, Stabilization and Commonwealth Transportation Fund (which succeeded the Highway Fund effective July 1, 2009), 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, funds related to the tobacco settlement 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 bonds and other obligations, which are generally received after related expenditures have been incurred, operating transfers authorized by the Legislature and from federal reimbursements. Deficit balances in Capital Projects Funds represent amounts to be financed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Statutory Basis of Accounting*

The SBFR is prepared from the Commonwealth's books and records and other official reports 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 SBFR is not intended to present the Commonwealth's financial condition and results of operations in conformity with GAAP.

Under the statutory basis of accounting, revenues are generally recognized when cash deposits are received by the Treasury. However, generally, 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. These are largely payments from municipalities reimbursing for pension costs paid from the Commonwealth on their behalf.

Under the statutory basis of accounting, expenditures are generally recorded when the related cash disbursement occurs. At year-end, payroll is accrued and payables are recognized, to the extent of approved encumbrances, for goods or services received by June 30. Costs incurred under the federally-sponsored Medicaid program, amounts required to settle claims and judgments against the Commonwealth, and certain other liabilities are not recognized until they are encumbered or otherwise processed for payment.

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

B. *Cash, Short-term Investments and Investments*

The Commonwealth follows the practice of pooling the cash and cash equivalents of its 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 (not included in this report) and, when so directed by law, to certain Special Revenue and Capital Projects Funds.

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

For a complete copy of MMDT's separately issued financial statements, please feel free to contact the Trust's investment adviser at 800-392-6095, or James MacDonald, Deputy Assistant Treasurer, Cash Management Department, at 617-367-6900.

Statutes authorize investment in obligations of the U. S. Treasury, authorized bonds of all states, bankers 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.

C. *Dedicated Revenue and Pledges*

The Commonwealth has a number of pledges of revenue streams for its own bonds and various other bond issues of other authorities. These other authorities debts are not included in the SBFR, but are included in the CAFR.

Approximately \$3.1 billion in revenues from federal grants passed through the Federal Grants Fund and represents the greatest source of dedicated revenues. A portion of these grants is dedicated to funding the principal portion only of federal grant anticipation notes issued in fiscal 1998, 1999, 2001 and refunding notes in fiscal 2003. Total principal remaining to be paid on these federal grant anticipation notes (GANs) is approximately \$991 million. Maturities are from FY11 through FY15. Principal paid during FY10 was approximately \$142.8 million.

During FY10, there were no additional authorizations approved to be secured by future federal funds. The Commonwealth intends to begin to amortize the principal of any such notes beginning in fiscal 2016, after the original federal grant anticipation notes have been paid in full.

Commonwealth gas taxes are partially pledged to fund highway construction. As of June 30, 2010, 6.86 cents of the total 21 cent per gallon gasoline tax are pledged to fund approximately \$414 million of principal and approximately \$143 million in interest on the outstanding debt as of June 30, 2010. These bonds mature from FY11 to FY23 and were sold in various series issued previous to FY10. Principal and interest paid during FY10 amounted to approximately \$35.5 million and \$23.4 million, respectively.

During FY10, there were no additional authorizations approved for issuance of special obligation bonds secured by a pledge of motor fuels excise tax receipts to fund a portion of the Commonwealth's Accelerated Bridge Program. The legislation provides for a pledge of up to 10¢ of the 21¢ motor fuels excise tax to secure the outstanding special obligation bonds described above and the bridge program bonds.

Portions of Commonwealth sales taxes are pledged as security for bonds issued by the Massachusetts Bay Transportation Authority (MBTA) and the Massachusetts School Building Authority (MSBA) amounting up to 1% of applicable sales, respectively, for the authorities. Total dedicated sales tax revenue that was directed to the MBTA in FY10 was approximately \$767 million. Dedicated revenues to the MBTA increase by the greater of the annual rise in the Boston consumer price index or annual sales taxes, with a floor of 0% and a ceiling of 3%.

The MSBA also receives a pledge of sales tax that will increase to 1% of applicable sales in the Commonwealth by FY11. In FY10, approximately \$605 million or 95% of the dedicated sales tax revenue stream was directed to the MSBA. This amount rises to 100% of the dedicated sales tax revenue stream in FY11 with no floor or ceiling.

The Commonwealth has also pledged surcharges from areas contiguous to convention centers, and the Worcester DCU Arena and Convention Center to support such centers' operations. Sales taxes within the Convention Center districts support approximately \$639 million of outstanding principal and approximately \$561 million of interest on debts related to these Convention Centers. Taxes collected in FY10 were approximately \$75.4 million, while debt service on the bonds was approximately \$34.5 million.

Finally, as part of the Transportation Modernization Act of 2009, as amended, a further pledge of sales taxes were made. Beginning in FY11, 0.385% of applicable sales and uses on a total tangible property tax rate of 6.25% will be dedicated to funding the operations of the MassDOT. The Act has a floor amount of \$275 million, with a final transfer occurring on or before September 1st of the following fiscal year. Of the floor amount, \$160 million will be dedicated to funding the operations of the MBTA while an additional \$15 million will be dedicated to funding the operations of the regional transit authorities. These amounts will be transferred through the Commonwealth Transportation Fund.

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.

D. *Interfund / Intrafund Transactions*

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

Transfers in and out net to approximately \$445,000 due from higher education non-appropriated fund activity, which is not included in the combined statements – statutory basis.

E. *Current Employee Benefits*

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

F. *Fringe Benefit Cost Recovery*

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

Since these fringe benefit costs and pensions are not appropriated in the budget, the required assessment creates a variance between budget and actual expenditures at year-end. The fringe benefit cost recoveries of approximately \$281.8 million in the budgeted funds result from cost assessments of approximately \$122.7 million. The remainder of approximately \$159.1 million is assessed to the following two non appropriated activities: \$36.0 million to MassDOT and \$123.1 million to higher education non-appropriated activity, which are not included in the SBFR.

G. *Lottery Revenue and Prizes*

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

H. *Receivables*

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." Other receivables include reimbursement of fringe benefit assessments from authorities and the institutions of higher education along with other departmental receivables.

I. *Due from Cities and Towns*

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

J. *Risk Management*

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

For personal injury or property damages, Chapter 258 of the Massachusetts General Laws limits the risk assumed by the Commonwealth to \$100,000 per occurrence, in most circumstances. The Group Insurance Commission administers contributory health care and other insurance programs for the Commonwealth’s employees and retirees.

K. *Encumbrances*

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

L. *Fund Balances*

Fund balance had been reserved as follows:

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

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

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

“Undesignated” – consist of cumulative surplus or deficits of the fund not otherwise designated.

M. *Total Column – Memorandum Only*

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

The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a full comparative presentation. Accordingly, such information should be read in conjunction with the Commonwealth’s financial statements for the year ended June 30, 2009, from which the summarized information was derived.

N. *Estimates*

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

O. *Reclassification*

Certain reclassifications have been made to the 2009 balances to conform to the presentation used in 2010.

3. BUDGETARY CONTROL

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

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

In addition, Massachusetts General Laws authorize the Secretary of Administration and Finance, with the approval of the Governor, upon determination that available revenues will be insufficient to meet authorized expenditures, to withhold allotments of appropriated funds which effectively reduce the 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. Fringe benefits, pension costs, and certain other costs which are mandated by state finance law are not itemized in the appropriation process and are not separately budgeted.

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

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.

The FY04 General Appropriation Act (Chapter 26, Section 167 of the Acts of 2003), amended section 9C, directing the Governor to notify the Legislature in

writing as to the reasons for and the effect of any reductions in spending. Alternatively, the Governor may propose specific additional revenues to fund the deficiency. The Governor may also propose to transfer funds from the Stabilization Fund to cure the deficiency. This proposal must be delivered to the Legislature 15 days before any reductions take effect.

The following table summarizes budgetary activity for FY10 (amounts in thousands):

	Revenues	Expenditures
General Appropriation Act, Chapter 27 of the Acts of 2009:		
Direct appropriations.....	\$ 30,518,819	\$ 26,577,279
Estimated revenues, transfers, direct appropriations retained revenue appropriations, interagency chargebacks and appropriations carried forward from FY2009	-	940,839
Total original budget.....	30,518,819	27,518,118
Supplemental Acts of 2009:		
Chapter 56.....	-	10,000
Chapter 65.....	-	24,970
Chapter 102.....	-	217,291
Chapter 166.....	-	(23,858)
Chapter 186.....	-	41,962
Supplemental Acts of 2010:		
Chapter 86.....	-	196,693
Chapter 112.....	-	64,585
Chapter 120.....	-	202,952
Authorized budgets and transfers for MassDOT.....	-	407,876
Planned Savings - Chapter 29, Section 9C.....	-	(223,672)
Total as of June 30, 2010	30,518,819	28,436,917
Supplemental Acts of 2010, passed after June 30:		
Chapter 359	-	37,124
Total budgeted revenues and expenditures per Legislative action.....	30,518,819	28,474,041
Plus: Transfers of revenues and expenditures (including rounding).....	-	3,304,759
Budgeted revenues and expenditures as reported.....	<u>\$ 30,518,819</u>	<u>\$ 31,778,800</u>

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

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Actual as presented in the combined budget and actual statement - statutory basis.....	\$ 31,080,797	\$ 31,194,365
Adjustments to revenues and expenditures		
Transfer of revenues to the Intragovernmental Service Fund	(239,252)	(239,252)
Adjustments to other financing sources and uses:		
Fringe benefit cost assessments.....	(8,013)	(8,013)
Transfer of expenditures from the Intragovernmental Service Fund to the General Fund.....	(2,780)	(2,780)
RMV license plates.....	(2,421)	(2,421)
Transfers from Stabilization Fund to General Fund.....	(206,574)	(206,574)
Year end Stabilization Fund transfer.....	(11,269)	(11,269)
Transfer from General Fund to Commonwealth Transportation Fund.....	(275,000)	(275,000)
Commonwealth Transportation Fund year end transfer to General Fund.....	(25,342)	(25,342)
Other	(130)	(130)
Actual as presented on budgetary documents.....	<u>\$ 30,310,016</u>	<u>\$ 30,423,584</u>

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

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

4. MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT)

Effective in November 2009, the Commonwealth implemented a sweeping transportation reform act, creating a new entity, the Massachusetts Department of Transportation (MassDOT). A new budgeted fund, the Commonwealth Transportation Fund will succeed most of the operations of the Highway Fund in FY10. Transportation reform was implemented merging four state agencies: the Highway Department, Registry of Motor Vehicles, Massachusetts Aeronautics Commission and the Executive Office of Transportation into the MassDOT.

MassDOT also absorbed the former Massachusetts Turnpike Authority, the bridges and certain roads and parkways of the Department of Conservation and Recreation, as well as the Tobin Memorial Bridge operations of the Massachusetts Port Authority. MassDOT will also have more oversight of the Massachusetts Bay Transportation Authority as well as the Regional Transit Authorities.

The following table shows a detail of the different types of equity transfers the Commonwealth processed to MassDOT as well as bringing over the MTA balances during FY10.

<u>Transfer From</u> <u>Fund</u>	<u>Amount</u>	<u>Transfer To</u> <u>Fund</u>	<u>Amount</u>
Central Artery Repairs and Maintenance Trust Fund	\$ (357,004,825)	Central Artery Repairs and Maintenance Trust Fund	\$ 357,004,825
Motor Vehicle Safety Inspection Trust Fund	1,712,300	Motor Vehicle Safety Inspection Trust Fund	(1,712,300)
Central Artery Statewide Road and Bridge Infrastructure Fund	(110,347,968)	Central Artery Statewide Road and Bridge Infrastructure Fund	<u>110,347,968</u>
Environmental Trust Fund	(44,123)	Massachusetts Transportation Trust Fund	44,123
Legacy assets brought from Mass Turnpike on 11/1/2009	<u>(616,513,133)</u>	Massachusetts Transportation Trust Fund	<u>616,513,133</u>
			616,557,256
Total Equity Transfer	<u>\$ (1,082,197,749)</u>	Total Equity Transfer	<u>\$ 1,082,197,749</u>

5. INDIVIDUAL FUND DEFICITS

The Capital Projects Fund deficit reported in the following table reflects the time lag between capital expenditures and the sale of related bonds. To arrive at the combined capital projects fund balance, individual fund deficits are offset by capital funds earmarked in reserve for the other Capital Projects Funds.

The following Budgeted, Non-Budgeted Special Revenue and Capital Projects Funds are included in the combined totals and have individual fund deficits at June 30, 2010, as follows (amounts in thousands): (Excludes MassDOT)

Non-Budgeted Special Revenue:	
Universal Health:	
Medical Security Trust Fund.....	(18,607)
Other:	
Government Land Bank Fund.....	<u>(35,033)</u>
Total Non - Budgeted Funds.....	<u>(53,640)</u>
Capital Projects:	
Capital Improvement and Investment Trust Fund.....	(94)
Highway Capital Projects Fund.....	<u>(487,162)</u>
Total Capital Projects Funds.....	<u>(487,256)</u>
Total	<u>\$ (540,896)</u>

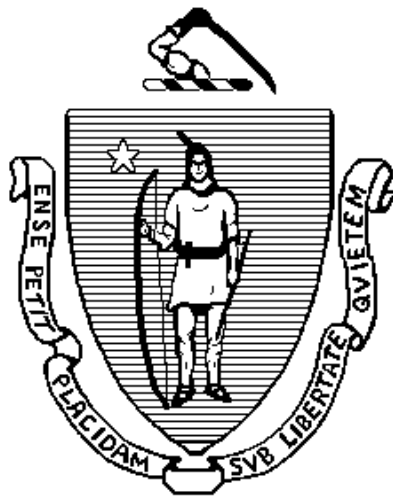
Transfers and the cash defeasance of debt which occurred in FY10 were not included as appropriations in the general appropriation act. Therefore, no action is necessary to cure those deficits. None of the funds detailed above were in deficit due to finance-related contractual provisions and were allowed to be in deficit by General Law.

6. MEDICAID COSTS

The Commonwealth's Medicaid program, called MassHealth, provides health care to low-income children and families, certain low-income adults, disabled individuals and low-income elders. The program, administered by the Office of Medicaid within the Executive Office of Health and Human Services, typically receives 50% in federal reimbursement on most expenditures. For FY10 additional funding was available due to an increase in reimbursement rate to 61.59% for Federal Medical Assistance Program (FMAP). This rate increase is effective through June 30, 2011. Beginning in fiscal 1999, payments for some children's benefits became 65% federally reimbursable under the State Children's Health Insurance Program (SCHIP).

Approximately 36% of the Commonwealth's budget, including transfers, is devoted to Medicaid. It is the largest and has been one of the fastest growing items in the Commonwealth's budget. For the fiscal year ended June 30, 2010, the General Fund includes approximately \$9.3 billion in expenditures for Medicaid claims. The combined financial statements – statutory basis include Medicaid claims processed but unpaid at June 30, 2010 of approximately \$11.3 million as accounts payable.

Combining and Individual Fund Financial Statements - Statutory Basis



THIS PAGE LEFT INTENTIONALLY BLANK

Individual Budgeted Funds

MAJOR BUDGETED FUNDS:

The General Fund - The General Fund is the Commonwealth's primary Governmental Fund. All governmental activities not specifically directed to another fund are accounted for in the General Fund. As a result, most budgeted expenditures of the Executive secretariats, the Legislature, constitutional offices, Judiciary, institutions of higher education and independent commissions are paid 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.

Commonwealth Transportation Fund – to account for certain revenues of the newly created Massachusetts Department of Transportation, particularly those relating to the use and operation of motor vehicles and trailers, except fees for interstate permitting, together with all contributions and assessments paid into the treasury of the Commonwealth by cities, towns or counties for maintaining, repairing, improving and constructing ways, all refunds and rebates made on account of expenditures on ways by the department, all fuel taxation and other monies received by the Commonwealth in satisfaction of claims by the Commonwealth for damage to highway safety signs, signals, guardrails, curbing and other highway related facilities. Spending is for debt service on general and special obligation debt formerly paid for by the Highway Fund, as well as for amounts, subject to appropriation, to fund the programs and services of the Massachusetts Department of Transportation. This fund also includes activity of the Infrastructure Fund, which was a sub fund of the Highway Fund.

The Commonwealth Stabilization Fund – to account for amounts calculated in accordance with state finance law and maintain a reserve to enhance the Commonwealth's fiscal stability. Per the FY2005 General Appropriation Act, tax revenues from certain lottery winners selling their stream of future winnings in exchange for current payments are recorded in this fund. The residual balance of the

Temporary Holding Fund is closed to the Stabilization Fund to the extent of expenditures from the Fund.

Administrative Control Funds - account for the revenues generated by certain administrative functions of government, for which the Legislature has required that separate funds be established. These funds include:

Intragovernmental Service Fund – to account 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 workers compensation chargeback.

BUDGETED ENVIRONMENTAL FUND:

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

OTHER BUDGETED FUNDS:

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

Workforce Training Fund - to account for revenues from an unemployment surcharge of .075% on taxable wages on employers; to provide grants to employers and labor groups to provide education and training to new and existing employees.

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

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

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

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

The following fund has been enacted in legislation but is inactive and not presented:

Dam Safety Trust Fund - to account for all receipts and revenues generated through agreements executed between the department of environmental management and public or private entities for dam safety purposes, and all fines, costs, expenses, and interest imposed.

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

Temporary Holding Fund – to account for cumulative tax revenues during the fiscal year in excess of permissible tax revenues as defined in Chapter 62F, Section 6A of the General Laws. The fund balance in the fund closes annually to the Stabilization Fund to the extent of expenditures from that fund. Any remaining balance transfers to the General Fund.

Bay State Competitiveness Investment Fund – to account for funds received as part of the calculation of consolidated net surplus for FY07 and available for appropriation in FY08. This fund expired on June 30, 2008.

Highway Fund – to account 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. During FY10, the Highway Fund operations were succeeded by the Commonwealth Transportation Fund and the Massachusetts Department of Transportation. As the fund has not been repealed, in FY11 the fund will become inactive.

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

Substance Abuse Prevention and Treatment Fund – to account for sales tax revenues (non-dedicated) collected from the sale of alcoholic beverages under Chapter 64H; used for substance abuse treatment and prevention services.



THIS PAGE LEFT INTENTIONALLY BLANK

Budgeted Funds
Combining Balance Sheet - Statutory Basis

June 30, 2010
(Amounts in thousands)

ASSETS	<u>General</u>	<u>Commonwealth Transportation</u>	<u>Commonwealth Stabilization</u>
Cash and short-term investments.....	\$ 220,276	\$ 12,271	\$ 415,122
Cash with fiscal agent.....	-	10,847	-
Investments.....	-	-	254,681
Receivables, net of allowance for uncollectibles:			
Due from federal government.....	586,379	-	-
Other receivables.....	25,299	-	-
Due from cities and towns.....	3,391	-	-
Total assets.....	<u>\$ 835,345</u>	<u>\$ 23,118</u>	<u>\$ 669,803</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable.....	\$ 573,233	\$ 5,155	\$ -
Accrued payroll.....	105,459	7,116	-
Total liabilities.....	<u>678,692</u>	<u>12,271</u>	<u>-</u>
Fund balance:			
Reserved for:			
Continuing appropriations.....	102,022	-	-
Commonwealth Stabilization.....	-	-	669,803
Debt service.....	-	10,847	-
Unreserved:			
Undesignated.....	54,631	-	-
Total fund equity.....	<u>156,653</u>	<u>10,847</u>	<u>669,803</u>
Total liabilities and fund equity.....	<u>\$ 835,345</u>	<u>\$ 23,118</u>	<u>\$ 669,803</u>

See accountants' review report

Administrative Control Intragovernmental Service	Environmental Inland Fisheries and Game	Budgeted Other		Totals (Memorandum only)	
		Workforce Training	Massachusetts Tourism	2010	2009
\$ 22,677	\$ 17,849	\$ 18,154	\$ 28,828	\$ 735,177	\$ 942,373
-	-	-	-	10,847	-
-	-	-	-	254,681	348,482
-	-	-	-	586,379	458,361
-	-	-	-	25,299	15,834
-	-	-	-	3,391	10,305
<u>\$ 22,677</u>	<u>\$ 17,849</u>	<u>\$ 18,154</u>	<u>\$ 28,828</u>	<u>\$ 1,615,774</u>	<u>\$ 1,775,355</u>
\$ 15,761	\$ 318	\$ 1,587	\$ 616	\$ 596,670	\$ 653,619
2,826	187	414	34	116,036	105,100
<u>18,587</u>	<u>505</u>	<u>2,001</u>	<u>650</u>	<u>712,706</u>	<u>758,719</u>
4,090	-	5,000	-	111,112	68,856
-	-	-	-	669,803	841,344
-	-	-	-	10,847	-
-	17,344	11,153	28,178	111,306	106,436
4,090	17,344	16,153	28,178	903,068	1,016,636
<u>\$ 22,677</u>	<u>\$ 17,849</u>	<u>\$ 18,154</u>	<u>\$ 28,828</u>	<u>\$ 1,615,774</u>	<u>\$ 1,775,355</u>

Budgeted Funds

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

Fiscal Year Ended June 30, 2010

(Amounts in thousands)

	General	Commonwealth Transportation	Commonwealth Stabilization
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ 16,459,820	\$ 653,783	\$ 1,982
Assessments.....	403,276	14,059	-
Federal grants and reimbursements.....	8,541,886	-	-
Departmental.....	1,437,499	489,840	-
Miscellaneous.....	391,757	29,487	21,782
Total revenues.....	<u>27,234,238</u>	<u>1,187,169</u>	<u>23,764</u>
Other financing sources:			
Fringe benefit cost recovery.....	281,807	-	-
Lottery reimbursements.....	88,938	-	-
Lottery distributions.....	893,806	-	-
Operating transfers in.....	299,212	-	-
Stabilization transfer.....	206,574	-	11,269
Tobacco settlement transfer.....	263,678	-	-
Commonwealth transportation transfer.....	-	275,000	-
Other fund deficit support.....	-	-	-
Total other financing sources.....	<u>2,034,015</u>	<u>275,000</u>	<u>11,269</u>
Total revenues and other financing sources.....	<u>29,268,253</u>	<u>1,462,169</u>	<u>35,033</u>
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Legislature.....	59,453	-	-
Judiciary.....	767,178	-	-
Inspector General.....	2,734	-	-
Governor and Lieutenant Governor.....	5,176	-	-
Secretary of the Commonwealth.....	47,704	-	-
Treasurer and Receiver-General.....	175,894	-	-
Auditor of the Commonwealth.....	16,708	-	-
Attorney General.....	40,558	-	-
Ethics Commission.....	1,574	-	-
District Attorney.....	92,792	-	-
Office of Campaign & Political Finance.....	1,175	-	-
Sheriff's Departments.....	370,009	245	-
Disabled Persons Protection Commission.....	2,150	-	-
Board of Library Commissioners.....	24,672	-	-
Comptroller.....	7,899	-	-
Administration and finance.....	1,531,620	9,618	-
Energy and environmental affairs.....	183,738	8,426	-
Health and human services.....	4,616,556	-	-
Transportation and public works.....	-	66,701	-
Massachusetts department of transportation.....	-	435,702	-
Executive office of education.....	1,717,211	-	-
Public safety and homeland security.....	1,049,249	3,390	-
Housing and economic development.....	351,579	54	-
Labor and workforce development.....	28,305	-	-
Direct local aid.....	4,837,371	-	-
Medicaid.....	9,286,565	-	-
Post employment benefits.....	1,748,619	-	-
Debt service:			
Principal retirement.....	591,573	457,037	-
Interest and fiscal charges.....	411,468	399,562	-
Total expenditures.....	<u>27,969,530</u>	<u>1,380,735</u>	<u>-</u>
Other financing uses:			
Fringe benefit cost assessment.....	-	5,716	-
Operating transfers out.....	57,089	64,871	-
Commonwealth care transfer.....	631,685	-	-
Medical assistance transfer.....	313,295	-	-
Commonwealth transportation transfer.....	275,000	-	-
Lottery deficit support.....	-	-	-
Stabilization transfer.....	11,269	-	206,574
Other fund deficit support.....	-	-	-
Total other financing uses.....	<u>1,288,338</u>	<u>70,587</u>	<u>206,574</u>
Total expenditures and other financing uses.....	<u>29,257,868</u>	<u>1,451,322</u>	<u>206,574</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	10,385	10,847	(171,541)
Fund balance at beginning of year.....	146,268	-	841,344
Fund balance at end of year.....	<u>\$ 156,653</u>	<u>\$ 10,847</u>	<u>\$ 669,803</u>

See accountants' review report

Administrative Control Intragovernmental Service	Environmental Inland Fisheries and Game	Budgeted Other		Totals (Memorandum only)	
		Workforce Training	Massachusetts Tourism	2010	2009
\$ -	\$ 866	\$ 19,378	\$ 35,549	\$ 17,171,378	\$ 16,790,021
-	-	-	-	417,335	348,654
-	6,950	-	-	8,548,836	8,250,900
245,308	7,147	-	-	2,179,794	1,944,508
-	14	-	-	443,040	260,626
<u>245,308</u>	<u>14,977</u>	<u>19,378</u>	<u>35,549</u>	<u>28,760,383</u>	<u>27,594,709</u>
-	-	-	-	281,807	262,034
-	-	-	-	88,938	105,656
-	-	-	-	893,806	890,489
-	130	-	-	299,342	339,462
-	-	-	-	217,843	1,453,747
-	-	-	-	263,678	315,153
-	-	-	-	275,000	-
-	-	-	-	-	219,947
-	130	-	-	2,320,414	3,586,488
<u>245,308</u>	<u>15,107</u>	<u>19,378</u>	<u>35,549</u>	<u>31,080,797</u>	<u>31,181,197</u>
-	-	-	-	59,453	60,199
-	-	-	-	767,178	794,938
-	-	-	-	2,734	3,002
60	-	-	9	5,245	8,377
115	-	-	-	47,819	46,986
-	-	-	-	175,894	128,696
-	-	-	-	16,708	18,688
-	-	-	-	40,558	44,266
-	-	-	-	1,574	1,678
-	-	-	-	92,792	100,789
-	-	-	-	1,175	1,129
-	-	-	-	370,254	290,513
-	-	-	-	2,150	2,267
-	-	-	-	24,672	33,652
3,181	-	-	-	11,080	11,679
141,849	-	22	-	1,683,109	1,752,879
412	10,026	-	-	202,602	216,177
73,229	-	-	-	4,689,785	5,051,251
-	-	-	-	66,701	283,313
-	-	-	-	435,702	-
-	-	-	-	1,717,211	2,091,716
23,025	-	-	219	1,075,883	1,236,874
10	-	-	7,435	359,078	220,189
-	-	13,932	-	42,237	65,105
-	-	-	-	4,837,371	4,723,620
-	-	-	-	9,286,565	8,536,900
-	-	-	-	1,748,619	1,666,396
-	-	-	-	1,048,610	1,087,370
-	-	-	-	811,030	804,016
<u>241,881</u>	<u>10,026</u>	<u>13,954</u>	<u>7,663</u>	<u>29,623,789</u>	<u>29,282,665</u>
-	1,609	389	299	8,013	57,415
2,780	-	-	-	124,740	118,535
-	-	-	-	631,685	987,959
-	-	-	-	313,295	374,001
-	-	-	-	275,000	-
-	-	-	-	-	76,112
-	-	-	-	217,843	1,453,747
-	-	-	-	-	219,947
<u>2,780</u>	<u>1,609</u>	<u>389</u>	<u>299</u>	<u>1,570,576</u>	<u>3,287,716</u>
<u>244,661</u>	<u>11,635</u>	<u>14,343</u>	<u>7,962</u>	<u>31,194,365</u>	<u>32,570,381</u>
647	3,472	5,035	27,587	(113,568)	(1,389,184)
3,443	13,872	11,118	591	1,016,636	2,405,820
<u>\$ 4,090</u>	<u>\$ 17,344</u>	<u>\$ 16,153</u>	<u>\$ 28,178</u>	<u>\$ 903,068</u>	<u>\$ 1,016,636</u>

Calculation of Transfers: Stabilization Fund

June 30, 2010

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 29, Section 5c, as amended most recently by FY 2011 General Appropriation Act Section 142, which superceded certain parts of the Section 5c. It presents information contained in the official accounting records of the Commonwealth. Financial statements supporting this calculation are presented in the Financial Section of this report.

	Amounts in thousands
Undesignated Budgeted Fund Balances before calculation of transfers:	
General Fund	\$ 75,900
Commonwealth Transportation Fund	-
Workforce Training Fund	11,153
Massachusetts Tourism Fund	28,178
International Educational and Foreign Language Grant Program Fund	-
Net surplus / (deficit).....	\$ 115,231
Less: Amount to be carried forward per Chapter 29, Section 5c(a) per Schedule A	93,962
Less: Amount to be deposited in the Stabilization Fund also per Chapter 29, Section 5c(a) per Schedule A - <i>Not Applicable for FY2010 Per FY 2010 General Appropriation Act, Section 126.....</i>	<i>Not Applicable</i>
Net consolidated net surplus as defined in Chapter 29, Section 5c, as amended to be deposited into the Stabilization Fund.....	\$ 21,269
Chapter 131 of the Acts of 2010, Section 142 Transfers:	
The comptroller shall transfer \$10,000,000 from the General Fund to the Massachusetts Life Sciences Investment Fund.....	\$ 10,000
Remaining Amount transfered from General Fund to the Stablization Fund	\$ 11,269
General Law Section 5c of Chapter 29, Fund Balance Deficit Elimination transfers :	
General Fund	\$ -
Commonwealth Transportation Fund	-
Workforce Training Fund	-
Massachusetts Tourism Fund	-
International Educational and Foreign Language Grant Program Fund	-
Net.....	\$ -
Fund Balance after Deficit Elimination	
General Fund	\$ 75,900
Commonwealth Transportation Fund	-
Workforce Training Fund	11,153
Massachusetts Tourism Fund	28,178
International Educational and Foreign Language Grant Program Fund	-
Net.....	\$ 115,231
Stabilization Balance Reconciliation:	
Balance as of July 1, 2009	\$ 841,344
Investment income, certain tax revenues and other recoveries.....	23,764
Less: Transfers from Stabilization Fund	
Investment Income.....	(21,783)
Principal transfers.....	(184,791)
Transfers from Stabilization during the FY 2010	(206,574)
Transfer per Chapter 31 of the Acts of 2010, per the calculation above.....	11,269
Stabilization Fund Balance	\$ 669,803

Calculation Of Transfers: Tax Reduction Fund

June 30, 2010
(Amounts in thousands)

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

The computation is as follows:

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

Undesignated fund balance in the Stabilization Fund.....	\$ 669,803
Allowable Stabilization Fund balance (per Schedule B).....	<u>4,546,502</u>
Stabilization Fund excess, if any, transferable to Tax Reduction Fund.....	<u>\$ -</u>

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund balance.....	\$ 669,803
Transfer to Tax Reduction Fund.....	<u>-</u>
Stabilization Fund balance after transfer to Tax Reduction Fund.....	<u>\$ 669,803</u>

Part 3: Status of Tax Reduction Fund after transfers:

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

Schedule A
FY2010 Tax Revenues By Revenue Class and
Calculation of Allowable Net Surplus

June 30, 2010
(Amounts in thousands)

Alcoholic Beverages.....	\$	70,981
Banks: Commercial and Savings.....		234,870
Cigarette.....		456,251
Corporations.....		1,600,305
Deeds.....		140,639
Estate and Inheritance.....		221,379
Commonwealth Care - cigarette excise.....		141,379
Income.....		10,110,259
Insurance.....		285,175
Motor and Special Fuels.....		654,649
Public Utilities.....		(316)
Room Occupancy.....		151,410
Sales and Use.....		4,625,682
Club Alcoholic Beverages.....		906
Motor Vehicle Excise.....		74
Convention Center Surcharges.....		11,561
Community Preservation.....		26,290
Satellite.....		10,914
State Racing.....		2,098
Beano		2,197
Raffles and Bazaars.....		961
Boxing.....		32
DOI Excess and Surplus Lines.....		25,414
UI Surcharge.....		19,377
FY 2010 state tax revenue.....	\$	18,792,487
 0.5% of total tax revenue.....		 93,962
 Allowable consolidated net surplus	\$	 93,962

This schedule is prepared on the statutory basis of accounting. It presents tax revenues as reported in the governmental funds of the Commonwealth. It differs from the schedule of tax collections prepared by the Comptroller, Commissioner of Revenue and State Auditor for calculations in accordance with Chapter 62F, of the General Laws as amended.

Schedule B
Calculation of Cap on Stabilization Fund

June 30, 2010
(Amounts in thousands)

Total budgeted revenues and other financial resources pertaining to the budgeted funds.....	\$	31,080,797
Elimination of budgetary interfund activity exclusive of fund closure (per Schedule C).....		<u>(770,781)</u>
Budgeted revenues and other financial resources pertaining to the budgeted funds.....		30,310,016
Allowable Stabilization Fund balance, 15% of budgeted revenue.....	\$	<u><u>4,546,502</u></u>

Calculation of Stabilization Fund Transfers as defined by Massachusetts General Laws Chapter 29 section 5c as most recently amended by Chapter 26 of the Acts of 2003.

Schedule C
Detail of Elimination of Budgetary Inter Fund Activity

June 30, 2010
(Amounts in thousands)

Adjustments to revenues :	
Transfer to the Intragovernmental Service Fund Revenues.....	\$ (239,252)
Adjustments to other financing sources and uses:	
Fringe benefit cost assessments.....	(8,013)
Transfer from the Intragovernmental Service Fund to the General Fund.....	(2,780)
RMV license -plates.....	(2,421)
Transfer from Stabilization Fund to General Fund	(206,574)
Year end transfer from General Fund to the Stabilization Fund	(11,269)
Transfer from General Fund to Commonwealth Transportation Fund.....	(275,000)
Transfer from Commonwealth Transportation Fund to the General Fund.....	(25,342)
Other	(130)
	(130)
Elimination of budgetary interfund activity	\$ (770,781)

Schedule D
Calculation of Transfers: Temporary Holding Fund

June 30, 2010
(Amounts in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 62F, Section 6A, as amended most recently by Chapter 26 of the Acts of 2003, Sections 203 and 715. 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.

Period Ending:	<u>September 30, 2009</u>	<u>December 31, 2009</u>	<u>March 31, 2010</u>	<u>June 30, 2010</u>
Cumulative net state tax revenues, 2010	\$ 4,374,038	\$ 8,834,580	\$ 13,358,852	\$ 18,792,777
Cumulative net state tax revenues, 2009.....	\$ 4,870,214	\$ 9,200,005	\$ 13,599,204	\$ 18,513,036
Permissible growth rate defined as inflation plus 2%, but not less than 0%.....	4.31%	2.10%	2.00%	1.61%
Permissible state tax revenues defined as cumulative net state tax revenues, 2009 multiplied by 1 plus the permissible growth rate.....	<u>\$ 5,080,266</u>	<u>\$ 9,392,837</u>	<u>\$ 13,871,188</u>	<u>\$ 18,810,911</u>
Cumulative net state tax revenues 2010 in excess of permissible state tax revenues.....	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Non-Tax Revenue Initiatives

June 30, 2010
(Amounts in thousands)

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

I. Debt Collection:

Pursuant to Massachusetts General Laws Chapter 29, Section D, Chapter 7A Section 8, allows private debt collection agencies to engage in debt collection for the Commonwealth. The fees paid are contingency based from the proceeds collected. Collections and fees paid during FY10 were (amounts in thousands):

<u>Department Collectors</u>	<u>Collections</u>	<u>Fees</u>
Allen Daniel Associates, Inc.....	\$ 210	\$ 35
Collecto, Inc.....	2,350	402
Glenn Associates, Inc.....	840	140
Windham Professionals.....	<u>556</u>	<u>115</u>
Total.....	<u>\$ 3,956</u>	<u>\$ 692</u>

Under the same program, the following amounts were collected and fees paid for institutions of higher education: (These figures are a subset of the above) (amounts in thousands):

<u>Department Collectors</u>	<u>Collections</u>	<u>Fees</u>
Allen Daniel Associates, Inc.....	\$ 191	32
Collecto, Inc.....	1,489	246
Glenn Associates, Inc.....	529	88
Windham Professionals.....	<u>115</u>	<u>22</u>
Total.....	<u>\$ 2,324</u>	<u>\$ 388</u>

II. Revenue Maximization:

Pursuant to Massachusetts General Law Chapter 29 Section 29E, 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 non-tax revenues. During FY10, the following amounts were generated (amounts in thousands):

Gross revenue maximization realized.....	\$ 1,847
Contractor payments.....	<u>16</u>
Net revenue maximization realized.....	<u>\$ 1,863</u>

III. Cost Avoidance:

The Comptroller’s appropriation authorizes contract arrangements engaged on a contingent fee basis for the purpose of identification and pursuit of cost saving / avoidance opportunities. During FY10, the following amounts were generated (amounts in thousands):

State expenditures avoided.....	\$ 558
Contractor payments.....	<u>15</u>
Net cost savings / avoidance.....	<u>\$ 573</u>

IV. Intercept:

Intercept is authorized by M.G.L. Chapter 7A Section 3 and 815 CMR 9:06. Intercept is an automated process that offsets Commonwealth payments to delinquent receivables that have been approved by the Office of the State Comptroller. FY10 activity (amounts in thousands):

Total Commonwealth intercepts.....	\$ 9,010
Amounts included above that were intercepted on behalf of the Institutions of Higher Education.....	\$ 4,686

Schedule of Post Employment Benefits

(Amounts in thousands except for percentages)

Pension Funding Progress for the last six fiscal years

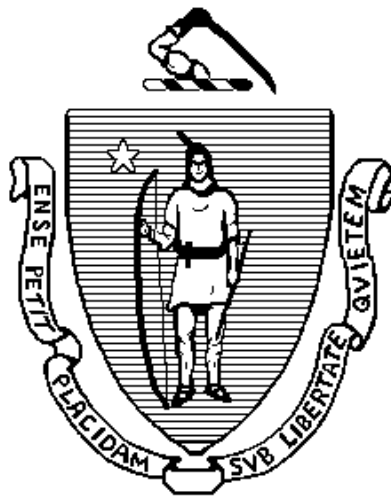
	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll *	UAAL as a % of Covered Payroll *
State Employees' Retirement System						
Actuarial Valuation as of January 1, 2010....	\$ 19,019,062	\$ 24,862,421	\$ 5,843,359	76.5%	\$ 4,711,563	124.0%
Actuarial Valuation as of January 1, 2009....	16,992,214	23,723,240	6,731,026	71.6%	4,712,655	142.8%
Actuarial Valuation as of January 1, 2008....	20,400,656	22,820,502	2,419,846	89.4%	4,574,233	52.9%
Actuarial Valuation as of January 1, 2007....	18,445,225	21,670,810	3,225,585	85.1%	4,391,891	73.4%
Actuarial Valuation as of January 1, 2006....	16,638,043	20,406,926	3,768,883	81.5%	4,200,577	89.7%
Actuarial Valuation as of January 1, 2005....	16,211,000	19,575,000	3,364,000	82.8%	3,967,000	84.8%
Teachers' Retirement System						
Actuarial Valuation as of January 1, 2010....	\$ 21,262,462	\$ 33,738,966	\$ 12,476,504	63.0%	\$ 5,509,698	226.4%
Actuarial Valuation as of January 1, 2009....	18,927,731	32,543,782	13,616,051	58.2%	5,389,895	252.6%
Actuarial Valuation as of January 1, 2008....	22,883,553	30,955,504	8,071,951	73.9%	5,163,498	156.3%
Actuarial Valuation as of January 1, 2007....	20,820,392	29,320,714	8,500,322	71.0%	4,969,092	171.1%
Actuarial Valuation as of January 1, 2006....	18,683,295	27,787,716	9,104,421	67.2%	4,819,325	188.9%
Actuarial Valuation as of January 1, 2005....	17,683,000	26,167,000	8,483,000	67.6%	4,643,000	182.7%

For a complete analysis of the Commonwealth's actuarial valuation report, please go to <http://www.mass.gov/perac/valuation/2010commonwealth.pdf>. Alternatively, copies of the Commonwealth's actuarial valuation reports may be obtained by contacting the Massachusetts Public Employee Retirement Administration Commission, 5 Middlesex Avenue, Suite 304, Somerville, MA 02145. Telephone number: 617-666-4446.

State Retiree Benefits Trust Fund

	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
Actuarial Valuation as of January 1, 2009....	\$ 277,000	\$ 15,305,000	\$ 15,028,000	1.8%	\$ 3,687,000	407.6%
Actuarial Valuation as of January 1, 2008....	\$ 329,000	11,649,000	11,320,000	2.8%	3,958,000	286.0%
Actuarial Valuation as of January 1, 2006....	-	9,812,000	9,812,000	0.0%	3,589,000	273.4%

For a complete analysis of the Commonwealth's actuarial valuation report, please contact the Office of the State Comptroller, 1 Ashburton Place, 9th Floor, Boston, MA 02108.



THIS PAGE LEFT INTENTIONALLY BLANK

Statistical Section

(Unaudited)



*Excludes MassDOT
Ten-Year Schedules – Statutory Basis
Higher Education Non-appropriated Funds – Statutory Basis

See review report

Ten-Year Schedule Of Revenues And Other Financing Sources
All Governmental Fund Types - Statutory Basis

June 30, 2010
(Amounts in millions)

	2010	%	2009	%	2008	%	2007	%
		Total		Total		Total		Total
Taxes.....	\$ 18,792	40.3	\$ 18,513	38.8	\$ 21,009	44.6	\$ 19,849	44.4
Federal reimbursements.....	9,374	20.1	9,139	19.1	6,937	14.7	6,830	15.3
Federal grants.....	3,134	6.7	2,646	5.5	2,065	4.4	1,989	4.5
Lotteries.....	4,629	9.9	4,649	9.7	4,915	10.4	4,670	10.4
Assessments.....	971	2.1	894	1.9	806	1.7	794	1.8
Motor vehicle licenses and registrations.....	463	1.0	383	0.8	376	0.8	374	0.8
Fees, investment earnings, etc.....	2,830	6.0	2,800	5.9	3,200	6.8	2,450	5.6
Proceeds of general and special obligation bonds and related premiums.....	1,672	3.6	2,141	4.5	1,306	2.8	1,604	3.6
Proceeds of refunding bonds.....	538	1.2	390	0.8	-	0.0	1,531	3.4
Other interfund transfers.....	4,233	9.1	6,197	13.0	6,538	13.9	4,605	10.3
Total revenues and other financing sources.....	\$ 46,636	100.0	\$ 47,752	100.0	\$ 47,152	100.0	\$ 44,696	100.0

For FY2010, this schedule reflects Budgeted, Non-Budgeted and Capital Projects revenues and other financing sources only.

	2006	% Total	2005	% Total	2004	% Total	2003	% Total	2002	% Total	2001	% Total
\$	18,593	43.9	\$ 17,192	40.7	\$ 16,055	36.8	\$ 15,032	36.2	\$ 14,341	39.6	\$ 16,753	43.5
	6,307	14.9	6,018	14.3	6,331	14.5	5,528	13.3	5,237	14.5	4,668	12.1
	2,046	4.8	1,996	4.7	2,024	4.6	1,852	4.5	1,595	4.4	1,450	3.8
	4,739	11.2	4,705	11.2	4,605	10.6	4,425	10.7	4,425	12.2	4,138	10.7
	793	1.9	785	1.9	746	1.7	634	1.5	582	1.6	585	1.5
	361	0.9	401	1.0	376	0.9	383	0.9	326	0.9	311	0.8
	2,891	6.8	2,945	6.8	2,556	5.9	2,140	5.2	2,122	5.9	2,212	5.7
	1,838	4.3	1,354	3.2	1,993	4.6	1,911	4.6	1,358	3.7	1,912	5.0
	633	1.5	1,385	3.3	3,302	7.6	3,398	8.2	1,501	4.1	999	2.6
	4,145	9.8	5,409	12.8	5,629	12.9	6,173	14.9	4,749	13.1	5,487	14.3
<u>\$</u>	<u>42,346</u>	<u>100.0</u>	<u>\$ 42,190</u>	<u>100.0</u>	<u>\$ 43,617</u>	<u>100.0</u>	<u>\$ 41,476</u>	<u>100.0</u>	<u>\$ 36,236</u>	<u>100.0</u>	<u>\$ 38,515</u>	<u>100.0</u>

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

June 30, 2010
(Amounts in millions)

	2010	%	2009	%	2008	%	2007	%
		Total		Total		Total		Total
Income.....	\$ 10,110	53.8	\$ 10,584	57.2	\$ 12,484	59.4	\$ 11,400	57.4
Sales and use.....	4,626	24.6	3,880	21.0	4,098	19.5	4,076	20.5
Corporations.....	1,600	8.5	1,549	8.4	1,512	7.2	1,588	8.0
Motor fuels.....	655	3.5	654	3.5	673	3.2	676	3.4
Cigarette.....	456	2.4	457	2.5	437	2.1	438	2.2
Insurance.....	285	1.5	309	1.7	369	1.8	369	1.9
Estate and inheritance.....	221	1.2	260	1.4	254	1.2	250	1.3
Banks.....	235	1.3	243	1.3	548	2.6	341	1.7
Alcoholic beverages.....	72	0.4	73	0.4	72	0.3	71	0.4
Other.....	532	2.8	504	2.6	562	2.7	640	3.2
Total taxes.....	<u>\$ 18,792</u>	<u>100.0</u>	<u>\$ 18,513</u>	<u>100.0</u>	<u>\$ 21,009</u>	<u>100.0</u>	<u>\$ 19,849</u>	<u>100.0</u>

For FY2010, this schedule reflects Budgeted, Non-Budgeted and Capital Projects revenues and other financing sources only.

2006	% Total	2005	% Total	2004	% Total	2003	% Total	2002	% Total	2001	% Total
\$ 10,483	56.4	\$ 9,690	56.4	\$ 8,830	55.0	\$ 8,026	53.4	\$ 7,913	55.2	\$ 9,903	59.1
4,009	21.6	3,891	22.6	3,743	23.3	3,708	24.7	3,696	25.8	3,756	22.4
1,391	7.5	1,063	6.2	998	6.2	875	5.8	587	4.2	945	5.7
672	3.6	685	4.0	684	4.3	676	4.5	667	4.7	660	3.9
435	2.3	424	2.5	425	2.6	451	3.0	275	1.9	271	1.6
397	2.1	373	2.2	374	2.3	345	2.3	348	2.4	323	1.9
196	1.1	255	1.5	195	1.2	181	1.2	200	1.4	203	1.2
350	1.9	199	1.2	239	1.5	269	1.8	137	1.0	180	1.1
70	0.4	69	0.4	69	0.4	67	0.5	66	0.5	65	0.4
590	3.1	543	3.3	498	3.2	434	2.9	452	3.2	447	2.7
<u>\$ 18,593</u>	<u>100.0</u>	<u>\$ 17,192</u>	<u>100.0</u>	<u>\$ 16,055</u>	<u>100.0</u>	<u>\$ 15,032</u>	<u>100.0</u>	<u>\$ 14,341</u>	<u>100.0</u>	<u>\$ 16,753</u>	<u>100.0</u>

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

June 30, 2010
(Amounts in millions)

	2010	%	2009	%	2008	%	2007	%
		Total		Total		Total		Total
Legislature.....	\$ 59	0.1	\$ 60	0.1	\$ 58	0.1	\$ 59	0.1
Judiciary.....	788	1.7	814	1.6	831	1.7	788	1.8
Inspector General.....	4	-	3	-	3	-	3	-
Governor and Lieutenant Governor.....	5	-	8	-	9	-	5	-
Secretary of the Commonwealth.....	54	0.1	53	0.1	53	0.1	55	0.1
Treasurer and Receiver-General.....	5,483	11.5	6,043	12.2	5,640	11.8	5,267	11.7
Auditor of the Commonwealth.....	17	-	20	-	19	-	18	-
Attorney General.....	53	0.1	57	0.1	56	0.1	52	0.1
Ethics Commission.....	2	-	2	-	2	-	2	-
District Attorney.....	96	0.2	104	0.2	104	0.2	96	0.2
Office of Campaign and Political Finance.....	1	-	1	-	1	-	2	-
Sheriff's Departments.....	378	0.8	295	0.6	296	0.7	275	0.6
Disabled Persons Protection Commission.....	2	-	3	-	2	-	2	-
Board of Library Commissioners.....	34	0.1	48	0.1	46	0.1	42	0.1
Comptroller.....	15	-	14	-	14	-	14	-
Administration and finance.....	7,040	14.8	6,892	14.2	7,059	14.8	7,043	15.7
Energy and environmental affairs.....	529	1.1	526	1.1	473	1.0	450	1.0
Housing and community development.....	-	-	-	-	-	-	509	1.1
Health and human services.....	16,044	33.7	16,468	33.3	15,504	32.5	14,456	32.2
Transportation and public works.....	509	1.1	1,689	3.4	1,378	2.9	1,404	3.1
Massachusetts department of transportation.....	1,542	3.2	-	-	-	-	-	-
Executive office of education.....	3,184	6.7	3,390	6.9	2,989	6.3	2,936	6.5
Public safety and homeland security.....	1,308	2.7	1,456	2.9	1,381	2.9	1,253	2.8
Housing and economic development.....	1,245	2.6	981	2.0	857	1.8	508	1.1
Labor and workforce development.....	403	0.8	331	0.7	274	0.6	67	0.1
Elder affairs.....	-	-	-	-	-	-	-	-
Consumer affairs.....	-	-	-	-	-	-	-	-
Labor.....	-	-	-	-	-	-	-	-
Post employment benefits.....	1,749	3.7	1,314	2.7	1,399	2.9	1,335	3.0
Debt service.....	2,117	4.5	2,145	4.3	2,239	4.7	2,352	5.2
Payments to refunded bond escrow agent.....	538	1.1	-	-	-	-	1,531	3.4
Other fund deficit support.....	-	-	220	0.4	1,593	3.3	-	-
Other interfund transfers.....	4,373	9.2	6,456	13.1	5,403	11.3	4,383	9.8
Total expenditures and other financing uses.....	\$ 47,572	100	\$ 49,393	100	\$ 47,683	100	\$ 44,907	100

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

For FY2010, this schedule reflects Budgeted, Non-Budgeted and Capital Projects revenues and other financing sources only.

2006	% Total	2005	% Total	2004	% Total	2003	% Total	2002	% Total	2001	% Total
\$ 55	0.1	\$ 54	0.1	\$ 51	0.1	\$ 55	0.1	\$ 59	0.2	\$ 58	0.2
672	1.6	634	1.5	599	1.4	589	1.4	589	1.5	604	1.6
3	-	4	-	2	-	2	-	2	-	3	-
5	-	5	-	5	-	5	-	6	-	6	-
45	0.1	50	0.1	45	0.1	49	0.1	41	0.1	50	0.1
5,635	13.6	5,760	13.7	4,600	11.1	4,416	10.5	4,398	11.4	4,155	11.3
19	-	18	-	16	-	17	-	16	-	16	-
49	0.1	45	0.1	44	0.1	45	0.1	47	0.1	43	0.1
1	-	2	-	1	-	1	-	2	-	2	-
88	0.2	82	0.2	81	0.2	79	0.2	88	0.2	85	0.2
1	-	1	-	1	-	1	-	2	-	2	-
251	0.6	226	0.5	218	0.5	216	0.5	217	0.6	203	0.6
2	-	2	-	2	-	2	-	2	-	2	-
49	0.1	47	0.1	48	0.1	46	0.1	58	0.2	57	0.2
14	0.0	21	-	35	0.1	21	-	11	-	11	-
6,601	16.1	6,235	14.8	6,184	15.0	6,241	14.9	6,315	16.4	5,937	16.1
390	0.9	346	0.8	336	0.8	357	0.9	440	1.1	426	1.2
659	1.6	597	1.4	589	1.4	568	1.4	533	1.4	527	1.4
13,539	32.6	13,383	31.8	12,504	30.1	11,338	27.0	11,124	28.9	10,058	27.3
1,376	3.3	1,569	3.7	1,586	3.8	1,844	4.4	2,052	5.3	2,212	6.0
-	-	-	-	-	-	-	-	-	-	-	-
2,726	6.6	2,250	5.4	2,481	6.0	2,589	6.2	2,648	6.9	2,564	7.0
1,180	2.8	1,111	2.6	1,160	2.8	1,156	2.8	1,138	3.0	1,104	3.0
323	0.8	299	0.7	326	0.8	31	0.1	36	0.1	53	0.1
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	315	0.8	304	0.8	241	0.7
-	-	-	-	-	-	55	0.1	58	0.2	59	0.2
-	-	-	-	-	-	282	0.7	237	0.6	195	0.5
1,275	3.1	1,217	2.9	702	1.7	813	1.9	796	2.1	1,040	2.8
2,028	4.9	1,719	4.1	1,605	3.9	1,467	3.5	1,382	3.6	739	2.0
633	1.5	1,153	2.7	2,833	6.8	3,398	8.1	1,277	3.3	1,649	4.5
-	-	-	-	-	-	-	-	-	-	-	-
3,887	9.4	5,197	12.4	5,503	13.2	5,963	14.2	4,626	12.0	4,761	12.9
<u>\$ 41,506</u>	<u>100.0</u>	<u>\$ 42,027</u>	<u>100.0</u>	<u>\$ 41,556</u>	<u>100.0</u>	<u>\$ 41,961</u>	<u>100.0</u>	<u>\$ 38,504</u>	<u>100.0</u>	<u>\$ 36,862</u>	<u>100.0</u>

**Ten-Year Schedule Of Budgeted Funds Expenditures and Other Uses By
Major Program Category**
June 30, 2010
(Amounts in millions)

	2010	2009	2008*	2007	2006	2005	2004	2003	2002	2001
Direct local aid.....	\$ 4,837	\$ 4,724	\$ 5,040	\$ 5,033	\$ 4,619	\$ 4,477	\$ 4,784	\$ 5,069	\$ 5,189	\$ 4,969
Medicaid.**.....	9,287	8,537	8,104	7,413	6,726	5,857	5,742	5,485	5,259	4,642
Other health and human services.....	4,616	4,970	5,014	-	-	-	-	-	-	-
Public assistance.....	-	-	-	1,258	1,129	1,095	1,019	1,019	1,030	991
Elementary and secondary education.....	358	496	486	-	-	-	-	-	-	-
Higher education.....	846	1,036	1,085	1,116	988	915	831	969	1,030	1,102
Early education and care.....	513	560	550	-	-	-	-	-	-	-
Public safety.....	1,053	1,224	1,265	-	-	-	-	-	-	-
Energy and environment.....	202	216	227	-	-	-	-	-	-	-
MBTA and regional transit authorities.....	-	-	-	52	50	49	53	42	49	69
Pension.....	1,749	1,314	1,399	1,335	1,275	1,217	702	813	796	1,040
Group health insurance.....	1,064	973	853	1,022	964	846	788	739	717	641
Debt service.....	1,860	1,891	1,868	2,085	1,666	1,581	1,420	1,374	1,305	676
Major programs.....	26,385	25,941	25,891	19,314	17,417	16,037	15,339	15,510	15,375	14,130
Other program expenditures.....	2,999	2,762	2,739	8,343	7,777	7,247	6,819	6,700	7,254	7,163
Interfund transfers and other uses.....	1,810	3,867	4,405	1,819	1,749	2,726	2,749	3,540	2,046	1,772
Total expenditures and other uses.....	\$ 31,194	\$ 32,570	\$ 33,035	\$ 29,476	\$ 26,943	\$ 26,010	\$ 24,907	\$ 25,750	\$ 24,675	\$ 23,065

* Current presentation aligned with Bond Official Statements - Commonwealth Expenditures - Budgeted Operating Funds

** Exclusive of Non-Budgeted Medicaid spending from FY03 through FY2007 within the Health Care Quality Improvement Fund totalling \$201 million, \$288 million, \$292 million, \$292 million and \$290 million in FY03 through FY07 respectively.

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

Fiscal Year Ended June 30, 2010
(Amounts in millions)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General obligation bonds.....	\$17,683	\$17,052	\$ 16,085	\$ 16,033	\$ 15,393	\$ 14,492	\$ 14,143	\$ 13,651	\$ 12,618	\$ 11,961
Grant anticipation notes*.....	991	1,134	1,536	1,666	1,789	1,907	1,907	1,499	1,499	1,499
Special obligation bonds.....	1,053	1,079	1,113	1,249	1,279	1,458	1,332	813	838	539
Commonwealth long-term bonds...	\$ 19,727	\$ 19,265	\$ 18,734	\$ 18,948	\$ 18,461	\$ 17,857	\$ 17,382	\$ 15,963	\$ 14,955	\$ 13,999

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

Schedule Of Central Artery / Tunnel Project Spending and Funding Sources

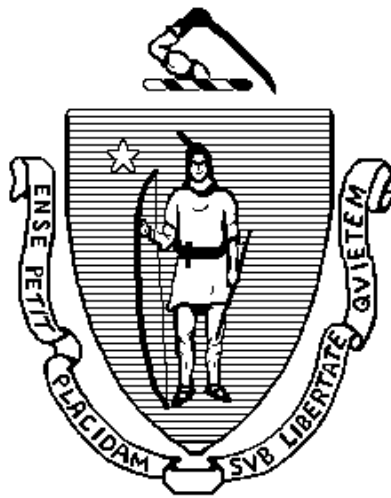
Fiscal Year Ended June 30, 2010
(Amounts in millions)

	Life of Project											
	Cumulative	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
Federal Funds.....	\$ 7,031	\$ 1	\$ 162	\$ (28)	\$ (16)	\$ (2)	\$ 53	\$ 363	\$ 292	\$ 314	\$ 290	
Grant anticipation notes.....	1,500	-	-	-	-	-	-	-	23	9	353	
Commonwealth debt and other Funds (subject to administrative cap).....	1,634	4	(136)	31	145	3	68	59	160	143	235	
Commonwealth debt and other Funds (not subject to administrative cap).....	2,491	42	14	72	26	234	388	269	502	665	279	
Payments from the Massachusetts Turnpike Authority or the Massachusetts Port Authority or related interest.....	1,778	-	2	-	49	44	-	-	11	52	106	
Settlement Revenues.....	24	-	-	-	24	-	-	-	-	-	-	
Total Commonwealth Spending.....	\$ 14,458	\$ 47	\$ 42	\$ 75	\$ 228	\$ 279	\$ 509	\$ 691	\$ 988	\$ 1,183	\$ 1,263	

* Source: MassDOT. Totals may not add due to rounding.

** Negative amounts in any fiscal year are caused by reclassification of prior year expenditures to a different funding source.

2000	1999	1998	1997	1996	1995	1994	1993	1992
\$ 332	\$ 429	\$ 900	\$ 630	\$ 479	\$ 857	\$ 769	\$ 494	\$ 302
408	412	295	-	-	-	-	-	-
229	(142)	116	293	286	22	16	16	34
-	-	-	-	-	-	-	-	-
481	817	113	60	43	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 1,450</u>	<u>\$ 1,516</u>	<u>\$ 1,424</u>	<u>\$ 983</u>	<u>\$ 808</u>	<u>\$ 879</u>	<u>\$ 785</u>	<u>\$ 510</u>	<u>\$ 336</u>



THIS PAGE LEFT INTENTIONALLY BLANK

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. The Public Institutions of Higher Education include:

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

State College System – The State College System includes the nine state colleges, which provide four-year post-secondary education programs. These colleges include:

Bridgewater State College
Framingham State College
Fitchburg State College
Massachusetts College of Art
Massachusetts Maritime Academy
Massachusetts College of Liberal Arts
Salem State College
Worcester State College
Westfield State College

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

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

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

Fiscal Year Ended June 30, 2010
(Amounts in thousands)

	University	State	Community	TOTALS	
	of Massachusetts	Colleges	Colleges	2010	2009
Revenues and other financing sources					
Federal grants and reimbursements.....	\$ 358,571	\$ 45,395	\$ 143,827	\$ 547,793	\$ 411,883
Departmental revenue.....	872,209	339,401	320,940	1,532,550	1,227,258
Miscellaneous revenue.....	1,077,546	336,285	229,610	1,643,441	1,295,017
Total revenues and other financing sources.....	<u>2,308,326</u>	<u>721,081</u>	<u>694,377</u>	<u>3,723,784</u>	<u>2,934,158</u>
Expenditures and other financing uses (by MMARS subsidiary):					
AA Regular employee compensation.....	539,374	121,173	124,444	784,991	693,210
BB Regular employee related expenses.....	22,962	4,284	2,783	30,029	28,909
CC Special employees and contracted services.....	201,408	97,995	168,996	468,399	408,369
DD Pension and insurance.....	178,521	31,783	26,968	237,272	205,648
EE Administrative expenditures.....	83,173	64,692	55,779	203,644	200,583
FF Facility operational supplies.....	178,220	11,784	21,718	211,722	199,013
GG Energy costs and space rental.....	112,344	27,950	16,195	156,489	195,318
HH Consultant services.....	204,274	9,877	7,171	221,322	210,422
JJ Operational services.....	33,066	21,553	6,584	61,203	58,926
KK Equipment purchase.....	39,389	6,116	5,877	51,382	32,861
LL Equipment leases, maintenance and repair.....	21,655	8,431	7,836	37,922	37,886
MM Purchased client services and programs.....	18,404	2,285	4,394	25,083	29,936
NN Construction and improvements.....	86,380	24,724	12,141	123,245	155,648
PP Aid to local governments.....	-	9	311	320	672
RR Benefit programs.....	172,672	59,263	133,258	365,193	361,792
SS Debt payment.....	-	6,559	1,725	8,284	100,330
TT Loans and special payments.....	219,425	104,863	22,635	346,923	256,836
UU Information technology (IT) expenses	71,406	15,613	18,720	105,739	96,651
Total expenditures and other uses.....	<u>2,182,673</u>	<u>618,954</u>	<u>637,535</u>	<u>3,439,162</u>	<u>3,273,010</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other uses.....	125,653	102,127	56,842	284,622	(338,852)
Fund balance at beginning of year.....	85,885	100,606	171,405	357,896	696,748
Fund balance at end of year.....	<u>\$ 211,538</u>	<u>\$ 202,733</u>	<u>\$ 228,247</u>	<u>\$ 642,518</u>	<u>\$ 357,896</u>

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

Fiscal Year Ended June 30, 2010
(Amounts in thousands)

	<u>2010</u>	<u>2009</u>
Revenues and other financing sources		
Federal grants and reimbursements.....	\$ 358,571	\$ 288,356
Departmental revenue.....	872,209	630,607
Miscellaneous revenue.....	<u>1,077,546</u>	<u>876,295</u>
Total revenues and other financing sources.....	<u>2,308,326</u>	<u>1,795,258</u>
Expenditures and other financing uses (by MMARS subsidiary):		
AA Regular employee compensation.....	539,374	497,317
BB Regular employee related expenses.....	22,962	21,496
CC Special employees and contracted services.....	201,408	186,409
DD Pension and insurance.....	178,521	160,963
EE Administrative expenditures.....	83,173	83,399
FF Facility operational supplies.....	178,220	159,450
GG Energy costs and space rental.....	112,344	143,535
HH Consultant services.....	204,274	191,379
JJ Operational services.....	33,066	26,372
KK Equipment purchase.....	39,389	18,527
LL Equipment leases, maintenance and repair.....	21,655	21,258
MM Purchased client services and programs.....	18,404	21,850
NN Construction and improvements.....	86,380	88,900
RR Benefit programs.....	172,672	205,234
SS Debt payment.....	-	93,384
TT Loans and special payments.....	219,425	144,169
UU Information technology (IT) expenses	<u>71,406</u>	<u>63,567</u>
Total expenditures and other financing uses.....	<u>2,182,673</u>	<u>2,127,209</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	125,653	(331,951)
Fund balance at beginning of year.....	<u>85,885</u>	<u>417,836</u>
Fund balance at end of year.....	<u>\$ 211,538</u>	<u>\$ 85,885</u>

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

Fiscal Year Ended June 30, 2010
(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.....	\$ 9,072	\$ 3,262	\$ 5,396	\$ 2,147
Departmental revenue.....	89,110	23,534	39,947	21,881
Miscellaneous revenue.....	67,665	31,136	22,301	11,616
Total revenues and other financing sources.....	<u>165,847</u>	<u>57,932</u>	<u>67,644</u>	<u>35,644</u>
Expenditures and other financing uses (by MMARS subsidiary):				
AA Regular employee compensation.....	45,017	5,092	10,310	9,247
BB Regular employee related expenses.....	967	207	201	334
CC Special employees and contracted services.....	32,244	7,662	10,500	3,133
DD Pension and insurance.....	12,199	1,399	3,007	867
EE Administrative expenditures.....	19,095	29,474	1,111	1,827
FF Facility operational supplies.....	2,431	677	1,003	1,095
GG Energy costs and space rental.....	4,711	1,324	4,403	1,852
HH Consultant services.....	2,583	702	666	1,435
JJ Operational services.....	8,266	366	40	1,077
KK Equipment purchase.....	2,296	273	1,153	630
LL Equipment leases, maintenance and repair.....	3,698	430	630	184
MM Purchased client services and programs.....	933	303	260	-
NN Construction and improvements.....	2,825	1,539	3,780	3,492
PP Aid to local governments.....	-	-	-	-
RR Benefit programs.....	14,682	3,035	4,709	3,874
SS Debt payment.....	-	271	-	-
TT Loans and special payments.....	10,645	2,279	15,748	1,894
UU Information technology (IT) expenses	160	2,022	3,334	1,628
Total expenditures and other financing uses.....	<u>162,752</u>	<u>57,055</u>	<u>60,855</u>	<u>32,569</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	3,095	877	6,789	3,075
Fund balance at beginning of year.....	27,322	26,506	24,340	9,580
Fund balance at end of year.....	<u>\$ 30,417</u>	<u>\$ 27,383</u>	<u>\$ 31,129</u>	<u>\$ 12,655</u>

Massachusetts Maritime Academy	Massachusetts College of Liberal Arts	Salem State College	Worcester State College	Westfield State College	TOTALS	
					2010	2009
\$ 919	\$ 2,954	\$ 15,288	\$ 645	\$ 5,712	\$ 45,395	\$ 28,953
24,992	19,198	26,469	40,468	53,802	339,401	312,855
8,008	12,184	142,887	16,390	24,098	336,285	236,735
<u>33,919</u>	<u>34,336</u>	<u>184,644</u>	<u>57,503</u>	<u>83,612</u>	<u>721,081</u>	<u>578,543</u>
6,904	5,780	21,111	1,747	15,965	121,173	92,234
616	415	118	571	855	4,284	4,774
4,930	7,278	15,066	6,524	10,658	97,995	97,661
2,057	1,394	5,805	373	4,682	31,783	23,017
973	2,268	4,557	3,029	2,358	64,692	65,873
1,115	501	2,409	1,454	1,099	11,784	12,723
1,726	1,222	2,322	6,441	3,949	27,950	27,449
931	608	488	1,092	1,372	9,877	11,444
5,485	3,353	768	1,098	1,100	21,553	25,689
656	134	175	393	406	6,116	8,743
362	578	266	1,339	944	8,431	8,779
-	-	369	-	420	2,285	2,947
1,213	1,466	5,543	710	4,156	24,724	43,125
-	-	9	-	-	9	100
871	4,057	15,371	7,065	5,599	59,263	52,396
-	13	-	-	6,275	6,559	5,508
3,501	2,276	48,430	5	20,085	104,863	100,346
1,213	871	4,432	-	1,953	15,613	19,260
<u>32,553</u>	<u>32,214</u>	<u>127,239</u>	<u>31,841</u>	<u>81,876</u>	<u>618,954</u>	<u>602,068</u>
1,366	2,122	57,405	25,662	1,736	102,127	(23,525)
<u>5,116</u>	<u>12,359</u>	<u>(18,375)</u>	<u>(11,994)</u>	<u>25,751</u>	<u>100,606</u>	<u>124,131</u>
<u>\$ 6,482</u>	<u>\$ 14,481</u>	<u>\$ 39,030</u>	<u>\$ 13,668</u>	<u>\$ 27,487</u>	<u>\$ 202,733</u>	<u>\$ 100,606</u>

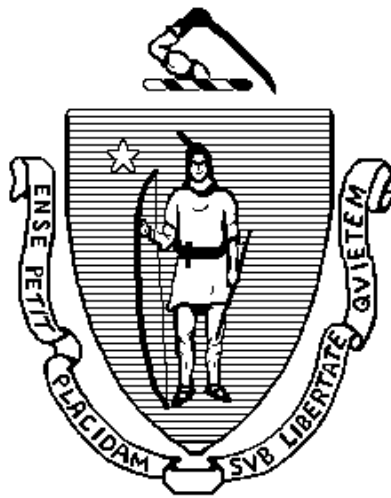
Community College System
Combining Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 2010

(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.....	\$ 4,204	\$ 17,267	\$ 13,177	\$ 4,727	\$ 3,125	\$ 12,182	\$ 11,821
Departmental revenue.....	6,397	34,681	17,400	11,681	8,087	13,441	23,057
Miscellaneous revenue.....	4,661	18,427	35,097	12,088	5,822	17,655	12,765
Total revenues and other financing sources.....	<u>15,262</u>	<u>70,375</u>	<u>65,674</u>	<u>28,496</u>	<u>17,034</u>	<u>43,278</u>	<u>47,643</u>
Expenditures and other financing uses (by MMARS subsidiary):							
AA Regular employee compensation.....	2,175	21,330	7,721	3,785	4,454	7,498	5,570
BB Regular employee related expenses.....	101	124	234	127	122	251	82
CC Special employees and contracted services.....	5,801	12,523	27,286	9,839	4,232	8,089	14,536
DD Pension and insurance.....	674	1,156	2,537	1,349	1,078	2,091	1,999
EE Administrative expenditures.....	856	2,631	1,569	1,115	337	1,856	1,291
FF Facility operational supplies.....	472	863	899	406	932	3,648	1,057
GG Energy costs and space rental.....	563	924	1,884	430	490	514	1,000
HH Consultant services.....	171	643	606	165	362	214	274
JJ Operational services.....	707	1,606	418	208	349	980	247
KK Equipment purchase.....	274	692	268	86	330	218	233
LL Equipment leases, maintenance and repair.....	145	538	254	112	70	184	843
MM Purchased client services and programs.....	76	401	934	-	4	39	469
NN Construction and improvements.....	390	4,615	653	468	165	994	1,001
PP Aid to local governments.....	-	-	-	-	-	-	-
RR Benefit programs.....	2,200	18,272	13,675	6,373	2,841	14,054	8,971
SS Debt payment.....	-	-	-	22	-	129	-
TT Loans and special payments.....	90	-	241	67	53	-	3,660
UU Information technology (IT) expenses.....	654	2,618	1,491	1,129	538	1,191	1,365
Total expenditures and other financing uses.....	<u>15,349</u>	<u>68,936</u>	<u>60,670</u>	<u>25,681</u>	<u>16,357</u>	<u>41,950</u>	<u>42,598</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses..	(87)	1,439	5,004	2,815	677	1,328	5,045
Fund balance at beginning of year.....	2,860	14,229	8,393	11,274	1,120	6,548	6,507
Fund balance at end of year.....	<u>\$ 2,773</u>	<u>\$ 15,668</u>	<u>\$ 13,397</u>	<u>\$ 14,089</u>	<u>\$ 1,797</u>	<u>\$ 7,876</u>	<u>\$ 11,552</u>

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	
								2010	2009
\$ 4,599	\$ 17,011	\$ 605	\$ 11,754	\$ 13,935	\$ 12,023	\$ 6,388	\$ 11,009	\$ 143,827	\$ 94,574
17,925	29,141	24,500	36,101	27,217	41,564	2,262	27,486	320,940	283,796
12,944	25,325	13,835	19,847	13,119	5,132	22,883	10,010	229,610	181,987
<u>35,468</u>	<u>71,477</u>	<u>38,940</u>	<u>67,702</u>	<u>54,271</u>	<u>58,719</u>	<u>31,533</u>	<u>48,505</u>	<u>694,377</u>	<u>560,357</u>
3,885	13,459	14,428	6,325	18,960	12,883	541	1,430	124,444	103,659
160	466	207	12	122	347	79	349	2,783	2,639
6,168	22,866	6,813	5,436	7,501	8,977	22,210	6,719	168,996	124,299
2,281	3,894	1,082	1,794	1,520	4,558	287	668	26,968	21,668
1,491	2,186	1,409	33,837	1,571	1,944	531	3,155	55,779	51,311
533	1,109	1,406	10	3,886	4,369	829	1,299	21,718	26,840
1,376	4,096	1,749	58	1,063	1,221	290	537	16,195	24,334
-	2	434	24	750	1,221	400	1,905	7,171	7,599
-	(5)	184	66	206	163	512	943	6,584	6,865
-	733	697	27	343	601	97	1,278	5,877	5,591
-	427	790	2	97	2,156	159	2,059	7,836	7,849
250	-	725	-	80	-	-	1,416	4,394	5,139
1,729	-	176	62	436	868	412	172	12,141	23,623
-	-	311	-	-	-	-	-	311	572
4,854	172	3,216	18,285	12,291	12,022	2,034	13,998	133,258	104,162
34	-	354	-	1,150	36	-	-	1,725	1,438
-	16,454	1,537	-	-	443	90	-	22,635	12,321
3,401	76	46	76	1,371	4,219	490	55	18,720	13,824
<u>26,162</u>	<u>65,935</u>	<u>35,564</u>	<u>66,014</u>	<u>51,347</u>	<u>56,028</u>	<u>28,961</u>	<u>35,983</u>	<u>637,535</u>	<u>543,733</u>
9,306	5,542	3,376	1,688	2,924	2,691	2,572	12,522	56,842	16,624
31,483	1,611	2,179	3,781	7,155	3,993	15,834	54,438	171,405	154,781
<u>\$ 40,789</u>	<u>\$ 7,153</u>	<u>\$ 5,555</u>	<u>\$ 5,469</u>	<u>\$ 10,079</u>	<u>\$ 6,684</u>	<u>\$ 18,406</u>	<u>\$ 66,960</u>	<u>\$ 228,247</u>	<u>\$ 171,405</u>



THIS PAGE LEFT INTENTIONALLY BLANK